

## RESPA Reform in 2010

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### Power Alert Summary

#### I. Direction for GFE Submission to Nationstar *(See new Process under Item 4 below)*

#### II. Change Circumstances

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In continued support of RESPA Reform, we ask you to become familiar with Nationstar Mortgage Wholesale Lending's process to meet RESPA 2010 requirements. Nationstar has a new process flow for our Option 2 which will assist in expediting the submission process.

#### I. DIRECTIONS FOR GFE SUBMISSION TO NATIONSTAR WITH OPTION 2

If you have chosen Option 2, when entering loans into XpressQual, please ensure all fees mirror the fees on the new Good Faith Estimate (GFE) delivered to the borrower. Option 2 is described in detail in the Power Alert published on 12/13/09, available at:

[http://www.nationstarBroker.com/documents/news/20091215\\_PowerAlert\\_RESPA\\_Reform2.pdf](http://www.nationstarBroker.com/documents/news/20091215_PowerAlert_RESPA_Reform2.pdf).

#### ★ Please ensure the following steps are taken:

1. All settlement charges and totals on the GFE must be listed as dollar amounts.
  - New GFE Form, Page 2, Block 1 must include all Broker charges and Nationstar's Underwriting fees, Broker fees including: Broker Origination fee, Mortgage Broker fee and Yield Spread Premium (YSP).
  - New GFE, Block 2 contains the full YSP gross amount. This is required on floating loans as well as rate locked loans. Rate locking a loan is not considered a valid Changed Circumstance with respect to increases in Section 1 of the GFE "Our Origination Charge." Any increase of YSP due to a rate lock will be shown in Block 2 and will act as a credit to the borrower at closing. YSP must be in both Block 1 and Block 2.
2. The Regulation requires all settlement charges, which are typically paid by the borrower, to be disclosed on the GFE, regardless of who is paying for the charge. Any charge not disclosed on the GFE which exceeds tolerance limitations will become the Broker's responsibility to pay at closing.
3. Nationstar not only requires the online certification but also requires the Broker's RESPA certification to be signed and dated and mailed to the borrower with the GFE.  
[Click here for Nationstar's Broker Certification Form.](#)

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If you have questions, contact your Account Executive or visit us online.

**1.877.698.7300 ★ nationstarbroker.com**

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Nationstar Mortgage is a national lender offering government and conventional products to select mortgage Brokers. Our success is based on our commitment to providing exceptional customer service and a comprehensive range of programs to empower your business to succeed.

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- 4. Nationstar requires review of all GFE's submitted by the mortgage Broker for acceptability. This review will occur immediately upon submission through XpressQual. At the time the Broker registers an application with Nationstar, the Broker is required to IMMEDIATELY send the GFE, the 1003 and the Broker certification into [GFE@Nationstarmail.com](mailto:GFE@Nationstarmail.com) or fax to 972-966-4664.**
- If the GFE is acceptable, Nationstar will send out our disclosures to the borrower.
  - If the GFE is inaccurate, but Nationstar believes we can still work with the GFE, we will discuss with the Broker the fees which are inaccurate and adjust accordingly and send out our disclosures. Any fees that must be increased due to an inaccurate initial disclosure by the Broker, will reduce overall Broker compensation. Increased fees will not be passed on to the borrower without a valid Changed Circumstance.
  - If the GFE is unacceptable, we will notify the Broker of the reason and the registration will be cancelled and Nationstar will not accept the application. This action will engage a 90-day waiting period to resubmit the application to Nationstar.

## II. CHANGED CIRCUMSTANCES

1. Upon the event of a Changed Circumstance, the Broker must request an update to fees within 24 hours of any Changed Circumstance. If we have not received an update within 24 hours, Nationstar will automatically re-disclose the GFE, as we are obligated to comply with the RESPA Reform requirement to re-disclose in a timely manner.
2. A rate lock revision is considered a Change Circumstance and fees must be updated, if applicable to the rate lock. Please remember that Box 1, Page 2 of the GFE cannot change due to a change in rate lock. Again, if fees change and have not been sent in to Nationstar upon rate lock, the loan may be re-disclosed without notice to the Broker and the Broker will be responsible for the fee differences.
3. [Click here for Nationstar's Changed Circumstance Form](#)

Brokers should follow detailed line-item instructions for completing the GFE set forth in Federal Register, Appendix A, published by Department of Housing and Urban Development (HUD) in Volume 73, Number 222 on Monday, November 17, 2008.

At Nationstar Mortgage Wholesale Lending, we continually strive to empower our Broker partners by communicating industry changes and by being more user-friendly than other lenders.

Only Brokers who are approved with Nationstar Mortgage may take advantage of the benefits listed. To become an approved Nationstar Broker, you can email us at [preapproval@nationstarmail.com](mailto:preapproval@nationstarmail.com) or call us at 1-877-698-7300, Option 2.



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