

Power Alert Topics:

- I. GFE Loan Scenarios
- II. Top 10 GFE Errors
- III. New and Improved Nationstar Submission Form

In Nationstar's continuing effort to enable our brokers to submit RESPA-compliant loans, we created this Power Alert with examples of how the GFE (Good Faith Estimate) should be completed based on a variety of loan scenarios and created a list of Top 10 most common errors on the GFE.

I. GFE Loan Scenarios

A. The Broker scenarios in the chart below are based on the following loan parameters:

- Loan Amount: \$200,000
- Total Yield Spread Premium (YSP): \$2,000

		Broker keeps all YSP	Broker Splits YSP w/ Borrower	Broker gives all YSP to Borrower
Line 1	YSP Paid to Broker	\$ 2,000	\$ 1,000	\$ -
	Origination Fee - 1% OR Total YSP	\$ 2,000	\$ 2,000	\$ 2,000
	Processing Fee	\$ 750	\$ 750	\$ 750
	Nationstar U/W Fee	\$ 695	\$ 695	\$ 695
	Box 1 Total	\$ 5,445	\$ 4,445	\$ 3,445
Line 2	YSP - 1%	\$ 2,000	\$ 2,000	\$ 2,000
Block A	Adjusted Origination Charge	\$ 3,445	\$ 2,445	\$ 1,445

B. The float-to-lock scenario in the chart below is based on the following loan parameters:

- Loan Amount: \$200,000
- Initial Total YSP: \$2,000
- Changed Total YSP: \$3,000

		Float to Lock	
		Float 2% YSP	Lock 3% YSP
Line 1	YSP Paid to Broker	\$ 2,000	\$ 2,000
	Origination Fee - 1% OR Total YSP	\$ 2,000	\$ 2,000
	Processing Fee	\$ 750	\$ 750
	Nationstar U/W Fee	\$ 695	\$ 695
	Box 1 Total	\$ 5,445	\$ 5,445
Line 2	YSP - 1%	\$ 2,000	\$ 3,000
Block A	Adjusted Origination Charge	\$ 3,445	\$ 2,445

II. Top 10 GFE Errors

1. **Broker submits a 2009 GFE.** The 2010 HUD-approved GFE is the only version acceptable to Nationstar.
2. **Broker submits a 2010 GFE without a complete Service Provider List.** All GFE's **must** include a Service Provider list and must clearly indicate all services that the Broker has chosen for the Borrower if the Broker is selecting the provider. If the Borrower chooses from the service provider(s) or if the Broker chooses the service provider(s) the 10% tolerance must be adhered to.
3. **Broker includes their YSP in Line #1, but leaves Line #2 completely blank.** – Line 2 should always be the Gross YSP. The adjustment for what the Broker wants to make as income and what the Broker would like to credit the Borrower is adjusted in Line 1. (see examples above)
4. **Broker includes their YSP in Line #2, but fails to include it in Line #1.** The adjustment for what the Broker wants to make as income and what the Broker would like to credit the Borrower is adjusted in Line 1. (see examples above)
5. **Broker does not disclose the Nationstar Underwriting fee in Line #1.** – Nationstar's Underwriting Fee should be included in Line #1
6. **Broker leaves Line #1 completely blank or is calculated incorrectly.** - Line #1 should include all income fees for the Broker and Nationstar Mortgage:

Fees that should be included, but not limited to:	Fees that should NOT be included, but not limited to:
Origination Fee	Tax Service
Broker Administration Fee	Credit Report
Nationstar Underwriting Fee	Flood Certification Fee
Broker Processing Fee	Appraisal
YSP (the Portion which the Broker expects as income)	
Document Preparation Fee (if prepared by a 3rd party)	

7. **Broker does not include 3rd party fees in Line #3.** Third party fees, including Nationstar fees, should be included in Line #3.
 - Tax Service Fee (Nationstar's Fee is \$85.00)
 - Flood Certification Fee (Nationstar's Fee is \$13.00)
 - Appraisal Fee (even if it is paid outside of closing)
 - Credit Report Fee
 - FHA Upfront Mortgage Insurance Premium (MIP) Fee
 - VA Funding Fee
8. **Broker does not disclose any and all seller paid items.** All fees should be included on the GFE even if the seller is paying closing costs.
9. **Broker does not include the transfer tax fees on the GFE in states where transfer tax is a requirement.** The transfer tax fees must be disclosed in states where required. If state or local law is unclear or does not specifically attribute transfer tax to a seller or the borrower, the amount to be disclosed by the broker is governed by common practice or experience in the locality. Not disclosing is a zero tolerance box and will be charged to the Broker if not disclosed upfront.
10. **Broker does not include all income fees in Box 1 including Nationstar Mortgage Underwriting Fee.** All Broker income fees must be included in Box 1 along with Nationstar's Underwriting Fee – No additional fees can be added after the initial GFE.

III. New Submission Forms

We continually strive to make doing business with Nationstar easier. We recently streamlined and improved our Submission Forms. Please click here to be able to access the newest versions.
(<http://www.nationstarbroker.com/LoanSubmissionForms.aspx?Nav=LSF>)

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

1.877.698.7300 • nationstarbroker.com



Nationstar Mortgage is a national lender offering government and conventional products to select mortgage Brokers. We are a wholly-owned subsidiary of Fortress Investment Group (NYSE: FIG), a \$31 billion asset management, private equity and hedge fund corporation. We employ over 1,400 mortgage professionals nationwide and originate wholesale loans in all states except Alaska and Hawaii. Our success is based on our commitment to providing exceptional customer service and a comprehensive range of programs to empower your business to succeed.

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 or call us at 1-877-698-7300, Option 2.



Nationstar Mortgage LLC, 700 E. Highway 121, Suite 100, Lewisville, TX 75067. NMLS Unique Identifier #2119. Alabama Consumer Credit License #MC21042 Arizona Mortgage Banker License #BK-0904370. Licensed by the Department of Corporations under the California Residential Mortgage Lending Act. To check the license Status of your mortgage loan originator, visit <http://www.dora.state.co.us/real-estate/index.htm>. District of Columbia: Conducting Business as: Nationstar Mortgage LLC of Delaware. Georgia Residential Mortgage Licensee, #11585. Illinois Residential Mortgage Licensee, #MB.0004414. Kansas Licensed Mortgage Company, Massachusetts Mortgage Lender License, #ML1443. Minnesota: This statement is not an offer to enter into an agreement. Any such offer may only be made in accordance with the requirements of Minn. Stat. § 47.206(3), (4). Mississippi Licensed Mortgage Company. Crown Center 296, Two Pershing Square, 2300 Main Street, Suite 908, Kansas City, MO 64108. Montana Mortgage Lender Licensee # 57. Nevada Mortgage Banker License #575, 871 Coronado Center Dr., Suite 200, Office 259, Henderson, NV 89052, (702) 952-2872. Licensed by the New Hampshire Banking Department. Licensed by the N.J. Department of Banking and Insurance. Licensed Mortgage Banker-NYS Banking Department. Oregon Mortgage Banker License, #ML-1175. Licensed by the Pennsylvania Department of Banking. Rhode Island Licensed Lender and Rhode Island Licensed Loan Broker. Virginia Nationstar Mortgage LLC, Licensed by the Virginia State Corporation Commission, MC-2075.

The information contained herein is for informational purposes only and is not intended and should not be construed as legal advice. This information is not intended to be relied upon by third parties. Nationstar Mortgage disclaims any and all representations (expressed or implied) with respect to the accuracy of the foregoing information. Some products may not be available in all states. Credit and collateral are subject to approval. Terms and conditions apply. This is not a commitment to lend. The programs, rates, terms and conditions are subject to change at anytime without notice. All rights reserved. Trademarks are the property of Nationstar Mortgage.