

Compliance Focus Areas – New Jersey

Application Disclosures

Application Disclosure (for broker loans, included on NJ Broker Agreement):

- For broker loans, verify UWM's Application Fee (\$945) is listed on disclosure (unless waived and included in pricing).
- Verify Lender Contact Info is listed on disclosure (for broker loans - Compliance Consumer Response Coordinator; for retail loans – loan officer; Lender's company name and address).
- Verify all fees listed are completed or marked N/A.
- Verify that all fees are marked as either refundable or nonrefundable. If refundable, verify refund policy is listed on disclosure.
- Verify there are no prohibited fees listed such as Underwriting Fee, Processing Fee, Third Party Processing Fee, Mortgage Broker Fee, Administration Fee, Commitment Fee, Lock-in Fee, etc.
- Verify realistic estimate of the number of calendar days required to issue a commitment is marked N/A.
- Must be dated at or prior to collection of any fees by a broker or lender.
- This disclosure must be signed by the borrower.

Broker Agreement (broker transactions only):

- Verify broker compensation is identified as Origination on disclosure, (Points, Broker Points, Origination Fee or similar names are acceptable). Application Fee, Broker Fee or Discount Points are not allowed.
- Verify there are no prohibited fees listed such as Underwriting Fee, Processing Fee, Third Party Processing Fee, Mortgage Broker Fee, Administration Fee, Commitment Fee, Lock-in Fee, etc.
- Origination should equal the Destiny Wholesale Extra Information Screen.
- If Origination is marked as refundable, verify refund policy is listed on disclosure.
- Verify disclosure includes broker prepared list of services performed.
- Verify disclosure is dated on or before the 1003.
- This disclosure must be signed by the borrower.
- This may be combined with the Application Disclosure; in such a situation, all information required by both must be included and the earlier date will apply (on or before 1003).

Disclosure Form (aka Settlement Service Fees Estimate):

- Verify fees and fee totals listed on disclosure match corresponding numbered block on LE.
- If any fee is marked as refundable, verify refund policy is listed on disclosure.
- Verify that only fees charged by Lender and the broker are Application Fee (\$945) and Origination (or something similar – see above).
- Verify there are no prohibited fees listed such as Underwriting Fee, Processing Fee, Third Party Processing Fee, Mortgage Broker Fee, Administration Fee, Commitment Fee, Lock-in Fee, etc.
- Verify disclosure date is prior to or no later than three days after 1003.
- This disclosure must be signed and dated by the borrower.

Addendum to Residential Mortgage Loan Application (a/k/a Domestic Partner Disclosure):

- If separate disclosure from 1003, verify dated prior to close.
- Only required for unmarried borrowers.

Choice of Insurer Notice:

- Verify dated prior to final approval.
- Verify the following statement is contained in the disclosure:

NOTICE TO THE BORROWER
YOU MAY BE REQUIRED TO PURCHASE PROPERTY INSURANCE AS A CONDITION OF
RECEIVING THE LOAN.
IF PROPERTY INSURANCE IS REQUIRED, YOU MAY SECURE INSURANCE FROM A COMPANY
OR AGENT OF YOUR OWN CHOOSING.

Authorization of Overnight Delivery Services (a/k/a Courier Fee Agreement)

- Verify dated prior to final approval of the loan.
- This disclosure must be signed by the borrower.

Right to Choose Own Attorney:

- This disclosure must be dated prior to final approval of the loan.
- Verify the disclosure contains a statement that the interests of the borrower and lender are or may be different and may conflict.

Marital Rights

- New Jersey is **not** a community property state.
- For **purchases**, non-borrowing spouses are **not required** to sign the Mortgage and CD, unless they intend to be on title.
- For **refinances**, non-borrowing spouses **are required** to sign the Mortgage, CD and Right of Rescission.

Predatory Lending

UWM does not originate or purchase high-cost home loans. Loans in New Jersey are considered high-cost if the Points and Fees exceed 4.5%.

Closing Practices

New Jersey is a wet settlement state. Funds must be presented to the closing agent no later than closing.