



1st Advantage Mortgage
A DRAPER AND KRAMER Company

December 31, 2009

RESPA REFORM

There are significant changes to RESPA rules which are effective with all new loan applications taken January 1, 2010 or after. Wholesale and Correspondent clients are expected to remain in full compliance with all applicable regulatory and compliance rules related to residential mortgage lending. Should 1AM determine that loans being delivered do not meet the requirements of the new RESPA rules, loans may be subject to repurchase.

New applications dated 1/1/2010 or after will be reviewed for compliance with the new GFE:

- GFE must be delivered no later than 3 business days after the date of the loan application
- A written notification of the borrower's intent to proceed with the transaction must accompany the file submission. An email from the borrower will be acceptable but a sample intent to proceed document is also available on the 1AM Website. A loan approval will not be issued without receipt of the written intent to proceed.
- A copy of the Service Provider's List provided to the borrower must accompany the file submission

The Initial GFE provided by the broker/correspondent will be the binding GFE although 1AM will deliver a redisclosed GFE along with all other disclosures being sent to the borrower. 1AM will also handle all subsequent GFE's required due to any and all changes in circumstance. The broker/correspondent is responsible for submitting a written request from the borrower that would trigger any changes to the amounts listed under "Adjusted Origination Charges."

Please review the new RESPA regulations carefully and establish internal policies and procedures to insure full compliance. All tolerance violations will be the broker/correspondent's responsibility to cure prior to or at the time of settlement.

1AM has published and posted a RESPA Policy for you review on the website.

Please contact your Account Executive with any questions or concerns.

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