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TO: Approved Homestar Rural Housing Originators  
DATE: April 2, 2010  
FROM: HOMESTAR WHOLESAL  
RE: **MDIA & NEW GFE RESPA**

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In a continued effort to comply with MDIA and the New GFE RESPA procedures we have prepared a Changed Circumstance and Borrowers Acknowledgement Form. These forms should be used immediately if applicable.

1. **Borrowers Acknowledgement** – The loan officer should check all boxes that apply for each application taken. The borrower and loan officer **MUST** sign and date the 'Borrower's Acknowledgement' form. This form deals with 3 issues:
  - a) Acknowledgement of Receipt of the INITIAL GFE.
  - b) The Borrowers Intent to proceed with the transaction after receipt of the INITIAL GFE. The borrower has 10 days to shop the INITIAL GFE and is only required to verbally notify the Loan Officer of their intent to proceed.
  - c) The Borrowers Acknowledgement that they were not charged any fee prior to receipt of the INITIAL GFE AND TIL, other than a Credit Report fee. In the event that the borrower does not express their intention to proceed at the time the INITIAL GFE is provided, the Borrowers Acknowledgement form should be used a second time when the Borrower Verbally notifies the Loan Officer of their intention to proceed
  
2. **Changed Circumstance** – RESPA requires that the Lender issue a revised GFE within 3 business days of the receipt of any information which constitutes a Changed Circumstance. As the file progresses it is necessary to issue subsequent GFE's to comply. If a new GFE is not issued to the borrower within 3 days of the Changed Circumstance the Lender is bound by the prior GFE. At the time of any Changed Circumstance the Changed Circumstance form should be completed along with a revised GFE.

In the spirit of HUD's statement that they would be lenient during the first 4 months of 2010 to allow lenders an opportunity to implement new procedures to comply with the new regulations, Homestar has also been lenient, while ensuring that we were being fair to our borrowers.

The time has come however, when we **MUST COMPLY** with the new Regulations in all aspects.

It is very simple to determine when a user is back dating documents. Back dating documents **WILL NOT** be tolerated. It is the **LOAN OFFICERS** responsibility to issue the INITIAL GFE and TIL in compliance.

In the event fees are under disclosed the HUD1 will include Broker Credits on page 1 to cure the tolerance violations and the **LOAN OFFICER** will be charged the Broker Credit.



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An error made by a Loan Officer, Processor or underwriter is NOT a Changed Circumstance.

A new GFE must be issued within 3 days of the rate being locked. If the Loan Officer does not issue a Revised GFE within the 3 days the Rate cannot increase. Even if the Rate does not increase the Revised GFE must be issued within 3 business days as the GFE must include the Lock Expiration date.

A new GFE must be issued within 3 days of any Changed Circumstance. Loan Officers, Processors and Underwriters must work closely to be sure that a new GFE is issued. The receipt of many documents can create a changed circumstance, so you must review the documents upon receipt and determine if the information constitutes a Changed Circumstance that will change any Fees that have a required tolerance, Interest Rate, Loan Amount, etc. The Loan Officer is responsible to verify the processor sent the revised GFE.

Loan Officers are RESPONSIBLE for your transaction and compliance of the transaction

Attachments:

- 1-Borrower's Acknowledgement
- 2-Change Circumstance



## Borrower(s) Acknowledgement

Certification of Receipt of GFE/ Intent to Proceed / Payments Outside of Closing

The undersigned certifies that the following Loan Applicant(s):  
(Check all boxes that apply)

- Has/have been **provided with an initial GFE** within 3 business days of the application date;
- Has/have **confirmed receipt** of the initial GFE;
- Has/have expressed verbally their **intention to proceed** with the loan covered by the issued GFE; and,
- I/ We **were not charged any fee** prior to receipt of the GFE and expressing intent to proceed with the loan, other than the actual credit report fee.

My loan application was taken:

- Face to face**     **By Phone**     **By Fax**     **By Web/Email**     **By Regular Mail**
- Other** (explain): \_\_\_\_\_

Any **PAYMENT or PAYMENT INFORMATION** (including credit card authorization), for services outside of closing (including, but not limited to, the payment for appraisal) other than the credit report fee, was collected or authorized on:

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
DATE (must not be pre printed)

No Upfront Fees were collected at the time I (we) advised of intent to proceed with loan and received Good Faith Estimate/ Truth-in-Lending disclosures, and fees will be collected at closing.

- **No payment or payment information can be collected until borrower(s) acknowledge receipt of early disclosure. If disclosures are mailed they are presumed received after 3 business days (excluding Saturdays and federal holidays).**
- **Borrowers understand that they do not have to complete this transaction simply because they received / signed disclosures or completed/ signed loan application.**
- **I certify that that no representative of the mortgage company collected payment for any item other than credit report prior to me receiving the early disclosures; specifically the Truth in Lending and Good Faith Estimate.**

Borrower: \_\_\_\_\_ Date: \_\_\_\_\_

Borrower: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
Mortgage Banker or Authorized Agent Date: \_\_\_\_\_



## ISSUANCE OF REVISED GOOD FAITH ESTIMATE DUE TO CHANGED CIRCUMSTANCE

**Borrower(s):** \_\_\_\_\_

**Property Address:** \_\_\_\_\_

**Documentation has been attached to this form to support the reason for issuance of new Good Faith Estimate (ex: lock confirmation, request from borrower in their own handwriting)** A revised Good Faith Estimate has been provided to borrower(s) due to the following reasons: (check applicable boxes below).

The loan referenced above is changing from **“float” to “lock”**.  
Date of lock event: \_\_\_\_\_

The **rate lock** applicable to the loan referenced above **has expired**.  
Date of lock expiration: \_\_\_\_\_

The undersigned, has **received a request from the Borrower(s)** for a change in loan terms. Description of Borrower’s request:  
\_\_\_\_\_  
\_\_\_\_\_

Date of Borrower’s request \_\_\_\_\_

The undersigned has **obtained information regarding the Borrower’s loan**, that will result in a changed circumstance under RESPA section 3500.2

*Changed circumstances as defined in §3500.2 are: (1) Acts of God, war, disaster, or other emergency; (2) Information particular to the borrower or transaction that was relied on in providing the GFE and that changes or is found to be inaccurate after the GFE has been provided, which information may include information about the credit quality of the borrower, the amount of the loan, the estimated value of the property, or any other information that was used in providing the GFE; (3) New information particular to the borrower or transaction that was not relied on in providing the GFE; or (4) Other circumstances that are particular to the borrower or transaction, including boundary disputes, the need for flood insurance, or environmental problems.*

**Description of changed circumstance** (Examples: Loan Amount changed, property determined to be in flood zone, etc.)

Explain: \_\_\_\_\_

### Fees Changing as a Result of the Changed Circumstance

Name of Fee	Amount of Original Fee Disclosed	Amount of Fee Due to Changed Circumstanced

The undersigned certifies the information relating to the event above was received within 3 days prior to issue of the revised GFE.

\_\_\_\_\_  
**Mortgage Banker or Authorized Agent**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_