

Broker Lock Policy Changes

Reunion Mortgage has implemented several changes to the *Broker Lock Policy* to ensure compliance with the new RESPA requirements that become effective January 1, 2010. The *Broker Lock Policy* changes are effective December 23, 2009, when Reunion begins accepting the new Good Faith Estimate (GFE).

Advance Locks

The complete file for an advance lock must be submitted within 10 calendar days of locking (or lock date + 9), regardless of the lock term. This change will allow more time to meet the RESPA requirement to give the borrower 10 business days to show intent to move forward with the application.

No-Cost Loans

In cases where a YSP credit to the borrower exceeds all origination and settlement fees, the broker must choose one of the following options allowed by RESPA for the excess YSP:

- Apply a principal reduction to the principal balance
- Reduce the interest rate and credit accordingly
- Apply the excess to the cash out in a cash-out transaction

Extension and Relock Fees

Reunion will assume that all extension and relock fees are paid by the broker through netting of the broker origination charges, unless otherwise requested.

Pricing Changes

Base Pricing for Reunion's 2/1 Buy Down programs (C30BD21 and F30BD21) will include the borrower paid buy down in order to comply with RESPA.

An updated *Broker Lock Policy* will be posted to the broker website. Please contact your Account Executive or branch with questions.