

## Broker-Paid Appraisals Allowed

Reunion Mortgage is pleased to announce that we will allow broker-paid appraisals prior to the borrower receiving initial disclosures, as long as the borrower will never be charged for the appraisal.

Beginning Tuesday, January 5th, StreetLinks will offer the following new options on its request appraisal portal:

- Borrower-paid (or broker-paid with reimbursement from borrower):** This is the default payment method that provides compliance with TILA disclosure timeframes. Orders and payments submitted via this method will be held for processing until the lender has provided disclosures to the borrower.
- Broker-paid without reimbursement from borrower:** Orders and payments submitted via this method will be processed immediately. **CAUTION:** Regulation Z specifies that the borrower may never be charged for the appraisal if this method is selected – this includes prohibition against charging the borrower at closing.

Whenever the broker-paid option precedes the initial disclosures, Underwriters will condition to confirm with the borrower prior to closing that he has not, nor will be, charged for the appraisal.

### FHA Appraisal Reminder

Although HUD has postponed requiring the lender to order FHA appraisals until February 15th, Reunion encourages brokers to begin using StreetLinks for FHA appraisals now.

FHA appraisals not ordered by Reunion will require a Desk Review, which cannot be charged to the borrower per HUD. Therefore, the broker must include the FHA Desk Review fee with his *Origination Charge (Block 1)* on the new GFE and it cannot increase. Conventional Desk Reviews should be listed under *Settlement Services* on the new GFE, and may be considered a changed circumstance.

Please contact your Account Executive or branch with questions.