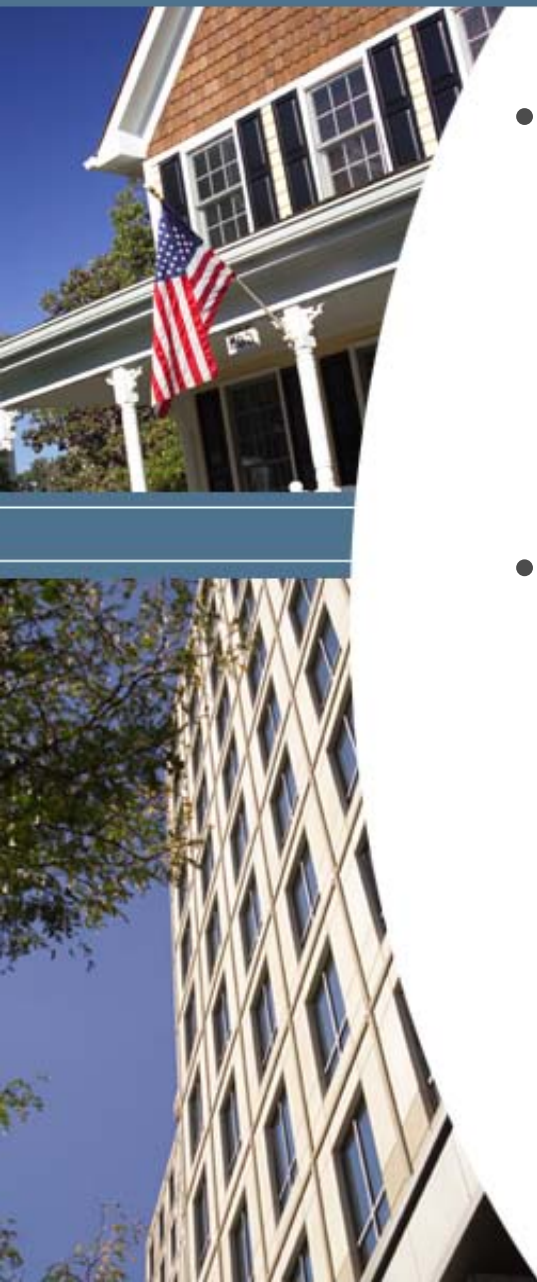




## What's New In Loan Origination Systems

Ted Hicks, Product Management Group Director



- Calyx Software
  - » Established in 1991
  - » Provide Loan Origination Systems from Origination to Sale of Loan
  - » Customers Range from Mortgage Bankers to Brokers to Community Banks and Credit Unions
- Ted Hicks
  - » Head of Research and Design for All Products
  - » Brought in 3 years ago to Lead Product Management

- What Did LOS Providers Do to Handle RESPA, MDIA, and TILA
  - » Issues brought by “Old GFE” vs. “New GFE”
  - » Truth-In-Lending Form Implications
- Enforcing Workflow





- Line Items

- Paid by Buyer
- Paid by Seller
- Paid Outside of Closing

## GOOD FAITH ESTIMATE

Applicants: **Sari Meyers**  
 Property Addr: **902 Folsom Road, Roseville, CA 95678**  
 Prepared By: **calyx software Ph. 408-927-1975**  
**6475 camden avenue, san jose, CA 95120**

Application No: **PURCH2ND**  
 Date Prepared: **04/04/2003**  
 Loan Program: **30 year fixed**

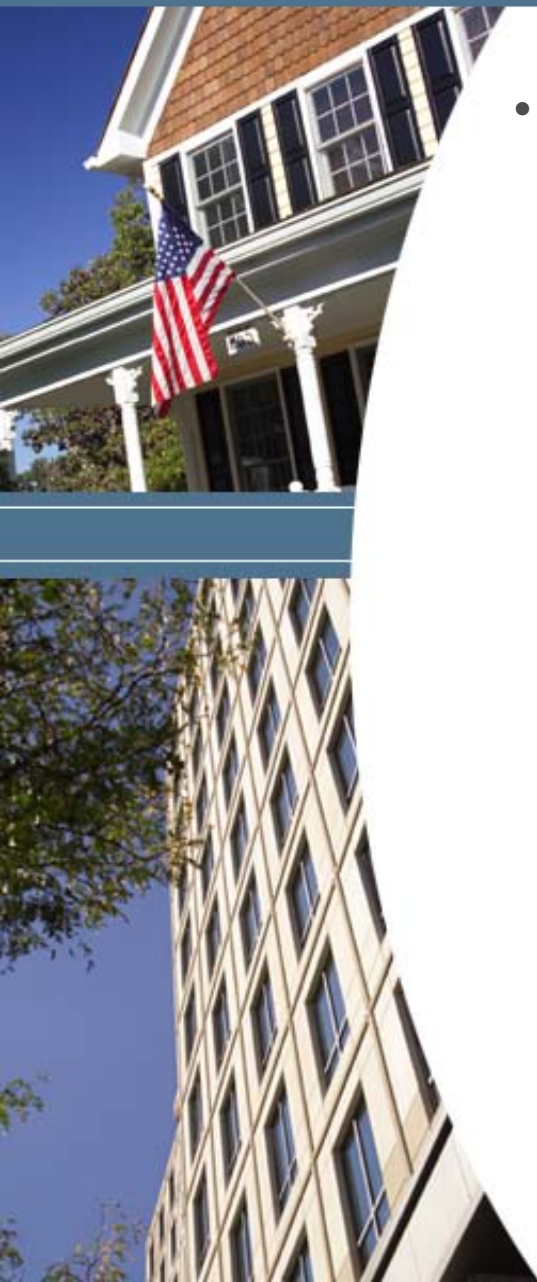
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Total Loan Amount: \$ **149,474** Interest Rate: **6.500 %** Term/Due In: **360 / 360** mths

800	ITEMS PAYABLE IN CONNECTION WITH LOAN:		Amount	Paid By	PFC / F / POC*
801	Loan Origination Fee	2.000 %	\$ 2,969.47		✓
802	Loan Discount				✓
803	Appraisal Fee		325.00		
804	Credit Report		50.00		
805	Lender's Inspection Fee				
808	Mortgage Broker Fee				✓
809	Tax Related Service Fee		63.00		✓
810	Processing Fee		350.00		
811	Underwriting Fee		175.00		
812	Wire Transfer Fee		25.00		
	Flood Cert		25.00		
	Assignment		12.00		



# Biggest Challenges of Old GFE vs. New GFE



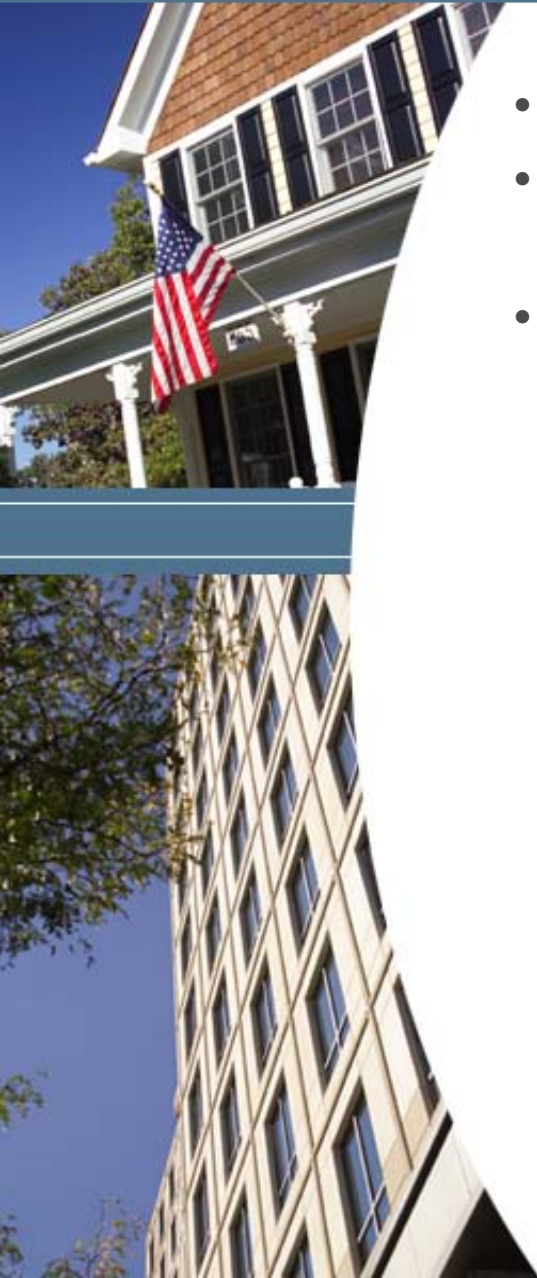
- Summary Blocks of Fees

Understanding your estimated settlement charges

Some of these charges can change at settlement. See the top of page 3 for more information.

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<b>1. Our origination charge</b>	This charge is for getting this loan for you.	3,531.47												
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<b>9. Initial deposit for your escrow account</b>	This charge is held in an escrow account to pay future recurring charges on your property and includes <input type="checkbox"/> all property taxes, <input type="checkbox"/> all insurance, and <input type="checkbox"/> other _____.	1,319.70												
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<b>A + B</b>	<b>Total Estimated Settlement Charges</b>	<b>\$ 10,434.03</b>												

# Biggest Challenges of Old GFE vs. New GFE



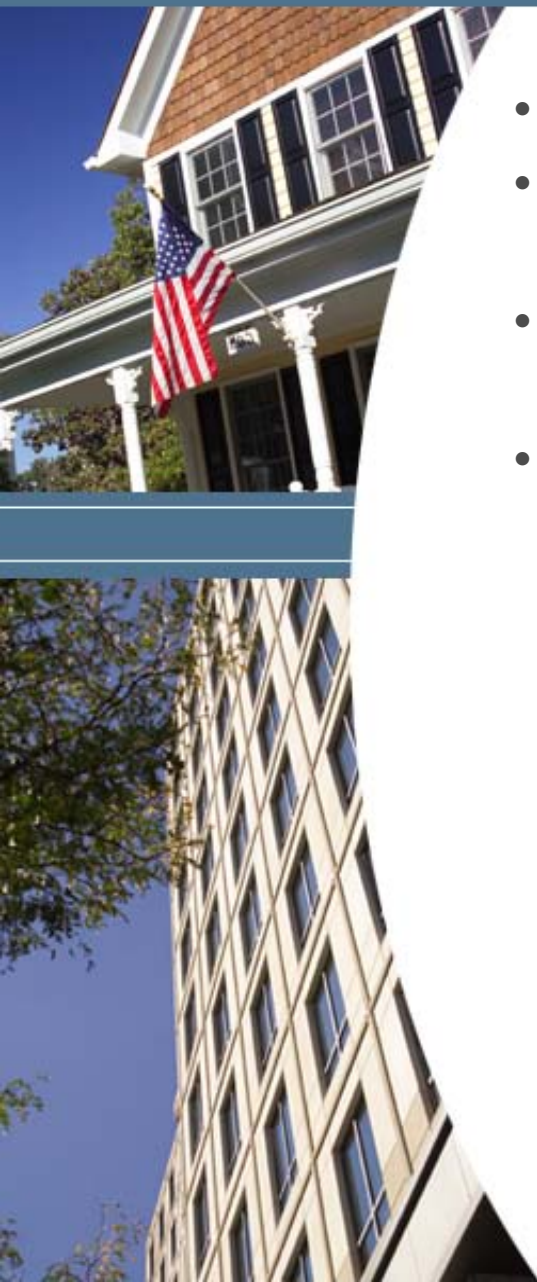
- More Pages
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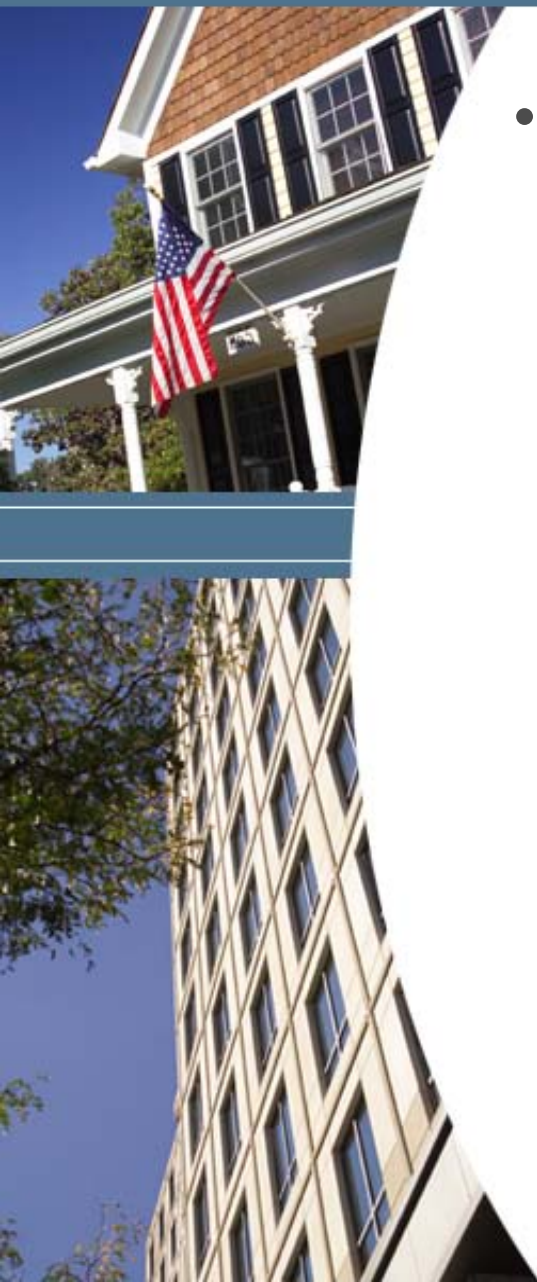


- More Pages
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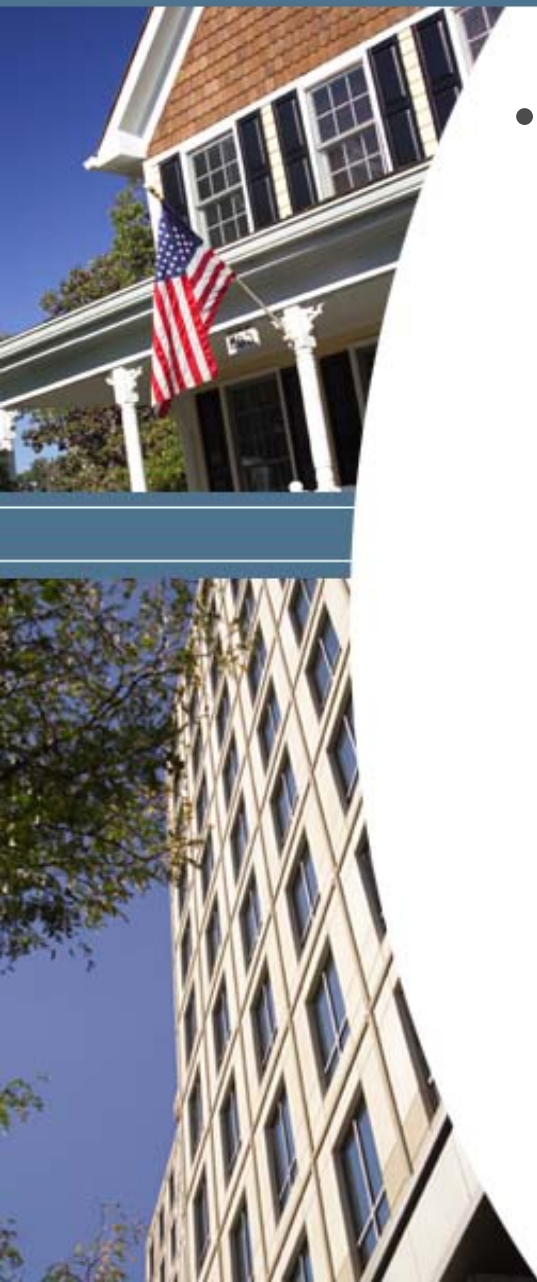
- How to Indicate Pre-Paid Finance Charges for Fees?
  - » Old GFE – easy to indicate items for APR

## GOOD FAITH ESTIMATE

Applicants: Sari Meyers  
 Property Addr: 902 Folsom Road, Roseville, CA 95678  
 Prepared By: calyx software Ph. 408.927.1975  
 Application No: PURCH2ND  
 Date Prepared: 04/04/2003  
 Loan Program: 30 year fixed

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800 ITEMS PAYABLE IN CONNECTION WITH LOAN:	Amount	Paid By	PFC / F / POC
801 Loan Origination Fee	2.000 %	\$ 2,969.47	✓
802 Loan Discount			✓
803 Appraisal Fee		325.00	
804 Credit Report		50.00	
805 Lender's Inspection Fee			
808 Mortgage Broker Fee			✓
809 Tax Related Service Fee		63.00	✓
810 Processing Fee		350.00	
811 Underwriting Fee		175.00	
812 Wire Transfer Fee		25.00	
Flood Cert		25.00	
Assignment		12.00	
<b>COMPENSATION TO BROKER (Not Paid Out of Loan Proceeds)</b>			
	Amount	PFC	
	\$		
<b>1100 TITLE CHARGES:</b>			
1101 Closing/Escrow Fee	Fidelity National Title	675.00	
1105 Document Preparation Fee			
1106 Notary Fees		60.00	
1107 Attorney Fees			
1108 Title Insurance:	Fidelity National Title	1,200.00	
<b>1200 GOVERNMENT RECORDING &amp; TRANSFER CHARGES:</b>			
1201 Recording Fees:	County Recorder	50.00	
1202 City/County Tax/Stamps:			
1203 State Tax/Stamps:			
<b>1300 ADDITIONAL SETTLEMENT CHARGES:</b>			
1302 Pest Inspection		150.00	
Total from GFE 2010			
	Estimated Closing Costs	6,129.47	
<b>300 ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:</b>			
901 Interest	for 30 days @ \$ 26.4405 / day	793.22	✓
902 Mtg Ins. Premium		473.60	✓
903 Hazard Ins. Premium		518.04	
904			
905 VA Funding Fee			✓
<b>1000 RESERVES DEPOSITED WITH LENDER:</b>			
1001 Hazard Ins. Premium	2 mths @ \$ 43.17 / mth	86.34	
1002 Mtg Ins. Premium Reserves	mths @ \$ 108.53 / mth		✓
1003 School Tax	mths @ \$ / mth		
1004 Taxes & Assessment Reserves	8 mths @ \$ 154.17 / mth	1,233.36	
1005 Flood Insurance Reserves	mths @ \$ / mth		
	mths @ \$ / mth		
	mths @ \$ / mth		
<b>TOTAL ESTIMATED SETTLEMENT CHARGES</b>		Estimated Prepaid Items/Reserves	3,104.56
			9,234.03



- How to Indicate Pre-Paid Finance Charges for Fees?
  - » Old GFE – easy to indicate items for APR
  - » New GFE – No where to indicate

Understanding your estimated settlement charges

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Calyx Form - GFE2010\_2.fm (12/09)

Good Faith Estimate (HUD-GFE) 2

- Fee Worksheets for Easy Data Entry
- Line Items to Identify Pre-Paid Finance Charges

## INITIAL FEES WORKSHEET

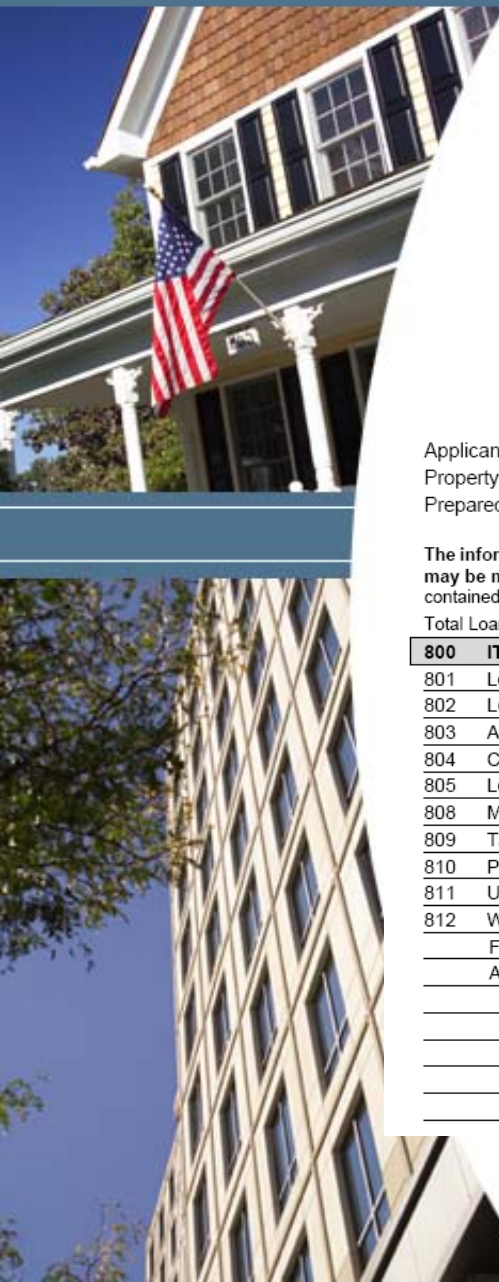
Applicants: **Ted Hicks**  
 Prepared By:

Application No:  
 Date Prepared: **04/28/2010**  
 Loan Program: **30-Year Fixed**

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Total Loan Amount \$                      Interest Rate:                      %                      Term/Due In:                      mths

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Loan Discount			✓
Appraisal Fee	400.00		
Credit Report	25.00		
Lender's Inspection Fee	100.00		✓
Mortgage Broker Fee			✓
Tax Related Service Fee	85.00		✓
Processing Fee	495.00		✓
Underwriting Fee	595.00		✓
Wire Transfer Fee	65.00		✓
Flood Certification	35.00		✓
MERS Fee	18.00		✓
New Loan Administration Fee	400.00		✓



- Fee Worksheets for Easy Data Entry
- Line Items to Identify Pre-Paid Finance Charges
- Interesting Similarity?

## GOOD FAITH ESTIMATE

Applicants: **Sari Meyers**  
 Property Addr: **902 Folsom Road, Roseville, CA 95678**  
 Prepared By: **calyx software Ph. 408-927-1975**  
**6475 camden avenue, san jose, CA 95120**

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- Auto-Population of Fees
- Triggers to Remind Originators to Disclose
- Rules to Prevent Fee Changes After Disclosure



- New GFE is difficult to fill out
- APR Calculations Harder to Determine
- Technology Should Make It:
  - » Easier
  - » More Accurate
  - » Flexible for Your Business Process

