ids Documenter

How the 2013 FHA MI Changes Affect HPML Status

These calculations were run on Feb 21, 2013. All rates in this document are based on that date.

The APOR on Feb 18, 2013 (the Monday before the 21st) for 30-year fixed rate mortgage loans was: 3.590%. A 30-year fixed rate, 1st lien, FHA loan is an HPML if the APR exceeds the APOR +1.500%.

Let's assume the following loan example:

» FHA 30-Year Fixed Rate Loan
» Rate: 3.500% (On Feb 21, 2013 this rate seems to be a competitive 30-year rate) (This loan doesn't have any risk-based pricing adjustments.)
» Base Loan Amount: $193,000
» Property Value: $200,000
» LTV: 96.50%

Using the example loan above at Feb 21, 2013 FHA MI rates, without any other fee or charges, the APR would equal 4.358%. That would leave about a 0.73% cushion in the APR to charge more prepaid finance charges until the loan is an HPLM. As a dollar amount that leaves about $14,668 (7.6% in upfront charges) that may be charged as prepaid finance charges before the loan is an HPML.

Using the same example from above at April 1, 2013 FHA MI rates, without any other fee or charges, the APR would equal 4.418%. That would leave about 0.67% cushion in the APR to charge more prepaid finance charges until the loan is an HPML. As a dollar amount that leaves about $13,317 (6.9% in upfront charges) that may be charged as prepaid finance charges before the loan is an HPML.

Again using the same example at June 3, 2013 FHA MI rates, without any other fee or charges, the APR would equal 4.984%. That would leave about a 0.11% cushion in the APR to charge more prepaid finance charges until the loan is an HPML. As a dollar amount that leaves about $1,930 (1.0% in upfront charges) that may be charged as prepaid finance charges before the loan is an HPML.

ids Policies and Progress

Speaking out on the leading issues for lenders, IDS Executive Vice President Mark Mackey elaborates on the challenges presented by balancing consumer protection efforts with compliance initiatives.

IDS understands the concerns that our lenders, and lenders at large, are dealing with; and our key objective is making the burden of compliance less cumbersome. In addition to helping our clients prepare for regulatory adaptions, we utilize our compliance team to ensure that we're abreast of not only what's happening now in terms of policy changes, but also what's ahead near and long-term.

The main concerns for IDS and our clients is compliance, and whether we're addressing the new RESPA/TILA disclosures or the electronic signature platform requirements promulgated by the IRS with respect to the 4506-T, our compliance team never loses sight of the privacy required when handling sensitive customer information. Our clients rely on us to be familiar with and compliant with the applicable consumer protection laws and regulations, such as the Gramm-Leach-Bliley Act. The initiative that IDS has implemented is a quality control program. The program, among other things, makes sure that IDS security measures are audited annually, that our document service software is secure, dependable, accurate and supportive. Also, IDS employees are instructed and agree not to use nonpublic information outside the scope of the administration and implementation of IDS-sanctioned work assignments.

In an industry where constant reform is certain, IDS gives our clients the peace of mind by providing them with a compliance team they can rely on. IDS's compliance team stays up to date on the constantly changing mortgage laws and forms. By utilizing the best resources IDS maintains an extensive knowledge base to serve our lenders.

WHERE ids WILL BE IN MAY

MORTGAGE BANKERS ASSOCIATION NATIONAL SECONDARY MARKET CONFERENCE
May 5-8th │ Marriott Marquis
New York City, NY │ Booth #411
Attending: Matthew Mackey, Mark Mackey and Ben Ansolabehere

ANNUAL TEXAS MORTGAGE BANKERS CONFERENCE
May 19-21st │ Hyatt Regency │ Lost Pine, TX

MORTGAGEBOT CLIENT CONFERENCE
May 20-22nd │ Hyatt Regency Milwaukee
Milwaukee, WI
Attending: Mark Mackey and Matthew Mackey

ids Doc TIP

Layout Changes to the Fees Page

Each fee line now has wire indicators for each payee type (Borrower, Seller, Lender and Third Party). The service providers selected for a fee will also display in a read only field called Service Providers. You may access the Service Providers page by clicking Service Providers.

Associated Fees Window

When you click the Assign button an Associated Fees window will appear. On this window you may select individual fee lines that are associated with the service provider or you may select all the fees with a certain block number by clicking the check box at the top of the Associated Fees window. You may also unselect all the fees with a certain block number by clicking the unselect all checkbox, also located at the top of the Associated Fees window.

Note: When a fee is associated with a service provider, the service provider will display on the fees page if the fee exists and has a block # of 4, 5 or 6.

ids blog

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