



# CORRESPONDENT SELLING GUIDE

The topics included provide a general overview of GMFS' policies, procedures, rules and guidelines, as well as forms and other helpful resources.

Please note that the GMFS LLC Correspondent Selling Guide is superseded by any subsequent Bulletins or Overlay Matrices posted after the noted version and published date above until a revised Client Guide version is published.

Please contact your District Director or Account Executive if you have any questions with respect to specific policies.

**Thank you for choosing GMFS LLC**



**NMLS # 64997**

## **Welcome to GMFS**

GMFS LLC was established in 1999. Today GMFS is headquartered in Baton Rouge, Louisiana, with a strong presence in states across the country. GMFS is a direct mortgage lender specializing in Government and Conventional loans with a strong focus on superior customer service, expedient turn times, and consistent underwriting practices.

GMFS provides a wide variety of loan products at competitive interest rates and simple qualify parameters. GMFS was founded on the principal of arming clients with the tools they need to fully satisfy the financial needs of existing and future homeowners.

***We would like the opportunity to earn your business.***

***Call today to learn more about the benefits of working with GMFS LLC.***

**7389 Florida Blvd., Suite 200A | Baton Rouge, LA 70806 | 855.476.8441 | NMLS #64997 | [www.gmfspartners.com](http://www.gmfspartners.com)**

# ANNOUNCEMENTS AND UPDATES

GMFS updated our Correspondent Selling Guide on 1/07/2019.

Changes/updates/clarifications from the previous version include, but are not limited to, the following:

Update to:

Names and Contacts

Other minor corrections and enhancements were made throughout the guide that were not material to the standard course of business.

# TABLE OF CONTENTS

<a href="#">Eligibility Matrix</a>	5	<b><a href="#">SECTION 4: REPRESENTATIONS AND WARRANTIES</a></b>	<b>20</b>
<b><a href="#">SECTION 1: OVERVIEW</a></b>	6	<a href="#">Early Payment Default (EPD)</a>	20
<a href="#">Definitions</a>	6	<a href="#">Early Payoff (EPO)</a>	20
<a href="#">GMFS Roles</a>	7	<a href="#">Repurchase and Indemnification Obligations</a>	20
<a href="#">GMFS Partners Online Tools</a>	8	<b><a href="#">SECTION 5: REGISTRATION AND LOCKING</a></b>	<b>21</b>
<a href="#">Operating Hours</a>	8	<a href="#">Rate Sheets and Pricing</a>	21
<a href="#">Holiday Schedule</a>	8	<a href="#">Registration</a>	21
<a href="#">Contacts</a>	8	<a href="#">Locking</a>	22
<a href="#">District Directors and CRRs</a>	9	<a href="#">Changes/Relocking/Expiring Locks</a>	23
<a href="#">Support Team</a>	10-11	<a href="#">Expiration Considerations</a>	23
<b><a href="#">SECTION 2: CLIENT REQUIREMENTS</a></b>	12	<a href="#">Relocks to Expired Locks</a>	23
<a href="#">Qualities of the GMFS Correspondent Client</a>	12	<a href="#">Extensions</a>	24
<a href="#">Application Procedures</a>	12	<a href="#">Cancellations and Fallout</a>	24
<a href="#">Approval Requirements</a>	13	<a href="#">Lock Policy for Third Party Doc Prep</a>	25
<a href="#">Loan Submission Compliance Review</a>	13	<b><a href="#">SECTION 6: UNDERWRITING SUBMISSION</a></b>	<b>26</b>
<a href="#">Maintaining Eligibility</a>	13	<a href="#">Underwriting Flowcharts</a>	27-28
<a href="#">Annual Recertification</a>	13	<a href="#">Important Documents for Initial EDM Upload</a>	30
<a href="#">Annual MERs Renewal</a>	13	<b><a href="#">SECTION 7: PURCHASING/FUNDING</a></b>	<b>31</b>
<a href="#">Appraisal Management Companies (AMC)</a>	14	<a href="#">Original Note Delivery</a>	31
<a href="#">Correspondent Client Set-up Summary</a>	14	<a href="#">Purchasing/Funding Flowcharts</a>	32-34
<a href="#">Warehouse Approved Vendors*</a>	14	<a href="#">Closing Documents and Appraisals</a>	35
<b><a href="#">SECTION 3: QUALITY AND COMPLIANCE</a></b>	15	<a href="#">1098 Reporting</a>	35
<a href="#">Regulatory Compliance</a>	15	<a href="#">MERS</a>	37
<a href="#">CFPB Overview</a>	15	<a href="#">GMFS Fee Structure for Correspondent Loan</a>	37
<a href="#">TRID</a>	16	<a href="#">Mortgagee Clause Addresses*</a>	37
<a href="#">Compliance by Correspondent Seller</a>	16-17	<a href="#">Power of Attorney (POA)</a>	38
<a href="#">GSE Requirements</a>	17	<b><a href="#">SECTION 8: POST PURCHASING CLIENT RESPONSIBILITIES</a></b>	<b>39</b>
<a href="#">Social Security Validation</a>	18	<a href="#">Goodbye Letter</a>	40
<a href="#">NMLS Requirements</a>	18	<a href="#">Final Documents</a>	40
<a href="#">Required Notification</a>	18	<a href="#">Important Addresses</a>	40
<a href="#">Expectations</a>	19	<a href="#">Borrower Payment Information</a>	40

Find more information at: <https://gmfspartners.com/>

Product Eligibility Matrix

<https://gmfspartners.com/wp-content/uploads/2017/12/Product-Eligibility-Matrix.pdf>

GMFS TPO PRODUCT GUIDE: <https://gmfspartners.com/tpoproductguide>

Other helpful links: <https://gmfspartners.com/tools/important-links/>

# SECTION 1: OVERVIEW

These definitions will help clients understand the various client roles as it relates to GMFS' products and services. Next, learn the requirements and process to apply to sell loans to GMFS LLC.

## Definitions

As they appear in this document, the term "GMFS" refers to GMFS LLC, dba GMFS LLC ("GMFS").

"Guide" is defined as this GMFS Seller Guide which provides an *overview* of general information, policies and procedures, terms and conditions and loan program requirements which are applicable to all loan purchase transactions between GMFS and its approved clients.

"Loan" is defined as a mortgage loan that is made to a natural person for primarily consumer, family or household purposes and which is secured by a one- to four-family residential dwelling.

"USD" is defined as United States dollars; all dollar amounts are in USD.

"Qualified Mortgage (QM)" is defined as a home loan that meets certain standards set forth by the federal government. Lenders that generate such loans will be presumed to have also met the Ability-to-Repay rule mandated by the Dodd-Frank Act. The qualified mortgage rule, as defined by CFPB, is designed to create safer loans by prohibiting or limiting certain high-risk products and features.

"Correspondent," "Seller," or "Correspondent Seller" is defined as the seller of a closed mortgage loan to GMFS and is referred to as a "Client."

"Correspondent" is defined in general terms as lenders within the correspondent channel. However, where noted, correspondent clients may be further defined as correspondent and delegated correspondent (see below).

## GMFS Correspondents

- **GMFS Closing** – (1) Loan is underwritten and approved by GMFS; (2) loan is closed with a *closing package issued by GMFS*; (3) loan closes and funds in the name of the correspondent lender; (4) correspondent client has their own funds to fund the loan; (5) GMFS purchases the loan after the closing and funding by the correspondent client. *All FHA and Jumbo loans are closed in GMFS' name.*
- **Correspondent Closing (excludes FHA)** – (1) Loan is underwritten and approved by GMFS; (2) loan is closed with a *correspondent closing package* and funded by the correspondent client. Client must be approved to close on their own documents; (3) GMFS purchases the loan after reviewing and approving the closed loan package received from the correspondent client. All FHA and Jumbo loans are closed in GMFS' name.
- **Correspondent Closing (includes FHA)** – (1) All Conventional, FHA, VA, and USDA loans are underwritten and approved by GMFS; (2) loan is closed with a correspondent closing package and funded by the correspondent client, including FHA loans. The correspondent *client has full eagle designation to close and fund their own FHA loans.* (3) After receiving the closed loan package from the correspondent client, GMFS purchases the loan after reviewing and approving the closed loan package for compliance.
- **Delegated Correspondent** – All loan types (excluding Jumbo) are underwritten and closed by the correspondent client prior to receipt of file by GMFS. The correspondent client must have a full eagle designation to close and fund their own FHA loans. After the file is received and prior to GMFS purchasing the loan, the file is reviewed by a GMFS underwriter and post close auditor to help ensure compliance.

[Back to Table of Contents](#)

# GMFS ROLES

Role	Description
<b>Front Line Support</b>	
<b>District Director (DD) or Account Executive (AE)</b>	The sales liaison between the production channel and divisional office that is responsible for outside sales. The generation of leads and new opportunities for expanding the Correspondent division. The DD or AE sets expectations for business procedures according to correspondent designation (delegated and/or non-delegated) and reviews product availability prior to on-boarding.
<b>Customer Relationship Representative (CRR) –</b>	The CRR is responsible for setting up and maintaining the ongoing client relationship through the entire onboarding and start-up process. They will act as the internal contact and liaison. He/she will also assist as needed in obtaining requirements for clearing of conditions through the process to Clear to Close and/or Clear to Purchase.
<b>Behind the Scenes Support</b>	
<b>Loan Set-up Specialist</b>	A processor who retrieves uploaded loan packages from the Client Portal (GMFSPartners.com) and identifies the submitted documents with the proper mortgage labels in the GMFS paperless database, EDM. Keys in MB all missing and updated information to ensure complete data integrity
<b>Processor</b>	A representative who performs timely processing of the uploaded mortgage loan packages to ensure they meet initial loan submission requirements for the GMFS Underwriting department. The processor submits the file to Underwriting for the initial underwrite.
<b>Underwriter</b>	The Underwriter is responsible for reviewing the file for completeness and ensuring all underwriting guidelines have been met according to the product and appropriate GSE and/or investor. He/she will review and clear required conditions and indicate when the file is ready for close and/or purchase.
<b>Post-Closing Auditor or Purchase Reviewer</b>	A representative that performs a Post-Closing Audit file review to make sure it meets all requirements for loan sales. Purchase Reviewers will assist the underwriter in verifying and clearing certain documentation conditions. The reviewer may indicate when the file is ready for close and/or purchase and will generate the Purchase Advise as needed to send to the lender. Upon receipt of the original note, work with the Shipping department for warehousing of the note

[Back to Table of Contents](#)

# ONLINE TOOLS

## [GMFSPartners.com](http://GMFSPartners.com)

- **Client Portal (GMFSPartners.com)** – Used to register a loan by uploading the Uniform Residential Loan Application to generate a GMFS loan number via *Partner Tools>1003 Import*
- **Electronic Data Management (EDM)** – A paperless filing system via *Partner Tools>Upload*
- **Optimal Blue** – A pricing tool for rate locking via *Partner Tools>Rate Lock - OB*

### Operating Hours

- Normal business hours are 8:00 a.m. – 5:00 p.m. (CST) Monday through Friday

### Holiday Schedule

GMFS is closed the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

### Contacts

#### **Corporate Headquarters:**

GMFS LLC, NMLS #64997

Attn: Correspondent / Delegated (indicate one as applicable)

7389 Florida Blvd., Suite 200A

Baton Rouge, LA 70806

Telephone: 855.476.8441

[Back to Table of Contents](#)

## District Directors and Customer Relationship Representatives

After reviewing this Guide, clients should contact their dedicated District Director or Customer Relationship Representative for program questions. Refer to chart below. These clients are managed out of our Corporate Office.

Region/District Director	CRR	
<b>Louisiana</b>		
<b>Billy Maxwell –Sr. District Director Wholesale Sales Manager</b> 225.214.5002 <a href="mailto:bmaxwell@gmfslending.com">bmaxwell@gmfslending.com</a>	Tammy Milano 225.214.5087 <a href="mailto:tmilano@gmfslending.com">tmilano@gmfslending.com</a>	Catherine Bottoms 225.490.6624 <a href="mailto:cbottoms@gmfslending.com">cbottoms@gmfslending.com</a>
<b>Dawnyail Faldetta</b> 225.490.6625 <a href="mailto:dfaldetta@gmfslending.com">dfaldetta@gmfslending.com</a>	Wanda Roussel 225.214.5158 <a href="mailto:wroussel@gmfslending.com">wroussel@gmfslending.com</a>	Cee Cee Picou 225-214-5056 <a href="mailto:cpicou@gmfslending.com">cpicou@gmfslending.com</a>
<b>Alabama, Mississippi and North Florida</b>		
<b>Hugh Edwards –Sr. District Director</b> 205.253.1477 <a href="mailto:hedwards@gmfslending.com">hedwards@gmfslending.com</a>	Cindy Savage 225.214.5118 <a href="mailto:csavage@gmfslending.com">csavage@gmfslending.com</a>	
<b>Arkansas, North Louisiana and Mississippi</b>		
<b>K. Whitey Boyd –Sr. District Director</b> 318.355.4784 <a href="mailto:kboyd@gmfslending.com">kboyd@gmfslending.com</a>	Karen Drez 225.490.6644 <a href="mailto:kdrez@gmfslending.com">kdrez@gmfslending.com</a>	Cee Cee Picou 225.214.5056 <a href="mailto:cpicou@gmfslending.com">cpicou@gmfslending.com</a>
<b>Tennessee &amp; Kentucky</b>		
<b>Ryan Otto. District Director</b> 931.802.4957 <a href="mailto:rotto@gmfslending.com">rotto@gmfslending.com</a>	Karen Drez 225.490.6644 <a href="mailto:kdrez@gmfslending.com">kdrez@gmfslending.com</a>	
<b>Illinois</b>		
<b>Michelle Steele -District Director</b> 847.217.4448 <a href="mailto:msteele@gmfslending.com">msteele@gmfslending.com</a>	Wanda Russel 225.214.5158 <a href="mailto:wrussel@gmfslending.com">wrussel@gmfslending.com</a>	Cee Cee Picou 225.214.5056 <a href="mailto:cpicou@gmfslending.com">cpicou@gmfslending.com</a>
<b>Texas</b>		
<b>Chris McCrary</b> 469.786.8677 <a href="mailto:cmccrary@gmfslending.com">cmccrary@gmfslending.com</a>	Wanda Russel 225.214.5158 <a href="mailto:wrussel@gmfslending.com">wrussel@gmfslending.com</a>	

# SUPPORT TEAM

Support Team	Name	Email Address	Phone
<b>Processor</b>			
	Lesley Greenhouse	<a href="mailto:lgreenhouse@gmflending.com">lgreenhouse@gmflending.com</a>	225.214.5172
	Linda Haile	<a href="mailto:lhaile@gmflending.com">lhaile@gmflending.com</a>	225.214.6640
	Jackie Noflin	<a href="mailto:jnoflin@gmflending.com">jnoflin@gmflending.com</a>	225.214.5114
	Jennifer Jones	<a href="mailto:jjones@gmflending.com">jjones@gmflending.com</a>	225.490.6641
	Crystal McKneely	<a href="mailto:cmckneely@gmflending.com">cmckneely@gmflending.com</a>	225.490.6645
<b>Loan Set-Up/ Processor</b>	Heather Morgan	<a href="mailto:hmorgan@gmflending.com">hmorgan@gmflending.com</a>	225.490.6664
<b>Loan Set-Up</b>	Suzanne McKay	<a href="mailto:smckay@gmflending.com">smckay@gmflending.com</a>	225-490-6607
<b>FHA Case Assignment Request</b>		<a href="mailto:fhacaseassign@gmflending.com">fhacaseassign@gmflending.com</a>	
<b>CRR</b>			
	Catherine Bottoms	<a href="mailto:cbottoms@gmflending.com">cbottoms@gmflending.com</a>	225.214.6624
	Cindy Savage	<a href="mailto:csavage@gmflending.com">csavage@gmflending.com</a>	225.214.5118
	Karen Drez	<a href="mailto:Kdrez@gmflending.com">Kdrez@gmflending.com</a>	225.490.6644
	Cee Cee Picou	<a href="mailto:cpicou@gmflending.com">cpicou@gmflending.com</a>	225.214.5056
	Tammy Milano	<a href="mailto:tmilano@gmflending.com">tmilano@gmflending.com</a>	225.214.5087
	Wanda Roussel	<a href="mailto:wroussel@gmflending.com">wroussel@gmflending.com</a>	225.214.5158
<b>Assistant CRR</b>			
	Shanna Patterson	<a href="mailto:spatterson@gmflending.com">spatterson@gmflending.com</a>	225.214.5014
	Debbie Fugler	<a href="mailto:dfugler@gmflending.com">dfugler@gmflending.com</a>	225.490.6633
	Darian Reed	<a href="mailto:dreed@gmflending.com">dreed@gmflending.com</a>	225.214.5195
<b>Non-Delegated CL</b>	Jennifer Bradley	<a href="mailto:jbradley@gmflending.com">jbradley@gmflending.com</a>	225.490.6639
<b>Delegated Closing Mgr</b>	Meredith Miranda	<a href="mailto:mmiranda@gmflending.com">mmiranda@gmflending.com</a>	225.214.5184
<b>Delegated Processor</b>	David Womack	<a href="mailto:dwomack@gmflending.com">dwomack@gmflending.com</a>	225.214.5092

[Back to Table of Contents](#)

Closer			
<b>Closer</b>	Chanita Daniel	<a href="mailto:cdaniel@gmfslending.com">cdaniel@gmfslending.com</a>	225.490.6628
<b>Closer</b>	Amy Decuir	<a href="mailto:adecuir@gmfslending.com">adecuir@gmfslending.com</a>	225.214.5165
<b>Closer</b>	Christian Duhon	<a href="mailto:cduhon@gmfslending.com">cduhon@gmfslending.com</a>	225.214.5128
<b>Closer</b>	Shelly Lively	<a href="mailto:slively@gmfslending.com">slively@gmfslending.com</a>	225.214.5084
<b>Closer</b>	Debbie Mckowen	<a href="mailto:dmckowen@gmfslending.com">dmckowen@gmfslending.com</a>	225.214.5097
<b>Closer</b>	Dawn Pitarro	<a href="mailto:dpitarro@gmfslending.com">dpitarro@gmfslending.com</a>	225.214.5198
<b>Team Lead</b>	Lois Ritchie	<a href="mailto:lritchie@gmfslending.com">lritchie@gmfslending.com</a>	225.214.5108
<b>Closer</b>	Dawn Sorapuru	<a href="mailto:dsorapuru@gmfslending.com">dsorapuru@gmfslending.com</a>	225.214.5065
<b>Discloser Team Lead</b>	Robin Villere	<a href="mailto:rvillere@gmfslending.com">rvillere@gmfslending.com</a>	225.214.5188
<b>Closer</b>	Patti Sandler-Welch	<a href="mailto:psadler@gmfslending.com">psadler@gmfslending.com</a>	225.214.5069
<b>Funding Doc Coord</b>	Jennifer Jagneaux	<a href="mailto:jjagneaux@gmfslending.com">jjagneaux@gmfslending.com</a>	225.490.6689
<b>Closing Manager</b>	David Jagneaux	<a href="mailto:djagneaux@gmfslending.com">djagneaux@gmfslending.com</a>	225.214.5005
Post Closer			
	Kim Christopher	<a href="mailto:kchristopher@gmfslending.com">kchristopher@gmfslending.com</a>	225.214.5182
	Estrella Colkmire	<a href="mailto:ecolkmire@gmfslending.com">ecolkmire@gmfslending.com</a>	225.214.5170
	Vicki Fontan	<a href="mailto:vfontana@gmfslending.com">vfontana@gmfslending.com</a>	225.490.6658
	Andrea Hicks	<a href="mailto:ahicks@gmfslending.com">ahicks@gmfslending.com</a>	225.214.5057
	Rebecca Fields	<a href="mailto:rfields@gmfslending.com">rfields@gmfslending.com</a>	225-214-6641
	Maegan Hood	<a href="mailto:mhood@gmfslending.com">mhood@gmfslending.com</a>	225-214-5111
	Karen Johnson	<a href="mailto:kjohnson@gmfslending.com">kjohnson@gmfslending.com</a>	225.214.5063
	Rhonda Robinson	<a href="mailto:rrobinson@gmfslending.com">rrobinson@gmfslending.com</a>	225.214.5034
<b>Post-Closing Mgr</b>	Stacey Sweatfield	<a href="mailto:ssweatfield@gmfslending.com">ssweatfield@gmfslending.com</a>	225.214.5177
Other Support			
<b>Ops Manager</b>	Mike Sorrells	<a href="mailto:Msorrells@gmfslending.com">Msorrells@gmfslending.com</a>	225.214.5043
<b>Quality Control</b>	Cindy Wortham	<a href="mailto:cwortham@gmfslending.com">cwortham@gmfslending.com</a>	225.490.6634
<b>Secondary/Locks</b>		<a href="mailto:lockdesk@gmfslending.com">lockdesk@gmfslending.com</a>	225-214-5061
<b>Servicing</b>		<a href="mailto:servicing@gmfslending.com">servicing@gmfslending.com</a>	
<b>Trailing Documents</b>	Linda Wilson	<a href="mailto:lwilson@gmfslending.com">lwilson@gmfslending.com</a>	225.214.5096
	Phyllis Callahan	<a href="mailto:pcallahan@gmfslending.com">pcallahan@gmfslending.com</a>	225.2145038
<b>Web Support</b>	—	<a href="mailto:support@gmfslending.com">support@gmfslending.com</a>	—

[Back to Table of Contents](#)

# Section 2: Client Requirements

GMFS' goal is to establish and maintain a productive and profitable long-term relationship with every client. GMFS has established criteria for new and existing clients to help fulfill our commitment to helping change lives one mortgage at a time.

## Qualities of the GMFS Correspondent Client

- Be properly licensed and authorized to originate and sell loans that meet the GMFS product line and underwriting requirements.
- Have been in business for at least two (2) years. In cases of newer firms, principals should have at least five (5) years' experience in mortgage lending.
- Have a good reputation in the industry with proven references, and a high level of professionalism and strong ethical standards.
- Maintain at all times a minimum tangible net worth required based on client approval level unless state requirements are greater. Net worth must be determined in accordance with Generally Accepted Accounting Principles (GAAP).
- Have a "good standing" rating with all governmental licensing and revenue collection agencies and have a public record clear of any civil or criminal judgments. A client whose firm has been suspended, is currently under investigation by any agency or has an open judgment in excess of \$5,000 may not be approved or may not be renewed to do business with GMFS.
- In the case of corporations, GMFS may request personal credit reports from the corporate officers if the corporation's credit is not satisfactory. Past credit difficulties or loan performance issues as noted by the Neighborhood Watch report will be reviewed on a case-by-case basis. A letter from the client explaining the derogatory item will be required.
- Satisfactory Third Party background check
- GMFS requires that all clients are MERs members in good standing and have complied with the rules and procedures of MERs on all loans sold to GMFS. All clients must have the status of Lite or General Members with MERs. If client currently has a TPO membership, it needs to be updated to a Lite or General membership.

## Application Procedures

- Prospective clients must complete the **GMFS LLC application**: Correspondent Application located on [www.gmfspartners.com](http://www.gmfspartners.com)
- Lenders must execute the **Correspondent Purchase Agreement** which can be found on [www.gmfspartners.com](http://www.gmfspartners.com). If the client is Brokering a single product such as Jumbo or FHA, one of the compensation options offered must be selected for brokered transactions utilizing lender paid compensation. Please note the maximum option being offered is 2.75%. Lenders must also disclose any and all affiliate business arrangements on this form and also disclose on loan level submissions all fees related to such affiliated business arrangements whether the fees will be included in the points and fees test or not.
- For delegated clients only, lenders must execute the **Addendum 1 to Delegated Purchase Agreement** which can be found on the Correspondent section of our website.
- In addition to the application itself, prospective clients must provide copies of applicable lending license, year-end financial statements, quality control plan, along with other required documentation.

[Back to Table of Contents](#)

## Approval Requirements

- Upon receipt of a completed application with all required documentation, GMFS will render a decision, on average, in five (5) business days.
- Once GMFS approves an applicant, a copy of the fully executed Mortgage Correspondent Loan Purchase Agreement will be forwarded to the Mortgage Correspondent client for its permanent records.
- The assigned GMFS District Director or Account Executive is typically required to conduct a site review within 60 days of approval.
- Additionally, the assigned GMFS District Director or Account Executive is typically required to conduct a client orientation call with GMFS Operations before submission of new applications.

## Loan Submission Compliance Review

- Typically, the first five (5) loan files submitted by a newly approved client will be reviewed to determine the integrity of the loan files submitted. The review will consider loan files that are approved or declined. GMFS will make a determination of “Satisfactory” or “Unsatisfactory.” If a decision to continue the relationship is made, GMFS will review the client’s submissions in accordance with the provisions set forth in the *Correspondent Approval Policies and Procedures* for reviewing newly approved clients.
- Further, if an “Unsatisfactory” determination is made in accordance with the re-review procedures, GMFS will terminate its relationship with the client.

## Maintaining Eligibility

GMFS’ goal is to establish and maintain a productive and profitable long-term relationship with every client. GMFS, in general, reviews clients’ **performance**, among other things, not only routinely, but also as part of an annual recertification process, with a focus on the following areas:

- Pull-through
- Effective Pipeline Management
- Quality of Loan Submissions
- Quality Control (QC) Results

## Annual Recertification

The annual recertification consists of verifying or obtaining the following:

- Copy of all current Correspondent/Lending Licenses, including HUD exemption, if applicable
- Most recent quality control plan
- Most recent Neighborhood Watch report ensuring that the compare ratio is in accordance with the standards set forth for approval
- Current Errors and Omission Insurance or Surety Bond, where applicable
- Financial statement within 90 days of fiscal year end verifying that the minimum required net worth is maintained; **delegated correspondent** clients are required to submit an **audited** financial statement
- Updated ownership information and organization contacts (unless no changes)
- Payment of agency sponsor renewal fees and renewal of LO licenses updated on the NMLS website
- If client does not provide the necessary information in a timely manner, GMFS **reserves the right to suspend all locks** until complete information is received.

## Annual MERs Renewal

In order to maintain eligible delivery status to GMFS as a correspondent client, clients must submit **proof of annual Mortgage Electronic Registration System (MERs) Lite or General membership renewal** within 30 days of renewal date.

[Back to Table of Contents](#)

## Appraisal Management Companies (AMC)

GMFS' leverages AMCs with rigorous screening processes to help ensure that clients are working with only the best and most professional appraisers in the industry.

- [Accurate Group](#)
- [ACT Appraisal](#)
- [Appraisal Management Specialists, LLC](#)
- [Clarity Appraisal Management](#)
- [Core Valuation Management](#)
- [Eclipse Appraisal Management](#)
- [Equity Valuation Partners](#)
- [Equity Solutions USA](#)
- [HVCC Appraisal Ordering](#)
- [LCI Appraisal Management](#)
- [Valuation Management Group](#)

Correspondent clients may request approval to use their own AMC(s) if submitted at time of application and must be Equal Credit Opportunity Act (ECOA) and Appraisal Independent Regulation (AIR) compliant. Delegated correspondent clients are approved to use their own AMC(s) and must also be ECOA and AIR compliant.

## Correspondent Client Set-Up Summary

Client Type	Net Worth Required (\$)	Warehouse Funding	Closing Docs Preparation	Underwriting
<b>Correspondent</b>	75,000	Correspondent Warehouse Line	Correspondent, Third Party Vendor or GMFS	GMFS
<b>Delegated Correspondent</b>	1,000,000	Correspondent Warehouse Line	Correspondent	Correspondent

## Warehouse Approved Vendors\*

GMFS is an approved investor with the following warehouse vendors:

<b>American Southwest Mortgage Funding</b> Cindi Bickford 888.593.1003 <a href="mailto:cbickford@amswmtg.com">cbickford@amswmtg.com</a>	<b>Coastal State Bank</b> Tim Haug 843.341.9969 <a href="mailto:thaug@coastalstatebank.com">thaug@coastalstatebank.com</a>	<b>First Tennessee Bank Mortgage Warehouse Lending</b> Andy Greer 901.759.7705 <a href="mailto:agreer@firsttennessee.com">agreer@firsttennessee.com</a>	<b>Impac</b> Ercan Ozbek 949.475.3819 <a href="mailto:Ercan.ozbek@impacmail.com">Ercan.ozbek@impacmail.com</a>
<b>Amerisbank</b> Jill Gainer 770.578.3606 <a href="mailto:jillgainer@amerisbank.com">jillgainer@amerisbank.com</a>	<b>Comerica</b> Trey Worley 214.462.4279 <a href="mailto:tworley@comerica.com">tworley@comerica.com</a>	<b>GBC Funding</b> Joy Beam Burns 770.373.6009 <a href="mailto:jbeamburns@geobanking.com">jbeamburns@geobanking.com</a>	<b>NattyMac Warehouse</b> Ashley Crosslin 404.751.5090 <a href="mailto:ashley.crosslin@nattymac.com">ashley.crosslin@nattymac.com</a>
<b>BB&amp;T</b> Chad Cain 407.835.6681 <a href="mailto:Chad.cain@bbandt.com">Chad.cain@bbandt.com</a>	<b>Flagstar</b> Mathew Miller 517.817.1034 <a href="mailto:Mathew.j.miller@flagstar.com">Mathew.j.miller@flagstar.com</a>	<b>Goldome</b> Jeff Bolen 469.826.6455 <a href="mailto:jbolen@goldomellc.com">jbolen@goldomellc.com</a>	<b>Southwest Bank</b> David Frase 817.727.3187 <a href="mailto:david.frase@southwestbank.com">david.frase@southwestbank.com</a>
<b>Benchmark Bank</b> Garrett McCourt 972.673.4093 <a href="mailto:gmccourt@benchmarkbank.com">gmccourt@benchmarkbank.com</a>	<b>Florida Capital</b> Jackie Ring 940.245.7096 <a href="mailto:jringe@fcb.com">jringe@fcb.com</a>	<b>Guaranty Trust</b> Jim Harrison 214-710-2348 <a href="mailto:jharrison@gnty.com">jharrison@gnty.com</a>	<b>Warehouse Lending Group</b> Stephen Bertrand 800.343.7160 <a href="mailto:sbertrand@ravdocs.com">sbertrand@ravdocs.com</a>
<b>Citizens Bank and Trust of Vivan</b> Brett Duhon 318.629.7815 <a href="mailto:bduhon@cbtovivian.com">bduhon@cbtovivian.com</a>	<b>First Funding</b> Nate Clear 214.270.0469 <a href="mailto:nateclear@firstfunding.com">nateclear@firstfunding.com</a>	<b>Plains Capital Bank</b> Anne Collop 214.525.4641 <a href="mailto:annecollop@plainscapital.com">annecollop@plainscapital.com</a>	

\*If a preferred warehouse bank is not listed above, please provide contact information to your designated District Director or Account Executive and GMFS will apply for investor approval status.

[Back to Table of Contents](#)

# Section 3: Quality and Compliance

Organizations with a commitment to quality control recognize that quality begins before an application is taken and continues throughout the entire mortgage origination process. The purpose of a quality control program is to monitor and evaluate the integrity of the origination process and to provide feedback to clients about loan originations.

## Regulatory Compliance

Clients must operate in compliance with all federal, state and local laws and regulations. This Guide is provided as information only and is not to be interpreted as legal advice. While it is GMFS' intent to always have this Guide reflect the most current information, there may be times when it does not. It is each client's responsibility to comply with legal and regulatory requirements promulgated by all federal, state and other government entities and to be and remain current with regard to those standards.

In general, the procedures, eligibility requirements, loan application and related forms and all other aspects of processing loans will be those required by Fannie Mae or Freddie Mac. However, GMFS LLC may insist upon the use of alternative or additional forms and procedures.

All applicable State, Local, Municipal and Federal laws and regulations of any nature will be observed, as they relate to Mortgage Correspondent Client's activities undertaken in connection with the purchase Agreement, and all necessary disclosures required by those laws and regulations shall be made by the Correspondent Client.

## CFPB Overview

Refer to all of the final rules issued by the Consumer Financial Protection Bureau (CFPB) at [www.consumerfinance.gov/regulatory-implementation](http://www.consumerfinance.gov/regulatory-implementation) to become familiar with the regulatory requirements.

The website covers:

- TRID - Truth in Lending RESPA Integrated Disclosure Rule\*
- The Ability to Repay/Qualified Mortgage Rule
- 2013 HOEPA Rule
- Loan Originator Rule
- ECOA Valuations
- TILA HPML Appraisals
- Escrows
- HUD-approved housing counselor disclosure requirements

\*The CFPB is amending RESPA Regulation X and TILA Regulation Z to establish new disclosure requirements and forms in Regulation Z. Refer to the GMFS website for helpful compliance tools or to the CFPB website for guidance on the rule.

These **Qualified Mortgage (QM)** rules are effective for all loan applications dated on or after January 10, 2014, with the exception of FHA loans. The effective date for FHA is for all case assignments dated on or after January 10, 2014.

[Back to Table of Contents](#)

Effective with the new QM rules, GMFS requires the following disclosures:

- **GMFS Ability-to-Repay Disclosure** – Delegated Correspondent Lenders and Texas Division Correspondent Lenders will be required to provide credit refresh reports pulled prior to closing and are encouraged to do so no earlier than 24 hours prior to the loan closing as evidence that no new debts have been opened. All other non-delegated Correspondent clients are encouraged to incorporate this disclosure into their initial disclosure doc sets and submit the signed disclosure with the initial up-front disclosures. GMFS processors will be instructed to send this disclosure to borrowers when there is no evidence in the file that one has already been signed by the borrower. It summarizes the lenders responsibility for ensuring that the borrower has met the ability to repay test and also puts applicant on notice that GMFS will be monitoring their credit, income, and employment during the loan approval process. It states that GMFS will be requiring explanations for any inquiries that may show up during this process, changes in income or employment, as well as including any new obligations in the debt-to-income calculation which could negatively impact the loan approval.
- **Disclosure on Housing Agencies** – The CFPB is also requiring lenders to provide borrowers with a list of the Housing Agencies in the borrower's immediate area on all loans originated. GMFS will be requiring evidence that the disclosure was provided and signed as a part of the initial upfront disclosures. A link to those Housing Agencies can be found on the [CFPB website](#).
- **Pre-Closing Fee Sheet** – GMFS will require the lender, as part of the GMFS Pre-Closing Fee Sheet, to confirm that all applicable valuations were delivered to the applicant in a timely manner as per the ECOA Valuations Rule. If GMFS orders a desk review, GMFS will provide the lender with the results upon completion and the lender will be responsible for disclosing it to the applicant. The Pre-Closing Fee Sheet must be accurately completed, signed, and dated before the loan can be sent to Closing.

## TRID

For all applications dated on or after October 3, 2015, GMFS will require the origination lender to disclose the Loan Estimate (LE) within three business days of obtaining a complete application. A complete application includes);

- Name
- Income
- SSN
- Address
- Estimated Property Value
- Loan Amount

Evidence of how the LE was sent to the borrower must be listed on the submission cover sheet. In instances where GMFS prepares the closing package, GMFS will be issuing the closing disclosure and sending directly to the parties required to receive it. If the correspondent client is issuing the closing package, the client will be responsible for sending the closing disclosure to be executed.

## Compliance by Correspondent Seller

Any information and guidance contained in this Guide regarding policies and procedures to utilize while doing business with GMFS should in no way be construed as GMFS providing the Correspondent with legal advice. For legal determination, the Correspondent should seek out independent legal opinions from qualified sources.

[Back to Table of Contents](#)

GMFS' Correspondent Lending Division provides helpful tools, policies, procedures and requirements that the Correspondent should follow when seeking the purchase of a closed loan.

- Correspondent must report HMDA LAR data as required by federal HMDA/Regulation C.
- For loans to be considered eligible for purchase: Correspondent must abide by RESPA/Regulation X which includes, but is not limited to: properly disclosed Loan Estimate, re-disclosure (when necessary and applicable), and correct association of LE to COC and final HUD-I Settlement Statement.
- Correspondent is required to close loans in compliance with their own specific licensing regulations.
- Correspondent must adhere to current requirements as mandated by all Federal, State, Municipal Agencies, as well as appropriate transaction requirements of Fannie Mae, Freddie Mac, FHA, and/or VA.
- Correspondent must keep GMFS abreast of any company licensing changes that may affect the purchase of a particular closed loan prior to GMFS purchasing.

In addition to the above requirements, GMFS requires "higher risk" loan files to undergo a secondary review by GMFS' Head Underwriter or the Director of Compliance for final approval unless the client is delegated. Loan files that are considered "higher risk" may or may not be considered "approve eligible" as determined by an Automated Underwriting System.

## GSE Requirements

- **UCDP**

Client must adhere to Fannie Mae's or Freddie Mac's Uniform Collateral Data Portal (UCDP) requirements. Once an appraisal is performed and a value is rendered, that becomes the effective value for that transaction. The appraisal is sent to appropriate GSE and that GSE captures that information in their data base; GMFS ensures a copy of the completed Appraisal Summary Form is uploaded in EDM.

If a client opts to take advantage of reduced appraisal findings in DU, the client must not order an appraisal or multiple appraisals after the fact and still rely on the initial findings. After an appraisal has been rendered, clients must not attempt to get a waiver using a higher stated value. *Non-compliance will result in the client repurchasing the loan.*

- **DO/DU or LPA**

All loans should be run through AUS and if applicable released to GMFS prior to loan submission. For DO/DU, this includes Conventional, FHA purchases and rate/term refinances, and VA purchases and rate/term refinances. For LPA, GMFS allows Conventional only and a separate client approval is required. For FHA streamline refinances, VA IRRRLs and USDA loans, the 1003 information must be imported into the Client Portal (GMFSPartners.com) in a 3.2 Fannie Mae format.

If a client is not registered with Fannie Mae Desktop Originator or Direct Access to LPA, go to the gmfspartners.com website and click on Helpful Tools for DO and Conventional on the right hand side for LPA. On our website you can see instructions about getting set up with both AUS systems.

[Back to Table of Contents](#)

## Social Security Validation

A Direct SSN validation is often used in conjunction with the credit report and borrower documentation. The SSN validation may also show on the electronic QC run provided by Correspondent.

## NMLS Requirements

- The 1003 must have the Loan Officer name listed exactly as shown by the NMLS database.
- The Loan Officer license must be renewed through the current year.
- At time of closing, Loan Officers must currently be employed with the submitting client and it must match the NMLS database. If the Originating Loan Officer is no longer employed at the time of the loan closing, then a current employee with a valid NMLS number tied to the submitting client must sign the final application and input their valid NMLS name & NMLS number.
- The NMLS number for the submitting mortgage company must be valid as well.

On submitted 1003 applications regarding NMLS information:

- Loan Officers may use the name listed at the top of the NMLS consumer access page.
- Loan Officers may use a name variation listed under the “Other Names” section of the NMLS consumer access page.
- Loan Officers may NOT use a name variation listed under the “Prior Legal Names” of the NMLS consumer access page. Those name variations are NOT allowed.

## Required Notification

Clients must notify GMFS in writing **within 30 days** of any change in:

- Ownership (or percentage of ownership)
- Financial condition
- Warehouse bank or warehouse line
- Company ownership, Board of Directors composition, and Executive/Senior Management
- Opening/closing of licensed locations doing business with GMFS;
- Contact information (Address, phone numbers, fax numbers and email addresses).
- Underwriter resumes at time of application and when subsequent changes are made

Clients must **immediately** notify GMFS in writing if the company or any owner, employee, agent or officer:

- Fails to maintain any applicable license or registration in each jurisdiction that governs the company’s activities
- Becomes subject to any enforcement and/or investigative proceeding by any licensing or regulatory authority or agency
- Is named as a party or becomes involved in any material litigation
- Is placed on Fannie Mae’s or Freddie Mac’s exclusionary list, HUD’s limited denial of participation or any other agency, or any private investor’s exclusionary list.

Clients must also **immediately** notify GMFS in writing if:

- The company is going through a merger or being divested (“spun off”) which may affect a client’s financial condition.
- The company and/or any of its principal directors or owners becomes the subject of any bankruptcy or has incurred or is likely to incur a material, adverse change in its/their financial condition.
- There are any investigative actions, proceedings or lawsuits that relate to or concern a client’s agreement with GMFS or any mortgage loans subject to that agreement.
- There is an investigation, proceeding, litigation or other event which, if resolved adversely, could have a material adverse effect on a client’s ability to originate loans or perform its obligations under its agreement with GMFS.
- If there is a change in authorized signatures, clients should submit a revised Certificate of Signatures form as soon as possible in order to avoid purchase delays.
- Clients may submit documentation regarding changes to the assigned GMFS District Director or Account Executive.

[Back to Table of Contents](#)

## **Expectations**

GMFS' goal is to establish and maintain a productive and profitable long-term relationship with every client. GMFS has a strong commitment to customer service and would like to hear from our clients if expectations are not met. Concerns or suggestions can be communicated to the assigned GMFS District Director or Account Executive.

# Section 4: Representations and Warranties

Representations and Warranties (aka Reps and Warrants) are indemnifications and covenants written into the purchase and sell agreement that provide important factual information necessary to protect a buyer from incidents in the future.

## Early Payment Default (EPD)

The Mortgage becomes two (2) or more monthly payments past due (delinquent) within four (4) months from the date of sale of the Loan File to GMFS. A loan with two (2) monthly payments past due is a loan wherein Mortgagor has failed to pay monthly payments, including all sums due pursuant to the Mortgage contracts, and two (2) payments remain unpaid on the sixteenth day of the month. This provision only applies if Originator has been granted delegated underwriting authority by GMFS.

## Early Payoff (EPO)

An early payoff is defined as any loan, whether a first or second lien loan, that pays off in full within one hundred and twenty (120) days after the purchase date of the loan by GMFS. When an early payoff occurs, if the payoff proceeds were sent to the client, the client is obligated to forward the payoff proceeds to GMFS. Further, the client is obligated to refund the servicing release premium and/ or other premium pricing paid to the client by GMFS for the early payoff loan.

GMFS will send the client a bill for the refund of the service release premium and/or premium pricing for all early payoff loans. If the loan has been sold by GMFS to an investor, the bill may also include an assessment for interest due in the month of payoff.

## Repurchase and Indemnification Obligations

In the event a client's representation or warranty relating to a mortgage loan purchased by GMFS is determined by GMFS to have been inaccurate as of the date made, the client must immediately repurchase the loan, should GMFS or the then holder of the mortgage loan so request, at a repurchase price payable in cash.

The client agrees to indemnify and hold GMFS and its related corporations, LLC's, other entities, officers, directors, shareholders, employees and agents harmless from any and all loss, injury, damage, expense and/or liability to any and all persons resulting, or claimed to have resulted, from any breach of the client's covenants, responsibilities, representations or warranties under the Correspondent Purchase Agreement, or otherwise arising from or relating to any acts or omissions, whether willful, negligent or otherwise, of the client or its employees or agents. *Refer to the [Correspondent Purchase Agreement](#) for complete details.*

[Back to Table of Contents](#)

# Section 5: Registration and Locking

GMFS' online loan submission process is conveniently designed to allow clients to stop any time and pick up where they left off. Clients may check their loan submission status at any time after the initial submission.

## Rate Sheets and Pricing

Interest rates and purchase prices are quoted on GMFS' Daily Rate Sheet Indicator. Purchase prices are quoted net of lender paid compensation when applicable. The net price shown includes the servicing release premium (SRP). All prices are quoted as a percentage of Par. Individual loan price quotes can be obtained in GMFS' online pricing system located on TPO Connect.

GMFS pricing system is available till 8:30 CST. You can make extensions or changes at any time. Please note, if a loan expires on that day it must be extended before 4:30 CST when the physical lock desk closes. Some products may expire prior to 8:30 p.m. CST. GMFS is currently not offering overnight price protection on its loan programs. Loan Programs will reflect "expired" in the GMFS pricing system and the system will not permit clients to lock until the pricing is made available either after a price change or the following business day morning. All locks will continue to be automatic with printable lock forms available immediately and change request will be validated the following morning if made after 4:30 CST.

GMFS' Daily Rate Sheet Indicator will be posted on website. In addition, the Daily Rate Sheet Indicator is available upon request via email. Clients are encouraged to contact the Lock Desk at [lockdesk@gmfslending.com](mailto:lockdesk@gmfslending.com) to be included on the routine Daily Rate Sheet email distribution.

*All loan rates and fees quoted by GMFS will be in a form and by a method established by GMFS from time to time. No rate quotes or "rate-locks" will be binding upon GMFS unless agreed to in writing by a designated authorized employee of GMFS LLC.*

## Registration

GMFS has partnered with Optimal Blue for the purposes of pricing and locking loans. Clients can access the GMFS pricing engine through TPO Connect. Optimal Blue will provide Eligible Products and Price with minimal data.

[Client Portal>Helpful Tools>How-to](#) then select the [Client Portal Reference Guide](#)

[Back to Table of Contents](#)

## Locking

### General Lock-in Terms

- *Loan must be registered first before it can be locked.*
- Lock Desk hours:
  - GMFS' lock desk can be reached during operating hours 8:00 a.m. – 4:30 p.m. CST.
  - GMFS on-line pricing and locking system (OB) is available until 8:30 p.m. CST for most programs. Custom programs (e.g. Jumbo) can only be locked up to 4:30 when the lock desk closes.
  - Changes or Extensions can be done 24 hours a day, although if a lock is expiring on that day the extension **MUST** be done prior to the lock desk closing (4:30 CST) on that day.
  - Clients will receive a lock acceptance email before close of business if the client lock request was submitted properly within the standard hours of operation. Any locks submitted during extended hours will receive notification the following business day morning.
  - GMFS may have to adjust Lock Desk hours of operation in the event of an unforeseen closure (e.g., inclement weather, etc.).
- Extension costs and lock periods vary by product. Please refer to the Rate Sheet or Optimal Blue (OB).
- When using Optimal Blue, client must review the notes generated under each pricing indication before locking the loan.
- “Best efforts” delivery is expected on all locked loans. Clients must make every effort to close a loan according to the terms of the lock.
- At times, market conditions may dictate the need for an intra-day rate/price change. Locks will be suspended and no grace period will be provided to any loan not submitted to GMFS prior to the effective time of change.
- In the event that a duplicate lock is created, the loan will become subject to worse case pricing.
- All loans must be delivered as they are locked. If loan characteristics change through the process of the loan file, it is the client’s responsibility to notify the GMFS Lock Desk of any changes by submitting a change request in the pricing engine.
- If clients select the “Fees In” option, the underwriting and doc review fee will be priced into the loan. “Fees In” option selected will be clearly indicated on lock confirmation.

[Back to Table of Contents](#)

## Changes/Relocking/Expiring Locks

Changes to client locks must be made through the GMFS pricing engine. Please reference the Client Portal Reference Guide for helpful tips on making changes in the GMFS system.

- Any changes to the following fields on a locked loan may result in re-pricing the loan due to changes in loan level price adjustments:
  - Loan Amount / Sales Price / Appraised Value
  - Loan Purpose / Property Type
  - LTV / CLTV
  - Occupancy
  - Credit Scores
  - Other liens or Secondary Financing
  - Escrows
- A change in Property Address is considered a new lock and goes to current market.
- Any change in Loan Program or Loan Term can be requested in Optimal Blue through a Profile Change. Original day pricing will be used except when going from a Correspondent loan to a Broker loan. In this case, a new lock would be required.
- Any changes in interest rate refer back to the original lock day price. Lock must stay with the same original lock period.
- Any incorrect borrower or loan Information may require a client to provide additional documentation and may impact the base price.

## Expiration Considerations

- Expiration dates automatically roll on a weekend or federal holiday. Clients must make sure to extend a lock prior to close of business on the last business day prior to expiration.
- Loans must close and fund prior to the lock expiration date.

## Relocks to Expired Locks

- In most cases, relocks can be made through the pricing engine, Optimal Blue. The relock option is available in the Profile Change Request feature. Relocks are available any day after the lock expiration date.
- If assistance is needed, contact the Lock Desk at [lockdesk@gmfslending.com](mailto:lockdesk@gmfslending.com)
- Worse case pricing is applicable at the time of relock. Worse case pricing is calculated by comparing the current pricing on the same product, rate, and lock period as originally locked. The worse of current base pricing compared to original base pricing is then applicable.
- Worse case pricing uses the original lock period pricing vs. current pricing of the same lock period. This means that if the original lock was 60-day pricing, then the worst case pricing calculation will use the current 60-day price.
- Once the base price is determined using the worse case comparison described above, the recommitment is based on the new time period needed for the lock. The new price is worse case plus a fee, which is dependent on the length of the new lock. For example, use the 30-day price for worse case comparison but only deduct .125 if it is an additional 15 days lock versus .375 if a 30 day lock is needed.
- After 30 days from the lock expiration or cancel date, current market is applicable.

[Back to Table of Contents](#)

## Extensions

- Extensions are only available prior to the lock expiring and must be requested prior to 4:30 p.m. CST through the pricing engine, Optimal Blue.
- GMFS does not allow lock extensions during GMFS expanded hours. If an extension is not applied to a loan prior to expiration, the only option is to relock at worst case pricing less a recommitment fee.
- The available days for extensions and fees are published on the Rate Sheet and available through Optimal Blue (OB). Fees may vary by product.
- A loan may be extended up to two times but for no more than 30 days without an exception from the Lock Desk.
- Extensions should be requested through the Change Request Feature in Optimal Blue.

## Cancellations and Fallout

GMFS' ability to offer competitive pricing is directly affected by a client's ability to manage their fallout ratios. Fallout occurs when a loan is not delivered according to the lock-in terms. A loan is considered a fallout loan if:

- The lock-in expires prior to the loan delivery
- The loan is denied
- The loan is withdrawn, or
- For any reason the loan does not close according to the lock-in terms.

Clients are responsible for notifying the Lock Desk within one (1) business day if a loan falls out because of denial or withdrawal.

- Letting locks expire as opposed to actively canceling them is closely monitored by GMFS
- Although there is no penalty charged on an individual loan if it does not close, GMFS closely monitors pull-through ratios. Unacceptably low pull-through levels may impair a client's ability to sell loans to GMFS or maintain normal business relationships.

[Back to Table of Contents](#)

## Lock Policy for Third Party Document Preparation

The following pricing policies apply to any locks where documents are not drawn internally by GMFS.

- In order to secure a lock, GMFS must receive the closed loan package prior to the lock expiration date via TPO Connect. Refer to [Section 7](#) for procedures and email notification requirements of closed loan packages.
- If delivering the imaged file on the last day of the lock, the package and email notification must be received prior to 3:30 p.m. CST. Loans that have a lock expiration on a weekend must be delivered by 3:30 p.m. CST on Friday.

Original Note must be shipped to the following address:

GMFS LLC  
Attn: Correspondent / Delegated  
(indicate one as applicable)  
7389 Florida Blvd., Suite 200A  
Baton Rouge, LA 70806

- In addition, in order for GMFS to honor the existing rate lock, two important steps are required. Step one: The closed loan package must be uploaded and received by GMFS on or before your lock expiration date (per instructions above). Step two: All suspense conditions must be cleared and the loan funded for purchase within 10 calendar days from the date of the GMFS initial suspense notification. The lock will reflect this new date once the suspense is generated and system updates run (usually < 24 hours)
- If a client is unable to meet the time frames outlined above, then the loan will be subject to worst case pricing and a lock extension fee of .375%.
- If all conditions are not cleared within 30 days of initial suspense notification, the note will be returned to the correspondent and the file will be closed for incompleteness. The Seller may reactivate the loan file to GMFS for reconsideration at a later date. There is no specified limit to the number of times GMFS will re-activate a file. Loan that are re-activated are subject to Documentation Age restrictions located in the [TPO Product Guide](#).

*\*Any loan that closes or disburses after the expiration of the lock will be subject to a relock at worse-case pricing. Please make sure loan is disbursed prior to expiration date. This includes the three (3) day right of rescission required on refinance transactions.*

[Back to Table of Contents](#)

# Section 6: Underwriting Submission

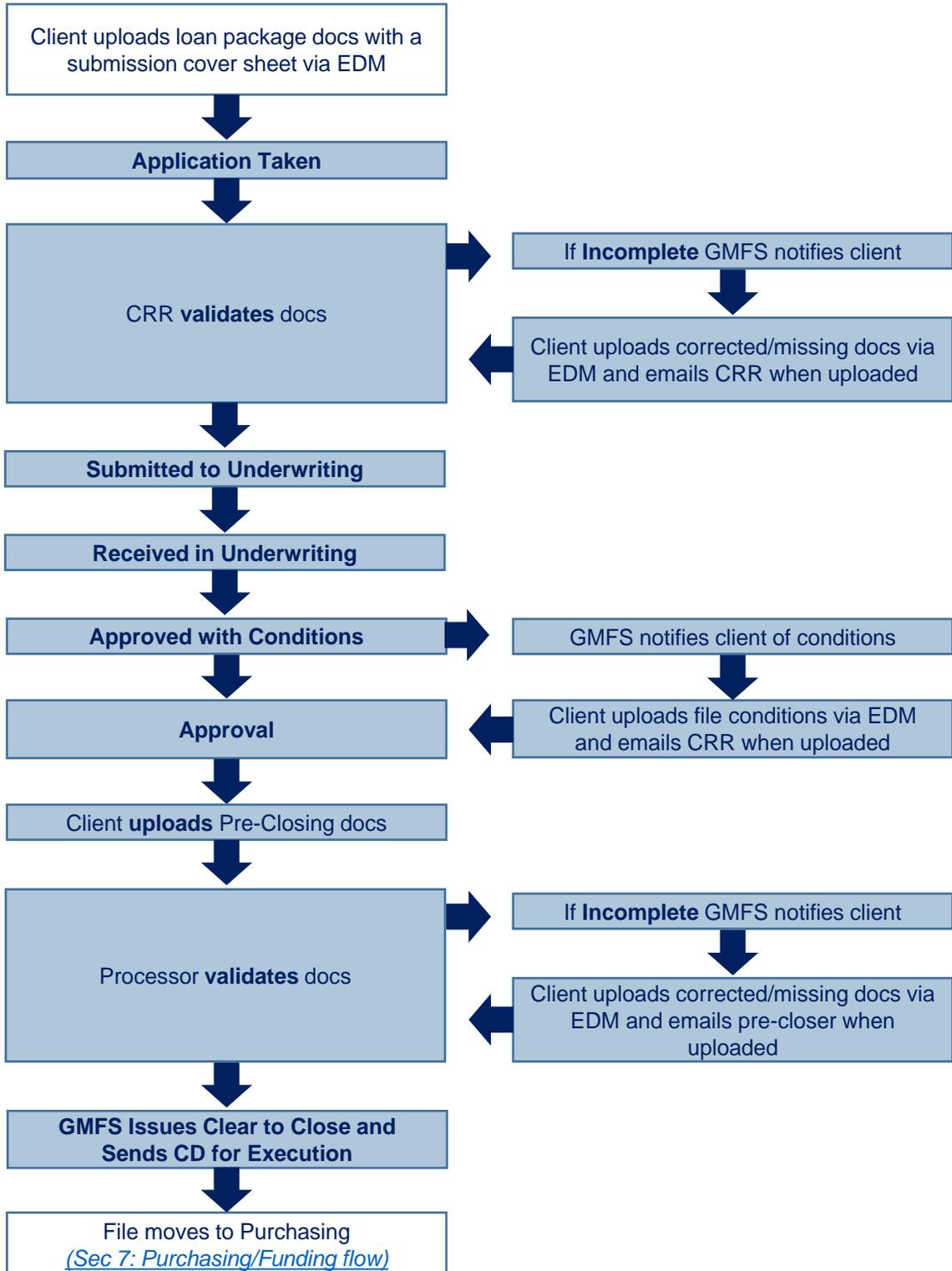
Correspondent clients follow the appropriate process based on whether GMFS or the client prepares or outsources the closing docs. Refer to the two flowcharts along with the submission status terms that follow. Delegated correspondent clients should refer to *Section 7: Purchasing/Funding*.

[Back to Table of Contents](#)

# Underwriting Flowcharts

## CORRESPONDENT

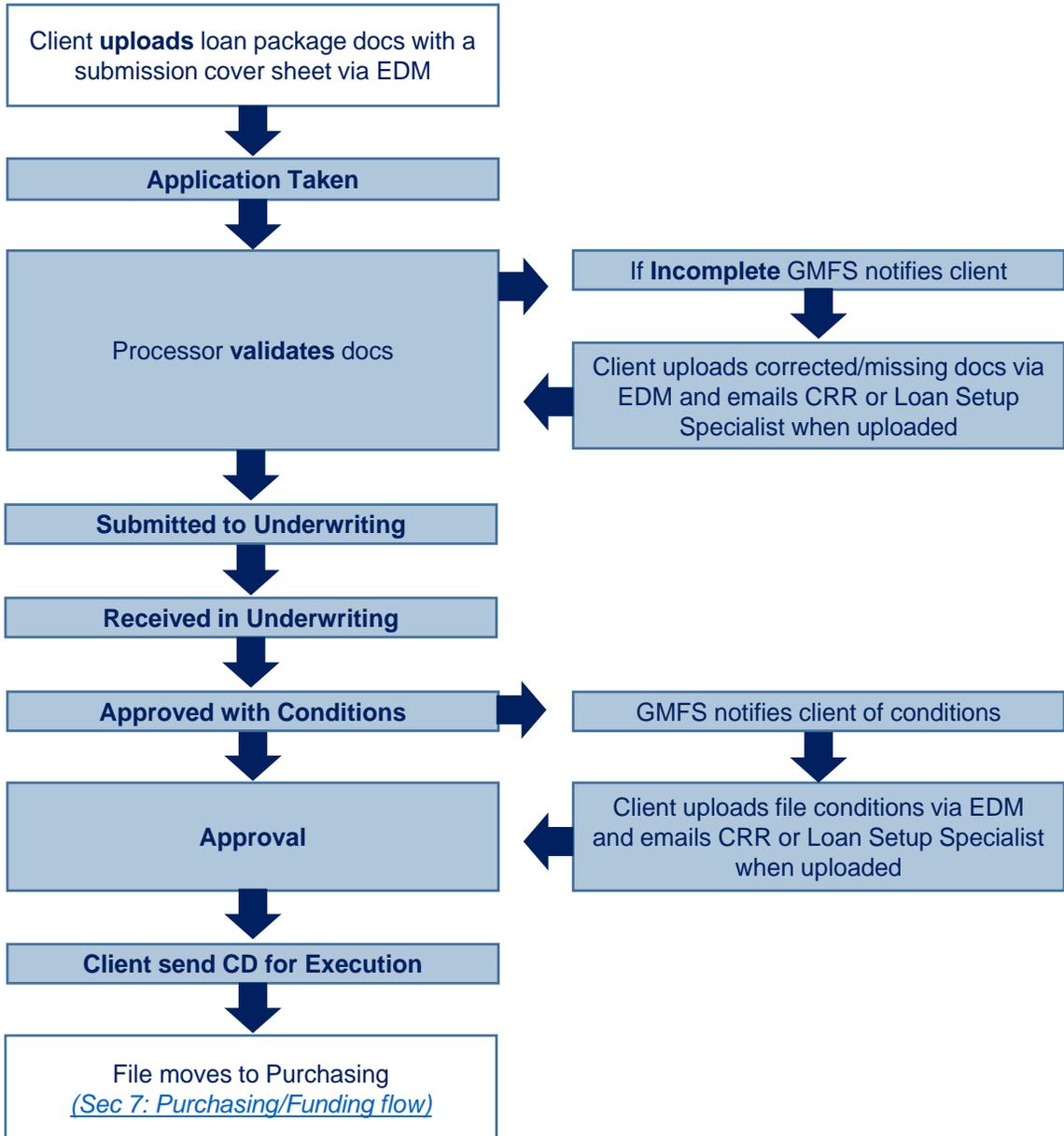
GMFS prepared closing docs (not applicable for Texas clients)



[Back to Table of Contents](#)

## CORRESPONDENT

Client prepared closing docs or outsourced to third party vendor



[Back to Table of Contents](#)

## GMFS Underwriting submission status terms are provided below.

- A client must first register a loan into the Client Portal (GMFSPartners.com) prior to submitting a loan package (refer to Sec 5: Registration and Locking).
- To begin the underwriting submissions process, the client uploads loan package documents with a submission cover sheet via EDM as "Full Package-Initial (Portal)."

### Application Taken

The client must submit *all required documentation* as detailed in the GMFS' Loan Submission form. **The Loan Submission form is program specific**; include ALL required documents.

Submission forms may be found under the appropriate program heading on our website.

- Additionally, the client must submit all required disclosures as GMFS does not re-disclose. The client is responsible for re-disclosure in the event of a change of circumstance.
- GMFS performs an initial QM review and Loan Estimate Review. For Corporate GMFS client, GMFS orders the flood certification and the IRS transcripts upon receipt of the signed 4506-T.

### Incomplete

- If the loan package has not met the minimum submission requirements for the file to be worked, GMFS notifies the client via email outlining which documents are incomplete/missing.
- The client must upload corrected/missing documents via EDM and email GMFS when uploaded.

### Submitted to Underwriting

- The file has met the minimum submission requirements and is submitted to the Underwriting department.

### Received in Underwriting

- An underwriter pulls the file for review. The Underwriting department does this on a first in, first out system by the product type.
- Turn times for Underwriting are posted on the GMFS Daily Rate Sheet

### Approved with Conditions

- The underwriter approves the loan package with conditions.
- GMFS notifies the client via email of the required conditions.
  - The client uploads the file UW conditions via EDM as "File Conditions (Portal)" and emails CRR when uploaded. *All underwriting conditions should be numbered to match the condition number on the GMFS loan approval memo issued by the underwriter.*
- The GMFS CRR reviews the uploaded conditions for accuracy and submits file back to Underwriting if uploaded documents are complete/accurate.
- In a small number of cases, at the underwriter's discretion, GMFS will require a Desk Review. If the underwriter conditions for a Desk Review, it must be ordered by the client through EVP Appraisal Management Company.

[Back to Table of Contents](#)

<b>Approval</b>	<ul style="list-style-type: none"> <li>• The underwriter approves the loan package.</li> <li>• There are, at times, additional small item conditions (e.g., obtaining signatures) that the CRR or Loan Specialist, in cooperation with the client, must clear prior to the loan moving to the Closing department. These are processor conditions noted on the approval memo.</li> <li>• The CRR or Loan Specialist advises the client of any final documentation requirements, including the GMFS closing fee sheet, to make the loan acceptable for the Closing department to draw closing documents. Those conditions should be uploaded as "Closing Supporting Docs (Portal)."</li> <li>• GMFS performs an additional QM review</li> </ul>
<b>Declined</b>	<ul style="list-style-type: none"> <li>• GMFS has declined the loan file. The issued Notice of Action Taken will indicate further detail as to reasoning..</li> </ul>
<b>Withdrawn</b>	<ul style="list-style-type: none"> <li>• The client withdraws the submitted loan file.</li> </ul>
<b>Clear to Close</b>	<ul style="list-style-type: none"> <li>• The loan file has met all requirements to go to the Closing department to have closing documents drawn. Only applies when GMFS prepares the closing docs.</li> </ul>

## Important Documents for Initial EDM Upload

*Client Portal>Helpful Tools>How-to then select [Client Portal Reference Guide](#)*

- **Loan Submission Form** – The Loan Submission form is program specific; include ALL required documents identified on the form.
- **Ability To Repay Form** – The GMFS Ability to Repay form is not required but preferred. For Corporate Clients, If client does not include in submission, GMFS will send to borrower.
- **GMFS Closing Fee Sheet** – The GMFS Fee Sheet must be included with the Closing Support Documents.

[Back to Table of Contents](#)

# Section 7: Purchasing/Funding

Once a fully processed loan is ready to close for GMFS' purchase consideration, clients need to take the appropriate steps to ensure loans submitted may be properly purchased and funded. *Clients must provide all necessary documentation prior to purchasing.* Illustrated below is the movement of the loan package from "Approval" status to "Purchasing" the loan. Clients follow the appropriate process based on whether GMFS prepared the closing *docs*, the client prepared or outsourced the closing *docs*, or it's a delegated client. Refer to one of the **three** flowcharts provided below along with the purchasing guidance that follows.

## **Original Note Delivery:**

Original Note must be shipped within 48 hours of loan delivery to the following address:

## **For Corporate clients:**

GMFS LLC  
Attn: Correspondent / Delegated (*indicate one as applicable*)  
7389 Florida Blvd, Suite 200A  
Baton Rouge, LA 70806

# Purchasing/Funding Flowcharts

## CORRESPONDENT

### GMFS prepared closing docs (not applicable for Texas clients)

GMFS UW Submission status:  
**Clear to Close**

\*On Correspondent loans, a minimum of 72 hours from loan funding is required before loan is eligible for purchase by GMFS.

GMFS sends closing disclosure to the borrowers(s) and the other party on the title.

GMFS sends executed CD to the client

Client controls Settlement co. funding

Client coordinates with warehouse/bank to ship closing package with required original docs to GMFS

Package moves to Post Closing

GMFS Post Closing Auditor validates Loan Package

Post Closing Auditor notifies clients of any conditions

Client clears conditions and uploads corrected/missing docs via EDM and emails Post Closing Auditor when uploaded

GMFS purchases loan

GMFS sends purchasing wire and emails client Purchase Advice

For purchasing status questions please email [ssweatfield@gmfslending.com](mailto:ssweatfield@gmfslending.com)

[Back to Table of Contents](#)

## CORRESPONDENT

Client prepared closing docs or outsourced to third party vendor

GMFS UW Submission status:  
**Approval**

Client manages closing process and prepares and gets Closing Disclosure Executed

### Client Prepared

Client delivers closing package via EDM and emails their Account Manager if Texas client and the following email address if Corporate Client :

[nondelegatedcorrespondent@gmfslending.com](mailto:nondelegatedcorrespondent@gmfslending.com)

Client overnights original note to GMFS

### Outsourced

Vendor uploads closing package and emails their Account Manager if Texas client and the following email address if Corporate Client :

[nondelegatedcorrespondent@gmfslending.com](mailto:nondelegatedcorrespondent@gmfslending.com)

Vendor overnights original note to GMFS

Package moves to Post Closing

GMFS Post Closing Auditor  
validates Loan Package

Post Closing Auditor notifies  
clients of any conditions

Client clears conditions by  
uploading corrected/missing  
docs via EDM and emails  
Post Closing Auditor when  
uploaded

GMFS purchases loan

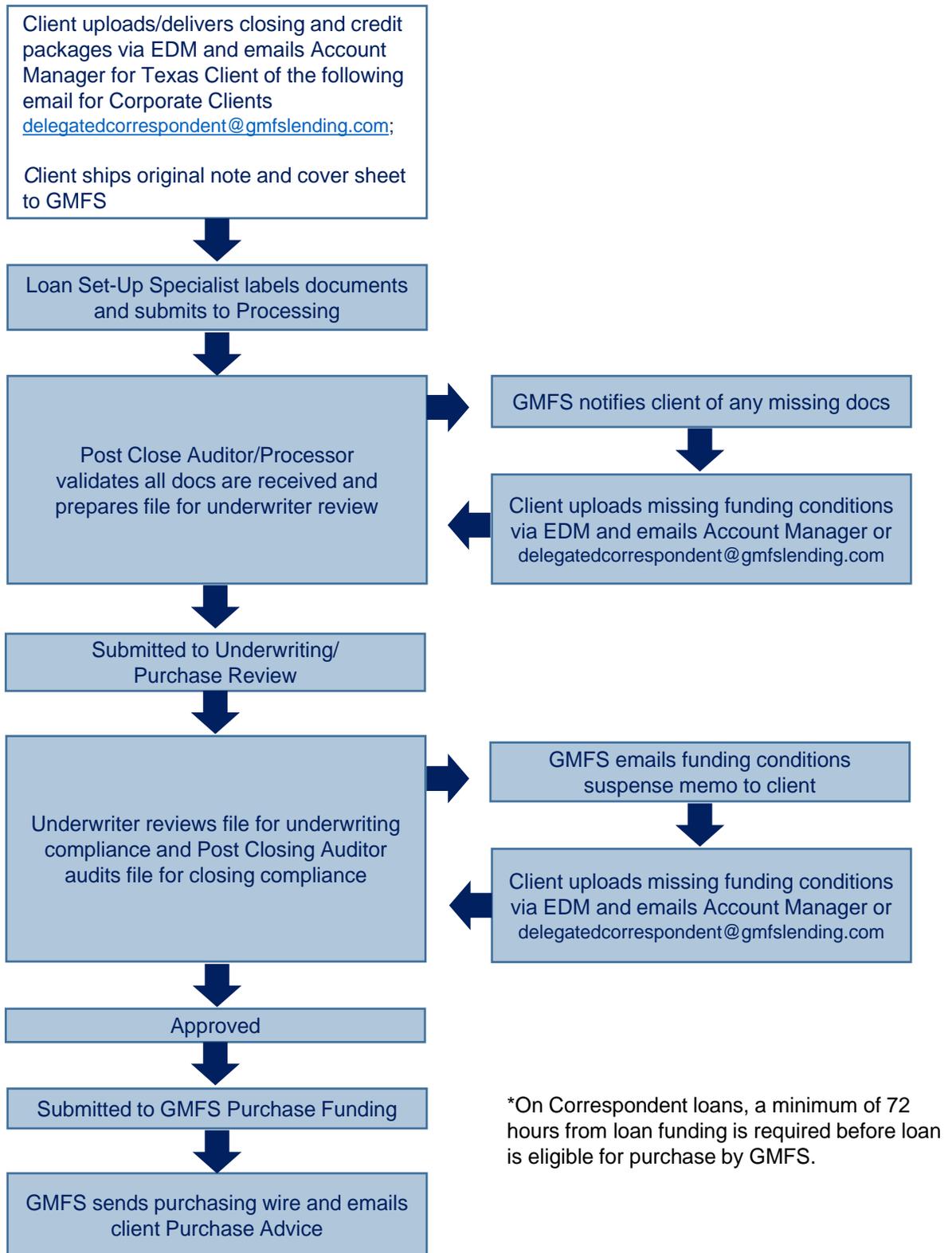
GMFS sends purchasing wire and emails  
client Purchase Advice

For purchasing status questions please email either Account manager or, [nondelegatedcorrespondent@gmfslending.com](mailto:nondelegatedcorrespondent@gmfslending.com) depending on which office supports your account.

On Correspondent loans, a minimum of 72 hours from loan funding is required before loan is eligible for purchase by GMFS

[Back to Table of Contents](#)

## DELEGATED CORRESPONDENT



\*On Correspondent loans, a minimum of 72 hours from loan funding is required before loan is eligible for purchase by GMFS.

*For purchasing status questions please email Account Manager for Texas clients or [delegatedcorrespondent@gmfslending.com](mailto:delegatedcorrespondent@gmfslending.com) for Corporate clients.*

[Back to Table of Contents](#)

# Closing Documents and Appraisals

## Correspondent Originated Loans

Loan Program	FHA	CONV	USDA	VA
Loan must close in the name of	GMFS*	Corresp	Corresp	Corresp
Appraisal must be in the name of	EITHER	Corresp	GMFS*	VA
Title must be in the name of	GMFS*	Corresp	Corresp	Corresp
Insurance must be in the name of	GMFS	GMFS	GMFS	GMFS

*\*Delegated Correspondent clients or Correspondent clients that have been previously approved may close in their own name.*

## 1098 Reporting

You must file the 1098 if you are engaged in a trade or business and in the course of that trade or business you receive from an individual more than \$600.00 of mortgage interest (or points and mortgage interest combined exceed \$600.00) on an single mortgage loan during a calendar year.

The lender of record must file form 1098 to report all points paid by the payer of record in connection with the purchase of a principal residence. A lender of record is the entity who, at the time the loan is made, is named as the lender on the loan documents. Even if the lender of record intends to sell or otherwise transfer the loan to a third party after the close of the transaction, such intention does not change who is the lender of record. It is therefore, that the lender so stated on the Note, is responsible for reporting interest and points.

[Back to Table of Contents](#)

**GMFS purchasing guidance provided below.**

**APR Fees** • Refer to the [Client Portal>Forms & Docs>Compliance Docs](#) for additional information on APR fees

**Construction to Perm** • Require rescission if the borrower has occupied the property

**Escrow Rules**

- Hazard and Flood Insurance may not expire within 60 days of closing.
- GMFS requires (2) months cushion on reserves or state law.
- Taxes due within 60 days of closing; must be collected on CD.
- Rural Development Escrow Reserves: Collection of two months' worth of annual fee payments at closing except where prohibited by state law. (one month for interest credit)
- Flood Insurance must be escrowed if the property is located in a special flood hazard area
- Loans that are eligible to close as a Section 35 must have an escrow account

**First Payment Date** • The maximum amount of time permitted to occur between the final disbursement date and the first payment date is two months in order to be eligible for purchase.

**Interest Charged** • Per diem interest is based on a 365-day year. The per diem interest collected at closing is charged from the disbursement date to the first day of the following month.

- GMFS will permit an interest credit to the borrower(s) at closing on loans.
- Each program's funding must occur **on or before** the date below

**Interest Credit**

Program	Funding Date
Conventional	10 <sup>th</sup>
FHA/VA	8 <sup>th</sup>
USDA	6 <sup>th</sup>
Jumbo	5 <sup>th</sup>

**Lien Payoffs** • Lien payoffs for Refi's must indicate who is the Payee; affects cash-to-close. Payoff valid for 30 days.

**Mortgage Insurance Premium (MIP)\*** \*Refer to [TPO PRODUCT GUIDE](#) for more information

**Note Endorsement** • GMFS LLC without Recourse

**Prelim CD** • Must be submitted at pre-closing for preparation of closing package.

**Title/Taxes** \*Refer to [TPO PRODUCT GUIDE](#) for more information

[Back to Table of Contents](#)

## MERS

- Each correspondent, that GMFS allows to close loans by using their own closing documents or outsourcing to a third party vendor, is required to be registered with MERS. GMFS requires that all loans are closed on MERS documents with their MERS MIN number. MERS requires that all loans be registered in the MERS system within 6 days of the Note Date, and have correspondent Org ID entered as the Originating Lender. Correspondent should also identify themselves as the Servicer and Investor, until such time as the loan has been funded (purchased) by GMFS. Failure to register your loan within 6 days of Note Date may result in monetary penalty imposed by MERS up to the discontinuation of MERS Membership.
- After the loan has been audited and post-closing conditions met, the loan will be submitted for funding. As part of the post-funding conditions, GMFS will require the correspondent client to provide proof of the MERS TOS/TOB batch transfer to GMFS' org ID (1002480).

## GMFS Fee Structure for Correspondent Loans

Product	Correspondent w/NW <\$250,000		Correspondent		Delegated Correspondent	
	Service	\$	Service	\$	Service	\$
<b>Conventional</b>	CP – Corres	499	CP – Corres	450	CP – Corres	300
	CP -- GMFS	675	CP -- GMFS	499	CP -- GMFS	---
<b>FHA</b>	All Corres	--	All Corres	--	All Corres	300-
	CP -- GMFS	675	CP -- GMFS	550	CP -- GMFS	550
<b>VA/USDA *</b>	CP – Corres	499	CP – Corres	499	CP – Corres	300
	CP -- GMFS	675	CP -- GMFS	550	CP -- GMFS	550
<b>Jumbo</b>	VA	N/A-	CP – Corres	N/A	CP – Corres	N/A-
	CP – Corres	979	All GMFS	979	All- GMFS	979
	All GMFS					

Any loan sold as a broker transaction, for example FHA where client is not eligible to close as a Correspondent, will have a \$779.00 fee.

\* VA Refinances do not have a fee as they are built in to the price.

## Mortgagee Clause Addresses\*

All Products (excludes USDA/Jumbo)	USDA/Jumbo
GMFS LLC ISAOA, ATIMA c/o Specialized Loan Servicing LLC P.O. Box 620188 Atlanta, GA 30362	GMFS LLC ISAOA, ATIMA 7389 Florida Blvd., Suite 200A Baton Rouge, LA 70806

\*Delegated correspondent clients provide mortgagee clause/change request.

[Back to Table of Contents](#)

## Power of Attorney (POA)

- GMFS Prior approval required. Please engage the GMFS Closing Manager for consideration and approval.
- Must be specific to the loan transaction including:
  - Subject property address and legal description
  - Lender Name
  - Maximum loan amount
  - Names on POA should match the names on the loan documents
- For Conventional loans, follow Fannie Mae POA guidelines which include:
  - Not allowed on Cash Out refinance
  - Except as otherwise required by applicable law, or unless they are the borrower's relative, none of the following persons connected to the transaction shall sign the security instrument or note as the attorney-in-fact or agent under a power of attorney:
    - the lender;
    - any affiliate of the lender;
    - any employee of the lender or any other affiliate of the lender;
    - the loan originator;
    - the employer of the loan originator;
    - any employee of the employer of the loan originator;
    - the title insurance company providing the title insurance policy or any affiliate of such title insurance company (including, but not limited to, the title agency closing the loan), or any employee of either such title insurance company or any such affiliate; or
    - any real estate agent with a financial interest in the transaction or any person affiliated with such real estate agent
- **VA POA** must meet the following:
  - Entitlement – A clear intention to use all or a specified amount of entitlement.
  - Purpose – A clear intention to obtain a loan for purchase, construction, repair, alteration, improvement, or refinancing.
  - Property Identification – Identification of the specific property.
  - Price and Terms – The sales price, if applicable, and other relevant terms of the transaction.
  - Occupancy – The veteran's intention to use the property as a home to be occupied by the veteran (or other applicable VA occupancy retirement).
  - Veteran – Client must verify that the veteran is alive, and, if on active military duty, not missing in action, and make the following certification:

“The undersigned lender certifies that written evidence in the form of correspondence from the veteran or, if on active military duty, statement of his or her commanding officer (including statement of person authorized to act for said officer), affirmatively indicating that the veteran was alive and, if the veteran is on active military duty, not missing in action status on (date), was examined by the undersigned and that the said date is subsequent to the date the note and security instruments were executed on the veteran's behalf by the attorney-in-fact.”

[Back to Table of Contents](#)

# Section 8: Post Purchasing Client Responsibilities

**After GMFS purchases a loan, the correspondent** client must fulfill the GMFS Correspondent Lending Purchase Agreement terms along with the following:

## Goodbye Letter

Correspondent clients must inform the applicable borrowers and vendors of the sale of the mortgage loan **after the loan has funded with GMFS.**

Loans not purchased by the 15th of the month prior to the first payment due date must be purchased at an amortized balance. GMFS does not accept checks for prepaid items. GMFS' policy is to net fund all loans. If GMFS receives a check, it will be returned to the Correspondent client.

Client must comply with current federal, state, and local laws and regulations specific to the transfer of servicing.

The lender is required to notify the borrower in writing at least 15 days before the servicing of the loan is transferred to GMFS. The notice must include the following information:

- The effective date of the transfer, the date the lender servicer will stop accepting payments and the date GMFS will begin accepting them.
- The name, address, and toll-free telephone number for GMFS.
- Information that tells whether the borrower can continue any optional insurance, such as mortgage life or disability insurance, and what action, if any, the borrower must take to maintain coverage.
- A statement that the transfer of servicing does not affect any term or condition of the mortgage documents other than the terms directly related to the servicing of the loan.

**For a sample Goodbye Letter, reference [Client Portal>Correspondent>](#) then select: *Correspondent Servicing Transfer (Goodbye) Letter Example.***

## Final Documents

Once the loan is purchased, as part of the post-closing procedure, it is the correspondent client's responsibility to follow up on and submit Trailing Docs (aka Final Docs) GMFS LLC. Required Trailing Docs include:

- Recorded Security Instrument (Deed of Trust, Mortgage and any Applicable riders). Must be Original or Clerk Certified true copy from Courthouse.
- Final Title Policy
- Recorded warranty deed/cash sale (must be original or clerk certified true copy from Courthouse.
- Clerk Certified copy of recorded Power of Attorney (POA), if applicable
- Copy of any assignments, if applicable

[Back to Table of Contents](#)

The client agrees that all final post-closing documents shall be reviewed by the correspondent client for accuracy and delivered to GMFS LLC within 180 days from the date of purchase by GMFS LLC. Any post-closing documents not received within 180 days from the date of purchase shall be billed to the client on a monthly basis according to the current market price for procurement as established by GMFS LLC. For those post-closing documents that are outstanding for 270 days or more from the purchase date, GMFS LLC reserves the right to mandate the repurchase of mortgage loans. This provision shall survive the termination of the Correspondent Agreement between the client and GMFS LLC until all outstanding required post-closing documents are received by GMFS LLC and/or market price for procurement that was billed to the client as of the termination date is paid.

The client must include the GMFS LLC loan number on the upper right hand corner of each document.

For Clients that are Delegated or Close using their own Documents, please include appropriate cover sheet.

*Client Portal>Correspondent> then select: Final Document Submission Checklist Form*

**Final Documents Mailing Address**

GMFS LLC  
 Attn: Correspondent / Delegated (*indicate one as applicable*)  
 7389 Florida Blvd., Suite 200A  
 Baton Rouge, LA 70806

**Important Addresses**

Notice of Assignment	Tax Notices
GMFS LLC P.O. Box 636005 Littleton, CO 80163-6005 866.392.1860	GMFS LLC c/o Specialized Loan Servicing, LLC P.O. Box 92010 Rochester, NY 14692 866.801.1373

**Borrower Payment Information**

If a borrower has loan servicing questions, client should direct them to the GMFS website, <https://gmfsmortgage.servicingloans.com>, or call 1.866.392.1860 Monday through Friday.

If a borrower still needs assistance regarding payment information, client should refer the borrower to the GMFS Customer Service team at 888.883.5698. The team can help borrowers determine the correct servicer and provide the new loan and telephone numbers along with the servicer’s address.

**For payment Letters and Transfer of Servicing Disclosures (after GMFS purchases the loan):**

All Products, excluding USDA/Jumbo:

GMFS, LLC  
 P.O. Box 636005  
 Littleton, CO 80163-6005  
 866.392.1860 Customer Service

\* Borrowers should contact customer service if making any payments other than regular payment amount as address will be different.

USDA/Jumbo only:

GMFS, LLC  
 7389 Florida Blvd, Suite 200A  
 Baton Rouge, La 70806  
 888.883.5698 Customer Service

*List provided is not all inclusive.*

[Back to Table of Contents](#)