Redisclosure Guide

Initial Underwrite and Re-disclosures
- After file is 2nd signed and moved to Approval status, disclosures are sent out and any changed made at initial underwrite will be captured in the disclosure process.
    - At time of <u>initial underwrite</u> and changes made to loan amount, rate, LTV, etc., Redisclosure is <u>NOT</u> required and Redisclosure Task should NOT be set.

RATE LOCK INFORMATION

- Files are initially locked for 30 days from the date of Approval. If within the 30 day lock period a change to the file occurs that constitutes a valid Change in Circumstance, redisclosure is required and pricing can be updated accordingly. Please see your team lead for guidance regarding repricing to ensure is warranted. The Rate Sheet used at the time of Initial Approval is used for any repricing during the lock period.
- After 30 days, rate floats until the Initial Final CD is sent out.
    - If the initial 30 day lock period has expired, loan needs to be re-priced based upon most recent rate sheet (applies whether rate has increased or decreased).
    - Any changes to file that result from a Change in Circumstance must be redisclosed (see Redisclosure FAQ).
    - Each time you visit the file, check to make sure that rate is for the most recent rate sheet is checked or correct rate and redisclosure required.
        - Be sure to re-run the pricing engine each time you work on the file.
- Initial CD serves as a rate lock/extension, rate is locked for 14 days from the date the Initial CD is issued.
    - If a change to the file occurs that results from a valid Change in Circumstance, pricing can be updated accordingly. Please see your team lead for guidance regarding repricing to ensure is warranted.

The Lock Exp. Date is viewable in the BytePro Status Screen, Underwriter's Loan Analysis Screen (ULA) Overview Screen

Note: Date locked is date file was approved by 2nd signer.

Status Screen:

Underwriter's Loan Analysis Screen (ULA) Screen:

Documents Expiration Date

Credit Expiration Date	03/15/2021	•	☐ N/A
Mortgate Rating / VOR	02/28/2021	•	☐ N/A
Income Borr 1 Expiration Date	02/26/2021	•	☐ N/A
Income Borr 2 Expiration Date		•	☑ N/A
Asset Expiration Date		•	☑ N/A
Title Expiration Date	02/28/2021	•	☐ N/A
Appraisal Expiration Date	04/08/2021	•	☐ N/A
Vetting Expiration Date		•	☐ N/A
Insurance Effective Date	02/26/2020	•	☐ N/A
Insurance Expiration Date Wet	02/26/2021	•	☐ N/A
Condo Master Policy Expiration		•	☑ N/A
Lock Expiration Date	01/29/2021	•	
Rate Sheet Date	**01/01/2021**		
Multi-Pack * more than one loan in process with CSC		☐	

TRID

TRID Appraisal Order Date		•

Overview Screen:

General

Status	Docs Out-DRY
Sched Closing Date	01/25/2021 Details
Lock Expiration	01/29/2021
Credit Score(s)	627 (627)

If Conditions Received and/or Re-work Request drives changes to the file that would require redisclosure (prior to Initial CD):

1. Complete condition review and revisions to file.
2. Run CIC Check on the ULA Screen

> Run CIC Check

3. Note: CIC Check is not a validation of your underwriting/decision process and is not meant to catch underwriting errors. CIC Check is a means by which BytePro system logic will identify a change in circumstance that would require a Re-Disclosure task that we might otherwise miss.
4. Below is an example where BytePro recognized that there was a change in circumstance and those items are displayed in the CIC Validation Tracker.

Underwriter's Loan Analysis Screen

UW Final Pricing Lock Date
Expiration Date:

Initial Final CD Issue Date 01/15/2021 • A date in this box signifies that CD has been issued. Any changes to the rate, fees, escrows, or loan amount (Up or Down) will require a revised CD.

Updated Approval: 01/21/2021 • CIC Validation Tracker - If an entry was created below, a CIC task has been auto-created based on the changes made prior to clicking the "Run CIC Check" button. UW must review ALL changes listed and validate that these changes are correct and that a valid CIC has occured.

Run CIC Check

☐ Fees Require CIC

12/23/2020 :10:22:53 AM - Appraised Value

If introduced/revised fees would trigger a change in circumstance, click the "Fees Require CIC" checkbox prior to clicking "Run CIC Check button.

5. Be sure to verify that the redisclosure task was set by going into the task screen:

Description
ATM - Request CPL and Wire Instructions for Vetting Revi...
ATM Preliminary vetting review completed
Re- Disclosure Draw Task (Changed Circumstances)

6. If you run across an error in the information returned in the CIC Validation Tracker, task has not generated or you feel a CIC was missed, send an email to businesssolutions@citadelservicing.com and copy standard Sr. Mgmt distribution.
   a. Be sure to check the Redisclosure FAQ to confirm if the changes that were made require redisclosure.
7. Verify that the Redisclosure task has been set.

☐ Re- Disclosure Draw Task (Changed Circumstances)
☐ Disclosure Review Task ("DRT")

8. Issue condition #4103 (Example)

Acknowledgement of redisclosure from borrower (LOE or Email reply).

1. Borrower's score dropped below 650. Grade is now B and repricing required.
2. Rate increased from 6.375% to 7.50%.
3. No change to loan amount

9. Upload revised Approval and UW Worksheet to DV.
10. Task back to TM
11. Notate conversation log in detail regarding changes made.
12. There should not be a delay between setting redisclosure task and uploading Approval and UW Worksheet.

NOTE: If an underwriting review is completed and it is discovered that redisclosure was missed, contact the QC department to discuss a possible remedy and further instructions for maintaining compliance on the loan.

How to check if Initial Final CD has been issued: Overview Screen, 1003 Page 2, and Underwriter's Loan Analysis:

Overview Screen:

1003 Page 2:

Underwriter's Loan Analysis (ULA) Screen:

If you see a Checkmark on the CD area within the BytePro Overview Screen, or if you see a date in the CD Field in BytePro –
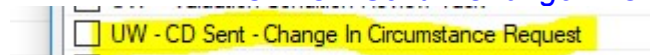

DO NOT make any changes to the rate.

After Initial Final CD has been issued:

If changes are made to the file **other than rate** that would require redisclosure (taxes/insurance/loan amount, LTV, etc):

1. Set Redisclosure Task *UW-CD Sent – Change in Circumstance*

   ☐ UW - CD Sent - Change In Circumstance Request

2. Do not issue condition 4103
3. Upload revised Approval and UW Worksheet to DV.
4. Task back to TM (or funder depending on status of file and include TM as a cc).
5. Notate conversation log in detail regarding changes made.

The "UW – CD Sent – Change in Circumstance Request (Compliance Guidance)

TRID dictates that a revised LE may not be issued after the Initial CD has been issued.

- If a change in circumstance is identified after the Initial CD has been issued to the borrower, and the loan must be re-disclosed, the Underwriter is responsible for creating the "UW – CD Sent – Change in Circumstance Request" task in Byte.
- The "Redisclosure Draw Task (Changed Circumstances)" task should not be created for loans that have had a CD issued to the borrower.
- The "UW – CD Sent – Change in Circumstance Request" task should be used in its place for these files.
    - This task is assigned to the Doc Drawer and will appear in the "Funding Change in Circumstance CD" pipeline view.
- A revised CD must be issued within 3 days of the date of the Underwriting review and creation of the task.

If an underwriting review is completed and the CIC task is missed contact the QC department to discuss a possible remedy and further instructions for maintaining compliance on the loan.

Example of changes that will require redisclosure are below AND refer to the Redisclosure FAQ :

- *Loan Amount*
- *Loan Program*
- *ARM Margin*
- *Interest Rate*
- *Appraised Value*
- *Purchase Price*
- *Revised/Introduced Fees (manual checkbox)*
- *Escrow Holdback*
- *HOA Dues*
- *Flood Insurance*
- *CLTV – Adding or removing a seller carryback*
- *Adding/Removing Borrowers*
- *MLO Change*
- *Lender Paid to Borrower Paid*
- *Prepayment Penalty Change*

Rediscolsure FAQ (7/2019)	PDF Re-Disclosure_FAQ_ July_2019_GA-007-0(

NOTE: NOO DSCR and NOO DTI transactions do NOT require ANY disclosures or rediscolsures.

**Revised 1/26/2021