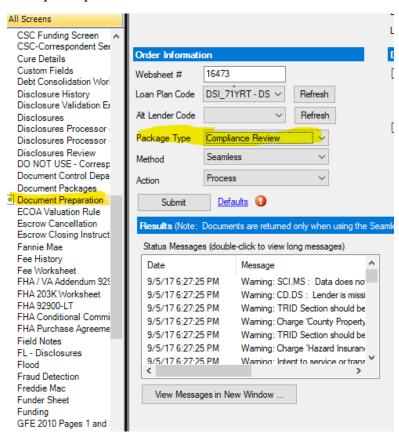# High Cost Mortgage Tests & Loan Plan Code: Fatal Error Resolution

Purpose

The purpose of this document is to inform the Funding department that a change has occurred within DocMagic relating to the Federal, State, and County High Cost Mortgage Tests ("HCMT"). Previously, a violation resulting from these tests triggered multiple warnings, however this has been revised to now trigger a fatal error. The fatal error will prevent the issuance of the closing documents until the fatal error is resolved. Similarly, if the loan plan code on DocMagic and Bytepro fail to coincide with one another, a fatal error will be triggered.

Identifying and Resolving the Fatal Error (HCMT)

When a fatal error is discovered, the doc drawer or funder ("staff member") will be required to utilize the Compliance review to rerun the tests. Compliance review access has been provided to all required parties.

Once the tests have been rerun through the Compliance review, the staff member will review the Loan Detail Report ("LDR") specifically pertaining to section 32 and identify what triggered the fatal error. The staff member will work to have it resolved according to CSC's standard policies and procedures.

High Cost Tests	
Section 32 (HOEPA)	
WARNING	Rate Set Date and Rate Lock Date are missing; The Document Date of 07/15/2019 from your worksheet has been used to run the Section 32 Test.
WARNING	Informational Audit: For HPML loans, lender must confirm borrower(s) ability to repay using full documentation of current income and assets
PASS	This loan does not have a Balloon Payment feature.
PASS	REG. Z SECTION 1026.32 DETERMINATION: APR based on Fully-Indexed Rate does not exceed comparable Average Prime Offer Rate by more than 6.5% and Total Points and Fees do not exceed 5% of the Total Loan Amount
Section 35 (Federal HPML)	
FAIL	HPML DETERMINATION: APR exceeds comparable Average Prime Offer Rate by 1.5% or more
WARNING	Rate Set Date is missing; Defaulted to the Rate Lock Date of to run the HPML audit
Fannie Mae Points and Fees	
PASS	FANNIE MAE POINTS/FEES TEST DETERMINATION: Total Points and Fees do not exceed 3% of the Total Loan Amount
Freddie Mac Points and Fees	
PASS	FREDDIE MAC POINTS/FEES TEST DETERMINATION: Total Points and Fees do not exceed 3% of the Total Loan Amount

After the staff member reasonably believes that the trigger for the fatal error has been resolved, the staff member will rerun the closing package and ensure that fatal error is cleared. If cleared, the staff member may proceed with their standard protocol.

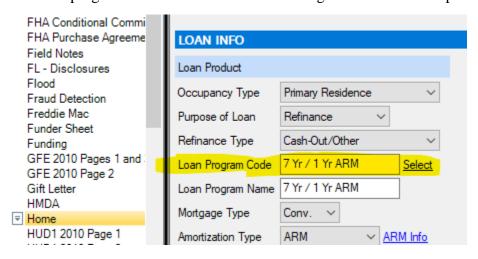## Identifying and Resolving the Fatal Error (Loan Plan Code)

When the fatal error is triggered as a result of the loan plan code, the staff member should check to ensure that the loan plan code on each program correspond to one another.

The loan plan codes on Bytepro and Doc Magic must match one another, in accordance to the following chart:

BytePro Loan Code	DocMagic Loan Plan Code
Fixed Rate	DSI_CONV - ALL FIXED LOANS
5 Yr / 1 Yr ARM	DSI_51YRT - 5/1 1YR T-BILL ARM (2/2/6 CAPS) #659
7 Yr / 1 Yr ARM	DSI_71YRT - 7/1 1YR T-BILL ARM 2/2/6
5 Yr Int Only / 5/1 ARM	DSI_51TBIO60 - 5/1 T-BILL INTEREST ONLY 60 MONTHS
5 Yr Int Only / 7/1 ARM	DSI_71TIO - 7/1 T-BILL INTEREST ONLY 60 MONTHS 2/2/6 CAPS
5 Yr Int Only / Fixed	DSI_FIO5 - FIXED RATE WITH 5 YR INTEREST ONLY
7 Yr Int Only / 1 Yr ARM	DSI_71TBIO - 7/1 T-BILL INTEREST ONLY 84 MONTHS 2/2/6 CAPS
10 Yr Int Only / 10/1 ARM	DSI_101TBIO2 - 10/1 T-BILL INTEREST ONLY 120 MONTHS 40 YEAR TERM
10 Yr Int Only / Fixed	DSI_FIO10 - FIXED RATE WITH 10 YR INTEREST ONLY

Location in Bytpepro.

The loan program code can be corrected utilizing the screen and drop down below.

CITADEL
SERVICING CORPORATION

Location in DocMagic

The loan program code can be corrected utilizing the screen and drop down below.