



Bulletin 14-24 Revised

Third Party Processing Fees

Bulletin 14-24 originally issued May 2, 2014 is being revised. Refer to the yellow highlight below.

HomeBridge is pleased to announce enhancements to our position on third party processing fees and the eligibility of these fees based on whether the broker compensation is lender paid or borrower paid.

HomeBridge is also announcing a new Affiliated Service Provider Fee Certification which will be required when affiliated service providers are utilized on a transaction.

Third Party Processing Company NMLS ID

When a third party processing company is used, an invoice that includes the processing company NMLS ID is required.

Third party processing fees are allowed as detailed below.

Conventional Transactions

- Lender paid compensation: Allowed (current policy)
- Borrower paid compensation: Allowed (current policy)

FHA Transactions

- Lender paid compensation: Allowed (enhancement)
- Borrower paid compensation: Allowed (enhancement)

VA Transactions

- Lender paid compensation: Allowed (current policy)
- Borrower paid compensation: Allowed (current policy)

Reminder: The third party processing fee must be included in the 1% origination fee

USDA Transactions

- Lender paid compensation: Allowed (current policy)
- Borrower paid compensation: Allowed (current policy)

Jumbo Transactions

- Lender paid compensation: Not allowed (current policy)
- Borrower paid compensation: Not allowed (current policy)

The chart below summarizes the information provided above.

Loan Type	Compensation Type	
	Lender Paid Compensation	Borrower Paid Compensation
<i>Conventional</i>	Allowed	Allowed
<i>FHA</i>	Allowed	Allowed
<i>VA</i>	Allowed	Allowed
<i>USDA</i>	Allowed	Allowed
<i>Jumbo</i>	Not Allowed	Not Allowed

GFE

Third party processing fees are included on the GFE as detailed under the QM 3% Points and Fees Test topic below.

QM 3% Points and Fees Test

- If the third party processing fee is from a company affiliated with the broker, the fees are included in the QM 3% Points and Fees test and are included in **Box 1** of the GFE.
- If the third party processing fee is not from a company affiliated with the broker, the fees are not included in the QM 3% Points and Fees test, however they must be included in **Box 3** of the GFE.

Affiliated Service Provider Fee Certification

HomeBridge will require a completed and signed Affiliated Service Provider Fee Certification for loans submitted on or after October 20, 2014 and there is an affiliated service provider (e.g. broker owned escrow, 3rd party processor, etc.).

NOTE: The Certification is not required if there are no affiliated service providers on the transaction.

The broker will be required to identify the name of the service provider, the fee charged for each individual affiliated service provider and the total amount charged by all affiliated providers.

The Affiliated Service Provider Fee Certification is posted on the HomeBridge website under the Forms section and is also attached for reference.

The Submission forms will also be updated to include the Affiliated Service Provider Fee Certification and will be posted on the website at www.homebridgewholesale.com

This new guidance applies to loans submitted on or after October 20, 2014

If you have any questions, please contact your Account Executive.



Affiliated Service Provider Fee Certification

Date: _____

Broker Name: _____

Borrower Name: _____

Subject Property Address: _____

City: _____ **State:** _____ **Zip:** _____

CFPB's Qualified Mortgage Rule requires the fee(s) charged to the applicant by an affiliate of the broker be included in the calculation of the Qualified Mortgage (QM) maximum points and fees.

An affiliate is defined as any company that controls, is controlled by, or is under common control with another company, or anyone with an arrangement with the institution that enables the person to refer settlement business and benefit financially from the referrals.

Below is a detailed itemization of the fee(s) being provided by an affiliated service provider.

Type of Service	Service Provider Name	Fee Charged to the Borrower
		\$
		\$
		\$
		\$
Total Amount of Affiliated Fees Charged to Borrower:		\$

I hereby certify that I am an authorized representative of the broker submitting this Certification, have direct knowledge of the above, and that all statements are true and correct.

Signature

Date

Print Name

Title