

NOTES ON CORRESPONDENT LOANS

OVERVIEW:

- Loan parameters are outlined in the Product Overview Page. Please print off this page as your reference.
- Somerset Savings Bank will allow exceptions to our lending area on an exception basis only. Check with your Somerset contact.

UNDERWRITING:

- Appraisal must be from a Somerset approved appraisal company.
- No Desk Top Approvals on Appraisals completed by a company not approved by Somerset.
- Send original signed documents when submitting credit file.
- Initial and Final LE and CD should reference a 4% late charge.
- Borrowers must sign a Somerset ARM Disclosure (This was previously forwarded to your Somerset contact.

CLOSING:

- **NO MERS DOCUMENTS**
- Purchase transactions: Spouses must sign the Mortgage. Refinance: Spouse must sign the Mortgage and the Right of Rescission.
- Late charge on Note, LE and CD should be 4%.
- The floor must be on the Note for ARM products. Add “nor less than *Floor Rate%*.” to the end of section 4(d) of the Note prior to closing. If the floor is missing, funding will be delayed while you have borrowers initial a corrected Note.
- If a Tax Service fee is collected on a final CD, you will have to show proof that it has been returned to the borrowers.
- No fees payable to Somerset Savings Bank on the CD.
- First Purchase Money Mortgage Clause or Refinance Clause to be included in the Mortgage.
- Ensure proper endorsements are included in the title binder (Alta 4,5,6,8,9)
- Survey Endorsement must be part of the Title Binder unless we have sealed survey.
- Assignment of Mortgage to be completed and signed.
- Submit copies of signed Commitments between correspondent to borrower and Somerset to correspondent.
- Submit Affidavit of Title for buyers and sellers.
- Copy of Power of Attorney must be forwarded if used by seller.
- Somerset collects two months of escrow.