

Effective 4/2/17: TPO Wholesale clients can charge Borrower paid compensation* (BPC) on VA loans at a maximum of 1%.

LION Create Loan Estimate Workflow

CREATE LOAN
Wholesale Channel ▶ Create Loan Estimate
EXIT

DU File Upload
Loan Attributes
Loan Attributes (cont.)
HMDA Check
Compensation Method
Update Contacts
SmartLE
Fee Entry
LE Review

Select the originator compensation method: ?

Lender paid

Borrower paid

Broker Compensation Detail

Entry Date	08/14/2016
Effective Date	08/14/2016
% of Loan Amount	1.500%
Note: Capped at 1.0% for BPC because this is a VA product.	
Flat Amount	\$0.00
Maximum Amount	\$0.00

Check this box to disclose as "No Fee Pricing". Once disclosed, you will not be able to lock the loan as "Full Fee Pricing".

Continue

**This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.*

When clients select the Borrower paid option* in the Create Loan Estimate Workflow, the “No Fee Pricing” option will auto-check. This cannot be changed after the loan has been disclosed.

CREATE LOAN
Wholesale Channel ▶ Create Loan Estimate
EXIT

DU File Upload
Loan Attributes
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Select the originator compensation method: ?

Lender paid

Borrower paid ←

You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%

BPC Amount

Check to Override as \$ amount

+

Flat Amount

Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NPF is \$800. For Va BPC loans this fee is considered part of the 1% allowable charges.

Broker Compensation Detail

Entry Date 08/14/2016

Effective Date 08/14/2016

% of Loan Amount 1.500%

Note: Capped at 1.0% for BPC because this is a VA product.

Flat Amount \$0.00

Maximum Amount \$0.00

By Selecting Borrower Paid, the No Fee Pricing box will default to checked. →

Check this box to disclose as "No Fee Pricing". Once disclosed, you will not be able to lock the loan as "Full Fee Pricing".

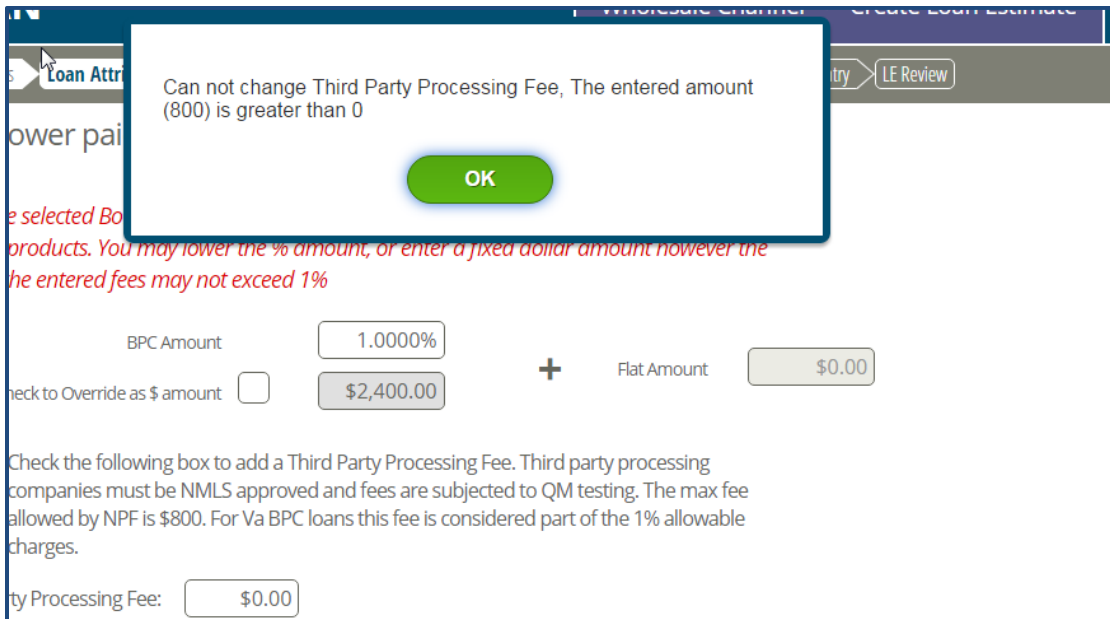
Note: Must select 'No Fee Pricing' for BPC because this is a VA product.

Continue

*The Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.

Clients can also charge a Third Party Processing Fee on VA BPC loans. The maximum for a Third Party Processing Fee is \$800. This processing fee is part of the 1% VA allowable fees.

A client can add a Third Party Processing Fee up to an amount that when combined with the BPC is less than or equal to 1% of the allowable VA fees.



Can not change Third Party Processing Fee, The entered amount (800) is greater than 0

OK

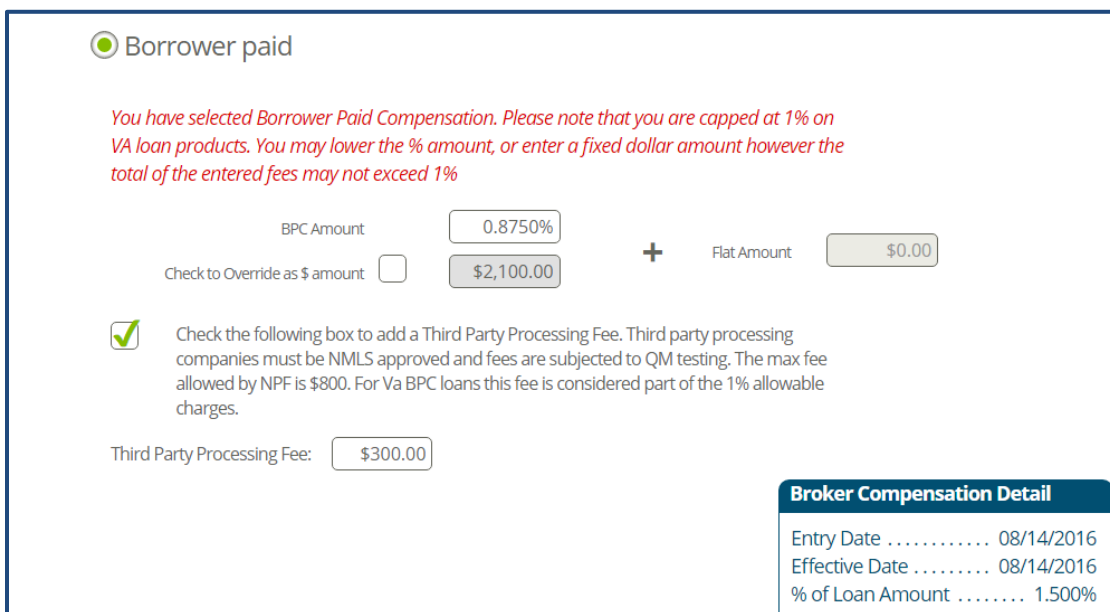
BPC Amount: 1.0000% + Flat Amount: \$0.00

Check to Override as \$ amount: \$2,400.00

Third Party Processing Fee: \$0.00

You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%

In the example below, BPC is reduced by .15% and the \$300 Third Party Processing fee can now be included.



Borrower paid

You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%

BPC Amount: 0.8750% + Flat Amount: \$0.00

Check to Override as \$ amount: \$2,100.00

Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NPF is \$800. For Va BPC loans this fee is considered part of the 1% allowable charges.

Third Party Processing Fee: \$300.00

Broker Compensation Detail	
Entry Date	08/14/2016
Effective Date	08/14/2016
% of Loan Amount	1.500%

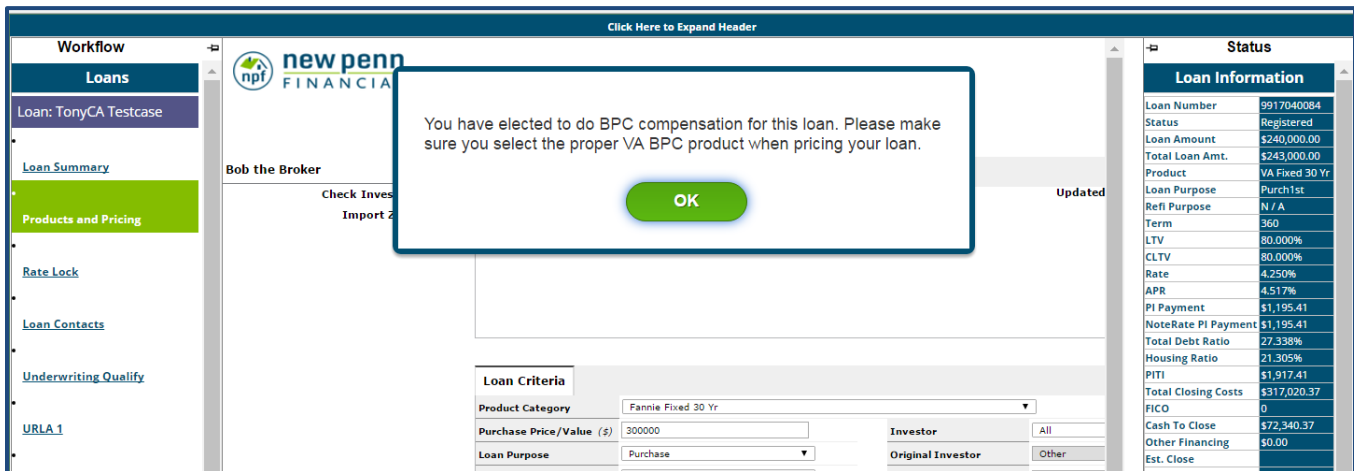
*This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.

LE Fees: The amount of BPC, line 824, calculation updates here based on the Total Loan amount (Base amount + financed Funding Fee = Total Loan amount). Line 816 reflects the Third Party Processing fee.

800 - Items Payable in Connection with the Loan				
HUD Number	Description	Total Amount	Borrower Amount	
804	Appraisal Fee A	\$600.00	\$600.00	
809	Tax Service 1	\$47.00	\$47.00	
816	Third Party Processing 1	\$300.00	\$300.00	
823	Lender Credit to Borrower (Input as Neg)	\$0.00	\$0.00	
824	Broker BPC (Variable)	\$2,126.25	\$2,126.25	
827	Broker Credit Report Fee A	\$100.00	\$100.00	
831	Flood Zone Certification A	\$6.00	\$6.00	
836	MERS Registration A	\$4.95	\$4.95	
866	Administration Fee to eHousing	\$0.00	\$0.00	
867	Program Participation Fee	\$0.00	\$0.00	

LION Locking a VA BPC loan

Pricing structure for VA BPC loans in Products & Pricing by program.



The screenshot shows the LION system interface with a confirmation dialog box. The dialog box contains the following text: "You have elected to do BPC compensation for this loan. Please make sure you select the proper VA BPC product when pricing your loan." Below the text is an "OK" button. The background interface shows the "Products and Pricing" section with a "Loan Criteria" form. The form includes fields for "Product Category" (Fannie Fixed 30 Yr), "Purchase Price/Value (\$)" (300000), "Loan Purpose" (Purchase), "Investor" (All), and "Original Investor" (Other). A "Status" panel on the right displays loan information such as Loan Number, Status, Loan Amount, Total Loan Amt., Product, Loan Purpose, Refi Purpose, Term, LTV, CLTV, Rate, APR, PI Payment, NoteRate PI Payment, Total Debt Ratio, Housing Ratio, PITI, Total Closing Costs, FICO, Cash To Close, Other Financing, and Est. Close.

New VA BPC loan products will be available in the Products and Pricing engine. When a VA BPC product is selected, the following pricing should be added to the loan.

<p>Rate Results</p> <p>Rate</p>	<p>Price</p>	<ul style="list-style-type: none"> LPOA Freddie Fixed 30 Yr LPOA High Bal Freddie 10/1 ARM LPOA High Bal Freddie 5/1 ARM LPOA High Bal Freddie 7/1 ARM LPOA High Bal Freddie Fixed 15 Yr LPOA High Bal Freddie Fixed 20 Yr LPOA High Bal Freddie Fixed 25 Yr LPOA High Bal Freddie Fixed 30 Yr Owners Advantage 20 Yr Fixed - 12 Months Owners Advantage 20 Yr Fixed - 24 Months Owners Advantage 25 Yr Fixed - 12 Months Owners Advantage 25 Yr Fixed - 24 Months Owners Advantage 30 Yr Fixed - 12 Months Owners Advantage 30 Yr Fixed - 24 Months USDA Fixed 30 Yr USDA Streamline Assist VA BPC 5/1 ARM VA BPC Fixed 15 Yr VA BPC Fixed 30 Yr VA 5/1 ARM VA Fixed 15 Yr VA BPC 5/1 ARM
<p>Loan Criteria</p> <p>Product Category</p>		<p style="text-align: center; color: blue; font-weight: bold;">New VA BPC Product</p>

Reminder to clients: When pricing the VA BPC loans, the No Closing Cost box must be manually checked in the Products and Pricing engine to properly apply the no fee pricing associated with this new product option.

Loan Criteria	
Product Category	VA BPC Fixed 30 Yr
Purchase Price/Value (\$)	360000
Loan Purpose	Purchase
State, ZIP	Kansas,
County	Montgomery
Max Base Loan Amount (\$)	360000
	>= 01/01/2017
Requested Loan Amount (\$)	300000
Veteran Type	Regular Military
User Type	First Time Use
Finance F/F	<input checked="" type="checkbox"/> 3750
Total Loan Amount (\$)	303750
Down Payment (\$)	60000
LTV (%)	83.334
CLTV (%)	83.334
Secondary Financing	None
No Closing Cost	<input checked="" type="checkbox"/>