



## RESPA REFORM TIPS

**There has been much confusion over the new RESPA Reform and we appreciate your patience as we work through this process together.**

**Below are some of the recurring issues that we are seeing with RESPA Disclosures:**

**-There are multiple GFE's with the same date of issue**

The initial GFE should be dated within three business days of the date of application. Once the GFE is printed from the LOS, please double check the date. There may be an issue with the LOS when printing out the GFE.

**-When is the Acknowledgement to Proceed Form required?**

It must be signed by borrower(s) after the initial GFE has been issued. It is not necessary to have the Acknowledgement Form signed again once a change in circumstance has occurred.

**-Initial GFE and Revised GFE**

If the initial GFE is issued on a floating rate and the loan is later locked, the lock constitutes a circumstance change and a revised GFE and Circumstance Change Form must be issued within three business days of the date the loan was locked. We are seeing revised GFE's once loans are locked that have the same issue date as the initial GFE and we are receiving revised GFE's with no Circumstance Change Form. Again, this may be a function of the Loan Origination System.

**-RESPA Fee Sheet and GFE**

The RESPA Fee Sheet and the GFE do not match. The RESPA Fee Sheet is simply an itemization of the fees disclosed on the GFE. Making sure that these match early in the process will help to enable a smooth loan closing.

**-Origination Charges**

Origination charges can not be increased once the initial GFE has been disclosed unless

the loan amount changes. The increase in origination fee must be on the percentage of the loan amount increase. An increase in the loan amount is a circumstance change and a revised GFE and Circumstance Change Form must be issued within three business days of the change.

**- Yield Spread Premium**

The yield spread premium that was disclosed on the initial “floating” GFE is incorrectly carried over to the revised GFE in instances when the loan is locked and the yield spread drops. Please double check the amount of the yield spread once the loan is locked and make sure that the correct amount is properly disclosed on the revised GFE.

Yield Spread is also being calculated on base loan amount on FHA loans. The yield spread should be calculated on the total loan amount.

**Experience the way FHA lending should be done with GMFS.**

*\*Please utilize our lock desk at [lockdesk@gmfslending.com](mailto:lockdesk@gmfslending.com) to lock your loans.*

**For additional information regarding submission requirements,  
contact GMFS directly:**

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