



Mortgage Services III, LLC  
A Subsidiary of First State Bank Member FDIC

# Fast Funding Tips

## MSI Audit Points

Posted 3/2, /12

### Important Note:

MSI provides this Fast Funding Tips document as a courtesy for our Sellers. Although every effort is made for accuracy, current guidelines in the Seller Guide are the final determination of MSI requirements. Please see the Seller Guide for full details.

### Delivery

Topic	Tips/Reminders/Requirements
Stacking Order	<p>Effective for loans delivered on/after 9/14/09, MSI requires the following stacking order:</p> <p><b>Right Side of the File Folder</b></p> <ul style="list-style-type: none"> <li>✓ Fully Completed Closed Loan Delivery Transmittal</li> <li>✓ Each document in the correct order, as noted on the Transmittal</li> </ul> <p><b>Left Side of the Folder</b></p> <ul style="list-style-type: none"> <li>✓ Remaining Closing Documents</li> <li>✓ Complete Credit Package Documents – including documents validating compliance with all federal/state regulations.</li> <li>✓ Any additional Miscellaneous Documents for the loan file.</li> <li>✓ <b>Very Important Note:</b> Prior to delivery of the closed loan file to MSI, you <b>must</b> email an Adobe (pdf) color version of the approved appraisal <b>and</b> any applicable final inspections to <a href="mailto:appraisals@msiloans.biz">appraisals@msiloans.biz</a>.</li> </ul>

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### MSI Audit Points

## Note

Topic	Tips/Reminders/Requirements
Endorsement	<div style="border: 2px solid green; padding: 10px; margin-bottom: 10px;"> <p>Pay To The Order Of Mortgage Services III, LLC Without Recourse</p> <hr/> <p>(Correspondent Company Name/typed <b>exactly</b> as shown on the face of the Note – <b>Must state if the lender is a corporation.</b>)</p> <hr/> <p><i>Authorized Signature</i></p> <hr/> <p>(Typed Name and Title of Authorized Signer)</p> </div> <p><b>Important:</b></p> <ul style="list-style-type: none"> <li>✓ MSI requires that the Note Endorsement language be typed or stamped on the Note. <ul style="list-style-type: none"> <li>• MSI is unable to accept endorsement language that is hand-written (except for the signature).</li> </ul> </li> <li>✓ <b>"Stamped" signatures are not acceptable;</b> the Note endorsement must be a "live" signature.</li> </ul>

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### MSI Audit Points

#### Note, Continued

Topic	Tips/Reminders/Requirements
<p><b>Audit Points - Note</b> MSI audits all Notes to ensure the following:</p>	<ul style="list-style-type: none"> <li>○ Must be original.</li> <li>○ If FHA or VA, the entire FHA or VA case number must be printed on the face of the Note.</li> <li>○ Correctly endorsed to <b>Mortgage Services III, LLC</b></li> <li>○ Lender's name must appear on the endorsement <b>exactly</b> as stated on the face of the Note.</li> <li>○ Voided endorsements, or endorsement corrections, must be initialed by a Corporate Officer of the Seller.</li> <li>○ Note Date agrees with Security Instrument.</li> <li>○ Property Address is correct agrees with Security Instrument and Appraisal. Must include the city/state/zip.</li> <li>○ Terms agree with Underwriting Approval, 1008 and Final 1003.</li> <li>○ The loan amount must be rounded to the nearest dollar, no cents are permitted.</li> <li>○ First payment date and maturity date are correct for loan terms</li> <li>○ Signed and typed borrower's must agree (Signature affidavit required if not)</li> <li>○ Late charge is 5% conventional; 4% government unless higher is required by state law</li> <li>○ No white-out permitted. Errors must be lined through and initialed by the borrowers.</li> <li>○ All changes/corrections initialed by borrowers</li> <li>○ No unauthorized changes to the pre-printed form.</li> <li>○ All original Note Addenda must be included with the Note.</li> <li>○ The Note date must be within 30-days of the MSI purchase date. (MSI does not purchase loans with a Note date greater than 30-days.)</li> </ul>
<p><b>Audit Points – Note Addenda</b></p>	<p>When addenda to the Note is applicable, the following is required:</p> <ul style="list-style-type: none"> <li>○ The Note must reference the addenda.</li> <li>○ The original addenda must be submitted with the original Note.</li> <li>○ All blanks on the addenda must be completed fully and correctly.</li> <li>○ The attachment must be signed by the borrowers in the same manner as the Note.</li> <li>○ Be free of white-outs and erasures</li> <li>○ MSI will accept corrections to the Note and/or Addenda <b>only</b> if "lined-through" and initialed by <b>each</b> borrower on the Note.</li> </ul>

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## Allonge

Topic	Tips/Reminders/Requirements
Audit Points-Allonge	<p>MSI will accept an Allonge only to extend the endorsement space on the back of the Note.</p> <ul style="list-style-type: none"> <li>✓ To be acceptable, the Allonge must meet these requirements. <ul style="list-style-type: none"> <li>○ <b>Printed on the Allonge:</b> <i>This Allonge is to be attached to and made part of that certain Mortgage Note</i> (or equivalent language that identifies the Allonge to the original Note) <ul style="list-style-type: none"> <li>○ Note Date</li> <li>○ Borrower(s) names <b>exactly</b> as they appear on the Note</li> <li>○ Property Address <b>exactly</b> as it appears on the Note</li> <li>○ Loan Number <b>exactly</b> as shown on the the Note</li> <li>○ Loan Amount <b>exactly</b> as shown on the Note</li> <li>○ Proper Note Endorsement to <b>Mortgage Services III, LLC</b>, including lender's name <b>exactly</b> as it appears on the Note. (see <a href="#">Note</a> for Note Endorsement Requirements)</li> </ul> </li> </ul> </li> </ul> <p><b>Very Important:</b></p> <ul style="list-style-type: none"> <li>○ Stamped signatures and POA are not acceptable.</li> <li>○ Once an Allonge is used, further endorsement on the original Note is <b>not</b> acceptable (this interferes with the "endorsement chain on the Note).</li> <li>○ Endorsements using an Allonge must always follow each other to properly complete the transfer chain.</li> </ul>

## Mortgage/Deed of Trust

Topic	Tips/Reminders/Requirements
Audit Points – Mortgage DOT	<ul style="list-style-type: none"> <li>○ Certified True copy of the Mortgage/DOT required.</li> <li>○ All pages of the Mortgage/DOT, including all riders and exhibits, must be received by Mortgage Services III.</li> <li>○ If the Mortgage/DOT is a MOM document, the MIN must be registered with MERS.</li> <li>○ Non-MOM document Mortgages/DOTs must be accompanied by an assignment to Mortgage Services III, LLC. (Note: MSI charges a fee for each paper assignment required.) <b>Recording fees are the responsibility of the Seller.</b></li> <li>○ If the loan is FHA or VA, the entire FHA or VA case number must be printed on the first page.</li> <li>○ <b>IL Counties:</b> If the subject property is located in an applicable IL county, SB767 Counseling Certificate or Exemption Form must be included. (Cook, Kane, Peoria, Will)</li> </ul>

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## Assignment

Topic	Tips/Reminders/Requirements
Audit Points – Assignment	<ul style="list-style-type: none"> <li>○ Required if the Mortgage/DOT is not a MOM document.</li> <li>○ MSI does charge a fee for <u>each</u> paper Assignment.               <ul style="list-style-type: none"> <li>○ Loan must be assigned to MSI; MSI will assign to MERS.</li> </ul> </li> <li>○ Copy of the Assignment sent for recording required.</li> <li>○ The Assignment must be completely and correctly endorsed by the Seller.</li> </ul>

## Flood Certs

Topic	Tips/Reminders/Requirements
Audit Points – FZD and/or LOL	<p>MSI will accept Flood Certifications (Flood Zone Determination - FZD) only if they meet the following audit points:</p> <ul style="list-style-type: none"> <li>✓ The FZD and/or Life of Loan Flood (LOL) Certification               <ul style="list-style-type: none"> <li>○ Must clearly identify the subject property.</li> <li>○ Property address must match the appraisal.</li> <li>○ The FZD must be <b>dated no later than 6-months</b> prior to the closing disbursement date (remember that MSI requires closed loans to be purchased no later than 30-days after loan/closing disbursement).</li> <li>○ The LOL must be dated on or just prior to the loan closing/disbursement date.</li> <li>○ If the property is in a flood zone, the borrower must obtain flood insurance.</li> <li>○ USDA loans in a flood zone require an Elevation Certificate.</li> </ul> </li> </ul> <p><b>Note:</b> The Seller is fully responsible to MSI for ensuring that the vendor (FZD and/or LOL) guarantees the accuracy of the determination and is in full compliance with FEMA and any other state/federal agency.</p>

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## First Payment and Good Bye Letters

Topic	Tips/Reminders/Requirements
First Payment Letters	<p>First Payment Letters <b>must contain Seller information.</b></p> <ul style="list-style-type: none"> <li>✓ AT the time of closing, MSI does not own the loan; therefore the first payment information <b>cannot</b> be MSI information.</li> <li>✓ Upon completion of the sale of the loan to MSI, the Seller must complete a Good Bye Letter in full compliance with RESPA, showing MSI as the new servicer of record and forward to the Borrower.</li> </ul>
Good Bye Letters	<p>It is the Seller's full responsibility to provide the Borrower with a Good Bye Letter. MSI is not providing legal advice, but does require the Seller to meet the following:</p> <p>The transferor(Seller) must include the following information in the notification:</p> <ul style="list-style-type: none"> <li>✓ Effective date of transfer (date the first payment is due the new servicer - MSI)</li> <li>✓ Name, address, toll free number of transferor and transferee (See the Operations Directory for details.)</li> <li>✓ Date payment is due transferee (MSI)</li> <li>✓ Statement that assignment, sale or transfer will not affect terms of the loan</li> <li>✓ HUD model form that includes information about: <ul style="list-style-type: none"> <li>• No late fees for sixty (60) days</li> <li>• Rights upon making "qualified written request"</li> <li>• Consumer's right to damages for violations</li> </ul> </li> </ul>

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## Additional Documents Required

Topic	Audit Points
Wire Instructions	<ul style="list-style-type: none"> <li>○ MSI Individual Loan Wired Instructions required in each funding/purchase submission.</li> </ul>
Lock Confirmation	<ul style="list-style-type: none"> <li>○ MSI Lock Confirmation required in each funding/purchase submission.</li> <li>○ The lock information must correspond to the closed loan terms.</li> </ul>
Rate Lock Agreement	<ul style="list-style-type: none"> <li>○ Seller's Rate Lock Agreement between the Seller and the Borrower. Required in each funding/purchase submission</li> </ul>
FFIEC Printout	<ul style="list-style-type: none"> <li>○ Required in each funding/purchase submission.</li> <li>○ Refer to Web Site, <a href="http://www.ffiec.gov/ratespread/newcalc.aspx">www.ffiec.gov/ratespread/newcalc.aspx</a></li> </ul>
Name Affidavit	<ul style="list-style-type: none"> <li>○ Certified copy required for each loan delivered for funding/purchase.</li> </ul>
Executed Power of Attorney	<ul style="list-style-type: none"> <li>○ When applicable, a certified true copy is required.</li> <li>○ POA must meet MSI requirements, see the Seller Guide for details.</li> </ul>
Trust Agreement	<ul style="list-style-type: none"> <li>○ Certified true copy, when applicable.</li> <li>○ See the Seller Guide for details.</li> </ul>
Notice of Transfer of Servicing	<ul style="list-style-type: none"> <li>○ MSI requires a copy of the Notice the Seller will send upon purchase of the loan by MSI. <ul style="list-style-type: none"> <li>○ If applicable: Additional Flood Hazard Language regarding "coverage subject to change" required regardless whether property in flood zone or not.</li> </ul> </li> </ul>
Title Commitment	<ul style="list-style-type: none"> <li>○ Coverage amount must equal or exceed the Note loan amount.</li> <li>○ Must include a 12 month chain of title, or the recording date of the last recorded deed if the last recording occurred more than 12 months prior.</li> <li>○ Title Commitment must be signed.</li> <li>○ Schedule B must be free of any judgments, liens, or Right of Redemption that would adversely impact first lien position.</li> </ul>
CPL	<ul style="list-style-type: none"> <li>○ <b>Closing Protection Letter</b> - Required unless exempt, see the Seller Guide for details.</li> </ul>
Hazard Insurance	<ul style="list-style-type: none"> <li>○ Insurance due-date must be a future date. Insurance must be paid if the premium is due within 60 days of the Note date.</li> <li>○ Insurance effective date must be on or before the Note date.</li> <li>○ Insured's name and address must match the borrower's name and subject property address.</li> <li>○ Dwelling coverage must be the Note amount or replacement costs.</li> <li>○ A paid hazard insurance receipt is required, unless the full premium is paid at closing, as evidenced by the HUD-1.</li> <li>○ Deductible must be listed on the policy.</li> <li>○ Condos covered by a blanket or master policy should also include "walls-in" coverage; if not, the borrower must obtain an HO6 (walls-in) coverage equal to at least 20% of the loan amount. HO6 coverage must be escrowed, unless escrows are waived.</li> </ul>
Flood Insurance	<ul style="list-style-type: none"> <li>○ Required if the subject property is located in a flood zone.</li> <li>○ One year paid receipt is required.</li> <li>○ Signed notice to borrower of special flood hazard and federal disaster assistance is required. <ul style="list-style-type: none"> <li>○ Additional Flood Hazard Language regarding "coverage subject to change" required on Notice of Special Flood Hazards.</li> </ul> </li> </ul>

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### Additional Documents Required, Continued

Topic	Audit Points
Tax Information Sheet	<ul style="list-style-type: none"> <li>○ Tax due date must be a future date.</li> <li>○ If taxes are due within 60 days of the Note date, the taxes must be paid and proof of payment is required.</li> </ul>
Tax Authorization Letter	<ul style="list-style-type: none"> <li>○ Required if escrowing for taxes.</li> <li>○ WI – Use the Payment Option Letter</li> <li>○ If your state/taxing authority does not require, advise MSI.</li> </ul>
HUD-1	<ul style="list-style-type: none"> <li>○ HUD emblem must appear on page 1.</li> <li>○ MSI requires the <b>Final</b> HUD-1, we cannot accept HUD-1 forms that are "Preliminary" or "Estimated."</li> <li>○ The name of the Lender must be accurate (cannot state MSI), the settlement agent's name matches the title commitment, and the disbursement date on page 1 matches the disbursement date on page 2 of the HUD-1.</li> <li>○ The HUD-1 must be signed by all parties (borrowers, sellers, closing agent).</li> <li>○ All items in excess of \$5000.00 must be fully documented.</li> <li>○ Verify per-diem interest and initial impounds.</li> <li>○ Impounds on the HUD-1 must exactly match the Initial Escrow Disclosure.</li> <li>○ The figures in the GFE column of the comparison page must match the figures on the GFE.</li> <li>○ The figures in the HUD-1 column of the comparison page must match the figures on page 2 of the HUD-1.</li> <li>○ The Loan Terms section of the comparison page must be accurate and complete.</li> <li>○ An addendum itemizing Origination Charges and Title Service charges, seller paid items, and lender paid items should be included.               <ul style="list-style-type: none"> <li>○ The <b>separate</b> Itemization <b>must</b> meet the guidelines outlined in Reg Z, Section 226.18. It must be an attachment to the Final HUD-1 and is not to be confused with any type of itemization included in the HUD-1.</li> </ul> </li> <li>○ <b>VA Loans:</b> An addendum itemizing the origination charges is <b>required</b> for all VA loans.</li> </ul> <p><b>HUD-1 or HUD 1-A Technical Corrections:</b></p> <ul style="list-style-type: none"> <li>○ If a loan has been suspended by MSI for an inadvertent or technical error on the HUD-1 or HUD-1A, the <b>Seller</b> must provide MSI with a copy of the corrected HUD-1 or HUD-1A, <b>and</b> a copy of the letter sent to the borrower(s) (by the Seller) with the explanation regarding the correction to the loan documentation.</li> </ul>
Initial Escrow Account Disclosure	<ul style="list-style-type: none"> <li>○ Initial Escrow Account Disclosure amounts must match amounts on the final HUD-1.</li> <li>○ If escrows are waived, the Escrow Waiver must be signed and dated by the borrowers.</li> </ul>
Final TIL	<ul style="list-style-type: none"> <li>○ Must be signed and dated by the borrowers at closing.</li> <li>○ Separate page for Itemization of Amount Financed</li> <li>○ Amortization Schedule</li> <li>○ Final APR/Finance charges must be accurate.</li> <li>○ PMI/MIP must be included in the payment stream, if applicable.</li> <li>○ Filing Fee must be disclosed on the final TIL.</li> </ul>

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## Additional Documents Required, Continued

Topic	Audit Points
ROR Right to Cancel	<ul style="list-style-type: none"> <li>○ Required on all refinance loans, except second homes and investment properties.</li> <li>○ Rescission date must be 3 <b>business</b> days from late of, excluding holidays/Sundays: <ul style="list-style-type: none"> <li>• Date the documents are signed,</li> <li>• Date the borrower <b>receives</b> the Right of Rescission, or</li> <li>• Date the borrower receives the Final TIL, evidenced by signature and date.</li> </ul> </li> <li>○ Must be signed by the borrowers, acknowledging receipt of the Right to Cancel.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>✓ If for any reason the Final TIL is not dated or the date is illegible, MSI will require a borrower attestation. MSI does not have a specific form for this attestation, however, it must include at least the following information and be signed and dated by the borrower: <ul style="list-style-type: none"> <li>• The date the borrower received the Final TIL,</li> <li>• The applicable APR and Finance Charge stated on the Final TIL.</li> </ul> </li> </ul>
Private Mortgage Cert	<ul style="list-style-type: none"> <li>○ Required as needed on Conventional loans with LTV above 80%. <ul style="list-style-type: none"> <li>○ Not applicable for DU Refi Plus and LP Relief Refinance.</li> </ul> </li> <li>○ PMI Disclosure also required.</li> </ul>
W-9	<ul style="list-style-type: none"> <li>○ Must be completed for the Primary borrower (Primary borrower is the borrower whose name first appears on the application and/or Note.</li> </ul>
Photo ID	<ul style="list-style-type: none"> <li>○ Must include copies of a government-issued photo ID for each borrowers for each loan, for all products.</li> </ul>
Final 4506-T	<ul style="list-style-type: none"> <li>○ Signed and dated by the borrowers at the time of closing.</li> <li>○ All sections of the 4506-T must be completed accurately.</li> </ul>
Final 1003	<ul style="list-style-type: none"> <li>○ <b>All</b> pages must be included, even if blank. All pages must be initialed by the borrowers, even if blank.</li> <li>○ <b>Borrowers must sign and date the final 1003 at closing. LO Signature is not required on the FINAL. If the LO differs from Original 1003 to Final 1003, a letter of explanation is required.</b></li> <li>○ If more than one borrower, then the top of page 1 must be signed by the borrowers.</li> <li>○ All government monitoring information must be completed.</li> <li>○ A minimum 2 years of residence history and 2 years of employment history must be included.</li> <li>○ <b>All Correspondents must include the L/O's and Company Identifier numbers and must be licensed through NMLS.</b></li> </ul>

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## Additional Documents Required, Continued

Topic	Audit Points
Initial 1003	<ul style="list-style-type: none"> <li>○ All pages must be included, even if blank. All pages must be initialed by the borrowers.</li> <li>○ <b>Must be signed and dated by the originator.</b> The date on the 1003 is the "trigger" date used to validate compliance with all applicable regulations.</li> <li>○ If face-to-face interview, the 1003 <b>must be signed/dated by both borrowers and originator.</b></li> <li>○ Must be MDIA compliant with the initial TIL and initial GFE.</li> <li>○ If more than one borrower, then the top of page 1 must be signed by the borrowers.</li> <li>○ All government monitoring information must be completed.</li> <li>○ A minimum 2 years of residence history and 2 years of employment history must be included.</li> <li>○ All Correspondents that are <b>not</b> affiliated with a Bank or a Credit Union <b>must include the L/O's and Company Identifier numbers</b> and must be licensed through NMLS.</li> </ul>
Escrow Holdback	<ul style="list-style-type: none"> <li>○ <b>Escrow Holdback Agreement</b> - If applicable—see the Seller Guide for full details/requirements.</li> </ul>
AUS Findings	<ul style="list-style-type: none"> <li>○ Required unless the loan has been manually underwritten by MSI <b>OR</b> the loan meets USDA guidelines for manually underwritten loans.</li> <li>○ Must state "Approve/Eligible" (D/U) or "Accept" (LP).</li> <li>○ Must be Final, MSI cannot accept Preliminary findings.</li> <li>○ Loan purpose (Purchase, Cash-Out Refi, No Cash Out Refi), Loan type (VA, FHA, Conventional), Loan Amount, Appraised Value, Rate, and Purchase Amount must be accurate.</li> <li>○ FHA/VA case number must be accurate, if applicable.</li> <li>○ USDA Loans must include GUS findings.</li> <li>○ All applicable conditions must be satisfied and fully documented.</li> <li>○ If the AUS has a property value "red flag" (DU) or HVE (LP) value message, the Underwriter must document the loan file with steps taken to ensure additional due diligence. See the Seller Guide/Underwriting/Appraisal Forms for details.</li> </ul>

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### Additional Documents Required, Continued

Topic	Audit Points
LQI	<ul style="list-style-type: none"> <li>○ Currently applies only to Conventional Loans.</li> <li>○ A "soft" 2nd credit report must be pulled within 10 business days of closing to verify that the borrower has not obtained any undisclosed credit liabilities or new inquiries between the time the first credit report was pulled and closing.</li> <li>○ If MSI underwrites the loan, the LQI Report will be a condition prior to issuing a Clear to Close.</li> <li>○ Correspondent must validate all third parties involved in the loan through LDP/EPLS listing or similar system. Copies of print-outs required.</li> <li>○ Occupancy must be verified.</li> <li>○ Borrower's Social Security Numbers must be verified.</li> <li>○ The subject property address must be verified.</li> </ul>
Fraud Check Reports	<ul style="list-style-type: none"> <li>○ Required on all loans.</li> </ul>
1008/ VA Loan Analysis or 92900LT	<ul style="list-style-type: none"> <li>○ Must be signed in the correct location by the underwriter.</li> <li>○ Must match the final AUS findings.</li> <li>○ The Underwriter must show how income was calculated for qualification purposes.</li> </ul>
Initial TIL	<ul style="list-style-type: none"> <li>○ Must be signed and dated by the borrowers.</li> <li>○ Must be MDIA compliant with the initial 1003.</li> <li>○ Must include No Obligation language.</li> <li>○ A TIL must be redisclosed if a change in the loan terms or fee structure results in an APR increase of more than 0.125%.</li> </ul>
Initial GFE	<ul style="list-style-type: none"> <li>○ All sections of the initial GFE must be complete and accurate to the best of the lender's knowledge at the time of application.</li> <li>○ The initial GFE must be MDIA compliant with the initial 1003.</li> <li>○ GFEs must not be signed or initialed</li> </ul>
Certification of Intent to Proceed	<ul style="list-style-type: none"> <li>○ Required on all loans.</li> </ul>
Preferred Provider's List	<ul style="list-style-type: none"> <li>○ Required on all loans.</li> </ul>
Re-Issued GFE Change of Circumstance	<ul style="list-style-type: none"> <li>○ Redisclosed GFEs must be prepared within three days of a change of circumstance.</li> <li>○ All changes to fees or loan terms must be fully documented on the Change of Circumstance form.</li> </ul>
Re-Issued TIL	<ul style="list-style-type: none"> <li>○ For re-disclosed TIL's the following applies: <ul style="list-style-type: none"> <li>○ If unsigned, must wait 7-calendar days before closing loan.</li> <li>○ If signed, must wait 3 calendar days before closing loan.</li> </ul> </li> </ul>
Up Front Disclosures	<ul style="list-style-type: none"> <li>○ Provide copies of all Up-Front required disclosures.</li> </ul>
Credit Report	<ul style="list-style-type: none"> <li>○ Required on all loans. Please refer to the Seller Guide regarding acceptable credit reports/established trade lines.</li> <li>○ The credit report must search for all inquiries within the last 120 days.</li> <li>○ All inquiries must be documented on a Letter of Explanation signed by the borrowers.</li> <li>○ The Risk Based Pricing Disclosure must be included in all files.</li> </ul>

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#### Additional Documents Required, Continued

Topic	Audit Points
Income Verification	<ul style="list-style-type: none"> <li>○ Two years of W-2s.</li> <li>○ Pay stubs, including 1 month and YTD income.</li> <li>○ If Self-Employed, 2 years signed tax returns and 1099's; corporate returns if applicable.</li> <li>○ Verbal Verification of employment completed by the Seller.</li> <li>○ All other forms of income verification as required by underwriting.</li> </ul>
Asset Verification	<ul style="list-style-type: none"> <li>○ Copies of bank statements.</li> <li>○ Verification of Deposit.</li> <li>○ HUD-1 for sale of prior residence, if applicable.</li> <li>○ Copy of gift check and proof donor is able to make gift, if applicable.</li> <li>○ All other forms of asset verification as required by underwriting.</li> </ul>
Other Credit Information	<ul style="list-style-type: none"> <li>○ Examples: Divorce papers, bankruptcy documents, credit letters.</li> </ul>
Initial 4506-T	<ul style="list-style-type: none"> <li>○ Must be signed and dated at the time of the initial application.</li> <li>○ All sections of the 4506-T must be completed accurately.</li> </ul>
Complete Tax Transcripts	<ul style="list-style-type: none"> <li>○ Most recent 2-years are required.</li> </ul>
Purchase Agreement	<ul style="list-style-type: none"> <li>○ Required for all purchase transactions. Must be complete and legible.</li> <li>○ Include all applicable addendums.</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>○ 2055 is the minimum appraisal form accepted by MSI.</li> <li>○ Property address must match the address listed on the note, mortgage/deed of trust, hazard insurance, and 1003.</li> <li>○ Appraisal must be "As Is," otherwise a Final Compliance signed by the appraiser with color photos of completed work will be required.</li> <li>○ Appraiser must sign the appraisal.</li> <li>○ The appraisal must include color photos, or clear and sharp black and white photos.</li> <li>○ If the property is located in a federal disaster area, declared after the date of the appraisal, a 442 addendum completed by the appraiser may be required.</li> <li>○ Investment properties with a sales price or appraised value below \$100,000.00 must include two independent appraisals.</li> <li>○ All appraisals must be UAD compliant –including Government and USDA.</li> <li>○ <b>For Conventional Loans</b> (including HomePath): A Submission Summary Report (SSR) stating Successful from <u>each</u> Fannie <u>and</u> Freddie is required in the delivery file. The ID's must match.</li> </ul>
1004MC Appraisal Addendum	<ul style="list-style-type: none"> <li>○ Required for all appraisals.</li> </ul>
Re-Certification of Value	<ul style="list-style-type: none"> <li>○ As needed based on age of appraisal or underwriting requirements.</li> </ul>

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## Fast Funding Tips

### MSI Audit Points

#### Additional Documents Required, Continued

Topic	Audit Points
AIR Appraisal Form – Lender Certification	<ul style="list-style-type: none"> <li>○ Completed by the correspondent.</li> <li>○ An acceptable form can be found at <a href="http://www.msicorr.com/Correspondent-Lending/Seller%20Guide/AIR/LendersCert-AIR.pdf">http://www.msicorr.com/Correspondent-Lending/Seller%20Guide/AIR/LendersCert-AIR.pdf</a></li> </ul>
AIR Borrower’s Acknowledgment	<ul style="list-style-type: none"> <li>○ Must be signed by the borrowers at closing.</li> <li>○ An acceptable form can be found at <a href="http://www.msicorr.com/Correspondent-Lending/Seller%20Guide/AIR/Borrower%20Acknowledgement-AIR.pdf">http://www.msicorr.com/Correspondent-Lending/Seller%20Guide/AIR/Borrower%20Acknowledgement-AIR.pdf</a></li> </ul>
All Disclosures	<ul style="list-style-type: none"> <li>○ Provide all disclosures provided to or signed by the borrowers at closing</li> </ul>
Any/All Applicable Documents for the Specific Loan Type	<ul style="list-style-type: none"> <li>○ Please see below for further details regarding FHA, VA, and USDA loans.</li> </ul>
Borrower’s Certification and Authorization Form	<ul style="list-style-type: none"> <li>○ Required on all loans.</li> </ul>
Verbal Verification of Employment	<ul style="list-style-type: none"> <li>○ Required on all loans prior to closing.</li> <li>○ VVOE completed by the Seller no earlier than 10 business days prior to closing. See the Seller Guide for full MSI requirements.</li> </ul>
FHA Loans	<ul style="list-style-type: none"> <li>○ <b>Up Front MIP must be paid. Evidence in loan file required.</b></li> <li>○ All sections of all four pages of the final 92900A must be complete and included with the final 1003.</li> <li>○ The final 92900A must be signed by the L/O on pages 1 and 4.</li> <li>○ The final 92900A must be signed by the borrowers in two places on page 2.</li> <li>○ Legible photo IDs for all borrowers must be included.</li> <li>○ Streamline Refis must include a printout from FHA Connection showing loan information from the prior loan.</li> <li>○ Amendatory Clause signed by the borrowers and sellers.</li> <li>○ Real Estate Certification signed by the borrowers, sellers, and real estate agents.</li> <li>○ <b>Sponsored Originators Only</b> – Mortgage Broker Fee Agreement must be included.</li> </ul>

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## Fast Funding Tips

### MSI Audit Points

#### Additional Documents Required, Continued

Topic	Audit Points
<b>FHA New Construction</b> In addition to the above.	<ul style="list-style-type: none"> <li>○ HUD 92541</li> <li>○ HUD 92544</li> <li>○ HUD 92051</li> <li>○ Subterranean Termite Treatment Report</li> <li>○ Building Permit and Occupancy certification issued by the municipality</li> <li>○ Evidence of 10 year warranty plan coverage.</li> </ul>
<b>VA Loans</b>	<ul style="list-style-type: none"> <li>○ <b>The VA funding fee must be paid, and a receipt from the VA remittal system must be provided.</b> <ul style="list-style-type: none"> <li>○ If the loan is exempt from the VA Funding fee, we will still require a printout from the VA remittal system showing \$0.00 is due.</li> </ul> </li> <li>○ Certificate of Eligibility is required.</li> <li>○ VA form 26-1820 must be completed.</li> <li>○ The NOV must be included, along with evidence that any conditions on the NOV have been satisfied.</li> <li>○ VA form 26-8937 is required for Exempt status loans.</li> <li>○ VA form 26-8923 required for all IRRL loans.</li> <li>○ VA IRRL loans must also include a Conventional appraisal.</li> </ul>
<b>USDA Loans</b>	<ul style="list-style-type: none"> <li>○ Completed form 1980-18 must be included. The loan amount and interest rate must match the Note.</li> <li>○ Completed form 1980-19 must be included.</li> <li>○ Completed form 1980-21 must be included and must match the note.</li> <li>○ A copy of the USDA check is required.</li> <li>○ If the property uses well water, a water test is required.</li> <li>○ Acceptable (clear) Fraud Report from MSI-approved vendor. (See <a href="#">Product Suite/USDA</a>)</li> </ul>

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