

Welcome!

Hello,

Thank you for joining the NYCB Gemstone Loan Estimate Process training presentation.

We will start the session shortly.

Please note that all participants will be muted upon entry of the presentation and questions can be sent to the presenter using the chat function.



New York
Community Bank
Member FDIC

NYCB Gemstone Loan Estimate Process

Overview

Items being covered today:

- Background and overview of the Loan Estimate
- The Initial Loan Estimate Process in Gemstone
- The new requirements to order an appraisal or upload a New Hi Speed Underwriting Submission
- The Revised Loan Estimate Process in Gemstone

PLEASE NOTE: We will use the term “Loan Estimate”, and it’s acronym “LE”, interchangeably throughout this presentation.

Background

- The Dodd-Frank Wall Street Reform Act (“Dodd-Frank”) charged the Consumer Financial Protection Bureau (CFPB) with integrating the mortgage lending rules applied under the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA). The final rule finalizes the RESPA-TILA combined forms, associated rules, and requires that lenders implement these changes by October 3, 2015.
- The final rule applies to most closed-end consumer mortgages. It does not apply to home-equity lines of credit and reverse mortgages, mortgages secured by mobile homes, and creditors who make five or fewer mortgages a year.
- The primary result of the new rule is the formal establishment of new RESPA-TILA forms that must be provided to consumers at application and closing:
 - The Loan Estimate
 - The Closing Disclosure
- **Effective Date:** The final rule finalizes the RESPA-TILA combined forms and associated rules and requires that lenders have implemented these changes by **October 3, 2015.**

The Loan Estimate

- The final rule requires the use of the “Loan Estimate” which will replace the “Good Faith Estimate” or “GFE” required under RESPA and the “early Truth-in-Lending” or “early TIL” required under TILA.
- The Loan Estimate combines the GFE and the TIL into one disclosure.

The diagram illustrates the consolidation of two forms into one. On the left is a 'Good Faith Estimate (GFE)' form. In the middle is a 'TRUTH-IN-LENDING DISCLOSURE (THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)' form. On the right is the 'Loan Estimate' form. A large plus sign (+) is positioned between the GFE and TIL forms, and a large equals sign (=) is positioned between the TIL and Loan Estimate forms, indicating that the Loan Estimate is the sum of the GFE and TIL.

Provision of the Loan Estimate to the Consumer, Timing and Fees

Under the rule, the Loan Estimate form must be provided to the consumer within three business days following consumer's application for a loan. For the purposes of the Loan Estimate delivery timing, the CFPB defines “application” to mean when the creditor/mortgage broker has been provided with the following six pieces of information:

1. Consumer Name
2. Income
3. Social Security Number to Obtain a Credit Report
4. Property Address
5. Estimate of the Value of the Property
6. Mortgage Loan Amount Sought

Responsibility to Provide the Loan Estimate

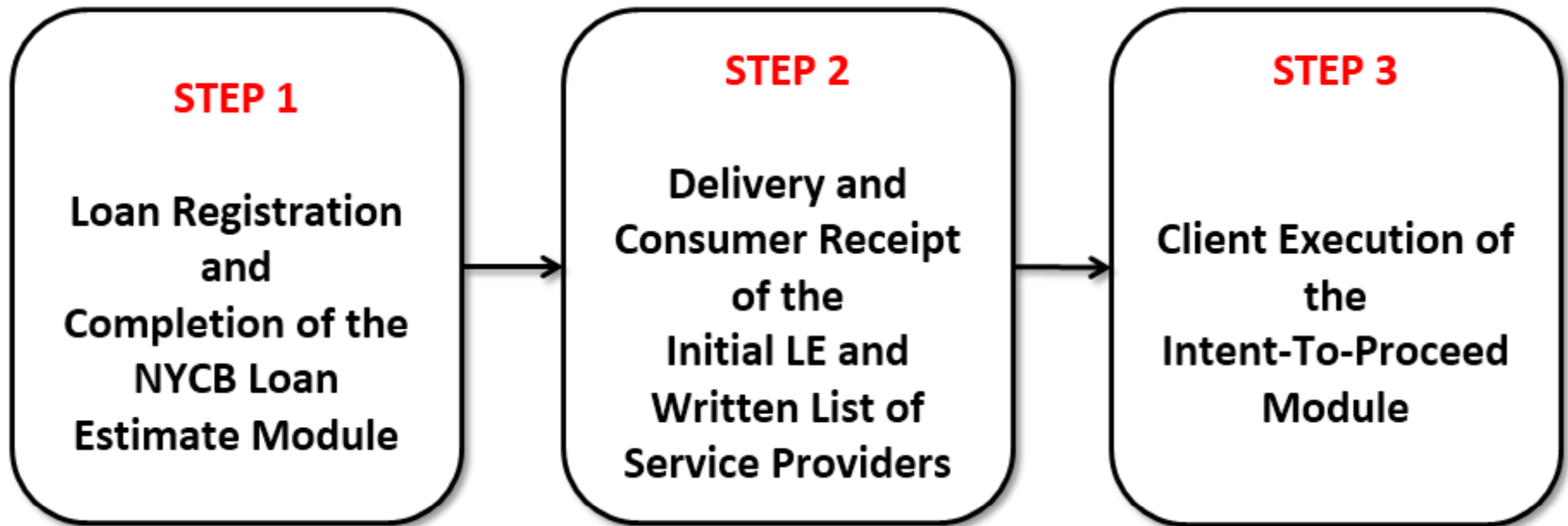
- The final rule allows that the Loan Estimate must be provided either by the creditor or the mortgage broker.
- However, since the creditor retains ultimate responsibility and liability, NYCB will be generating and ensuring that the Loan Estimate is provided in accordance with the rule.
- If NYCB is your lender of choice and you received the six “application” items from the consumer, you must generate a Loan Estimate directly from Gemstone.

“Application” in Gemstone

- Currently, in Gemstone the six “application” items that initiate the GFE disclosure process are captured at the point of Initial AU Submission.
- On 10/03/15, Gemstone will be updated to capture all six “application” items at the point of **loan registration (Registration)**, as opposed to Initial AU Submission, which will initiate the new Loan Estimate disclosure process.
- This change will require Registration and Loan Estimate data to be entered before Registration is complete and a loan number is generated.
 - Partial Registration and Loan Estimate data cannot be input and saved as “Incomplete” for future completion.
 - Failure to successfully complete the Registration and Loan Estimate data will result in a loss of all data.
 - Gemstone will “time out” and delete partially completed screens after 20 minutes of inactivity or at 12:00 AM Midnight EST.

Gemstone Initial Loan Estimate Process Flow

Gemstone Initial Loan Estimate Process has three main steps:



PLEASE NOTE: This new process is only applicable for loans registered on or after 10/01/2015.



STEP 1

**Loan Registration
and
Completion of the
NYCB Loan
Estimate Module**

STEP 1: Gemstone Loan Registration & Client Attestation

The Gemstone Registration process will be updated requiring:

- Input of loan Registration Data
- Execution of the Gemstone LE Attestation
- Input of Loan Estimate Fees and Data



Client Attestation

I, _____ for myself and my company, hereby attest to New York Community Bank the following (please check only one):

NEW APPLICATION: I am registering this loan with New York Community Bank having received from the borrower the six data elements of a loan application as set forth in the Integrated Mortgage Disclosures Rule -Section 1026.2(a)(3); or

EXISTING APPLICATION: Previously, the borrower applied with another lender but has chosen not to proceed with that loan application. The borrower now wishes to make a new application to New York Community Bank (NYCB) and this application was registered with NYCB within two (2) business days of the borrower's request to apply with NYCB.

STEP 1: Gemstone Loan Estimate Module

- Upon completing the loan Registration and executing the Client LE Attestation, a new Loan Estimate module will open.
- The Loan Estimate module will require certain fee information to be entered.
- The information in the Loan Estimate Module will be used to create the NYCB Initial Loan Estimate and Settlement Services Provider List.

IT & Test Correspondent Testing, Inc.
1801 East Ninth Street Cleveland, NY 44483

Loan Estimate

Date Issued: 01/22/2015
Primary Borrower: John Homeowner
Property Address: 752 Plamsm Tharoolsm, 41235 FL
Property Value: \$125,000.00

Loan Term: 2 Years, 6 Months
Purpose: Refinance
Product: Fixed Rate
Loan Type: Conventional
Loan ID#: 2996095
Rate Lock: YES, until 3/2/2015 5:00:00 AM EST
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 1/1/0001 12:00:00 AM EST

The Gemstone Loan Estimate module is designed to look exactly like the Loan Estimate form. This is important to our clients for ease of use.

Each page of the Loan Estimate form can be accessed on different tabs in the Gemstone Loan Estimate Module.

Loan Information | Closing Cost Details | Additional Information

Loan Terms		
Loan Amount	\$100,000	Can this amount increase after closing? NO
InterestRate	4%	YES • Adjusts every years starting in year • Can go as high as % in year • See AIR Table on page 2 for details • Adjusts every years starting in year • Can go as high as in year
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	(\$477.42)	NO
Prepayment Penalty		Does the loan have these features? NO
Balloon Payment		NO

Projected Payments	
Payment Calculation	Years 1-30
Principal & Interest	\$477.42 min

STEP 1: Service Providers

- A **new** module in the Manage Services area of Gemstone has been created to allow clients to input their Service Providers.
- When entering Fees in the LE Module, in section “C. Services You Can Shop For” clients will be required to select a service provider for each fee. This will produce the NYCB Written List of Service Provides.

are subject to change based on market conditions, and exclude weekends and Bank Holidays. Updated: 06.03.15

Turn NYCB - Service Providers - Windows Internet Explorer

http://

File Edit View Favorites Tools Help

x Snagit

Suggested Sites (6) Suggested Sites (5) Suggested Sites (4) Suggested Sites (2) Nycb WebEx Enterprise Site Gemstone

NYCB MORTGAGE BANKING CB# 48016

Service Providers

20 records per page Search:

Company Name	Contact	Address	Affiliate	Created	Status
1 - Tim's Affiliate	Joe Affiliate (i)	2 Main Street Affiliate-ville, OH	YES	6/1/201	Active

STEP 2

**Delivery and
Consumer Receipt
of the
Initial LE and
Written List of
Service Providers**

STEP 2: Delivery of the Loan Estimate

Gemstone will provide three delivery options for the Loan Estimate:

- Electronic Delivery, via the NYCB Signing Room
- In Person or Fax Delivery
- US Mail Delivery

Evidence of consumer receipt of the Loan Estimate will differ based on the delivery method.

Each of these delivery methods will be covered later in the presentation.

STEP 3

**Client Execution of
the
Intent-To-Proceed
Module**

STEP 3: Intent To Proceed

- A creditor or other person may not impose any fee (except a reasonable fee for obtaining a consumer's credit report) on a consumer in connection with the consumer's application for a mortgage transaction until the consumer has received the Loan Estimate **and** has indicated his or her Intent to Proceed with the transaction.
- The client must obtain the Borrower's Intent to Proceed prior to uploading the New Hi Speed UW Submission or ordering an Appraisal
- Once the Intent to Proceed has been executed, the client can immediately make an Initial UW Submission and/or order a Gemstone appraisal.

We will cover the Initial UW Submission and Appraisal Process later in the presentation, which includes a **new** Intent to Proceed Module.

STEP 3: Intent To Proceed

A new Module will be available in Gemstone, the Intent To Proceed module.

NYCB MORTGAGE COMPANY, LLC

Loan# CB ? Rates Products Doing Business Tools Admin

Home
Admin
Pipeline
View Loan
Pricing Calculator
Import 1003
Register Loan
Loan Estimate
Request Credit
View Credit
View/Edit 1003
Export 1003
Submit AU
View AU Findings
Reset AU
Intent To Proceed

Help More Renters Become Owners

97% LTV Conforming Fixed
> For First Time Homebuyers
> Plus! Reduced MI with MyCommunityMortgage®

A Great Lending Experience Starts with NYCB's Purchase Accelerator™!

Quick Clicks

- About NYCB FHA
- Correspondent Program
- Hi-Speed Change Request
- Regulatory Newsroom
- Secure Email from NYCB

See Regulatory Newsroom for NYCB Support Materials

Quick Clicks for AEs

- AE Newsroom
- Application Kits
- Email Contact List
- Hot Topics
- Learning Center
- Marketing Material
- Reports
- Travel/Expense Policy

Announcements

General

- **eSign and Flood Unavailable This Sunday**
- **Update: Disaster Alerts in TX & OK**
- **IRS Tax Transcript Processing**

Correspondents

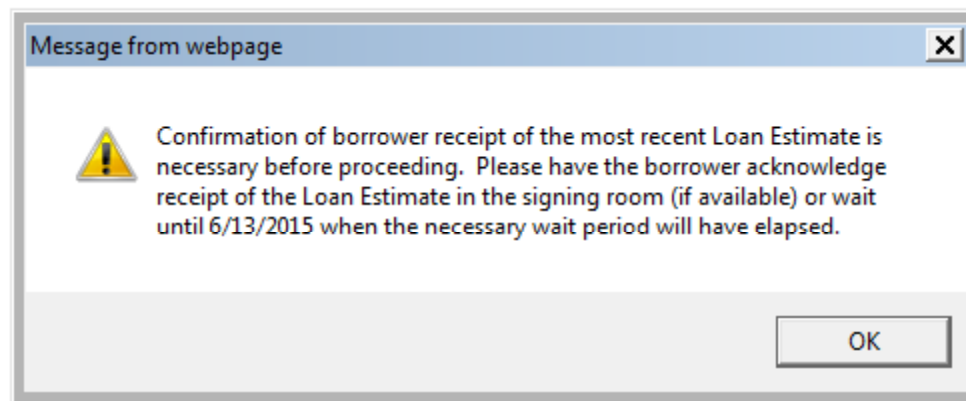
- **Trying to Predict the Future**
- **Loan Level Pricing Updates**
- **TX & OK Recertification Requirements**

Table Funding Clients

- **Trying to Predict the Future**
- **Loan Level Pricing Updates**
- **New Jersey Disclosure Requirement**



STEP 3: Intent To Proceed

The Intent To Proceed Module will not allow entry until the Primary Borrower has received the Initial LE.



STEP 3: Intent To Proceed

Once the Primary Borrower has received the Initial LE, access into the Intent To Proceed Module will be granted.

Attestation of Borrower's Intent to Proceed Loan #3065864 for LeBron Fan
SSN# ***-**-4321

I, _____, for myself and my company, hereby attest to New York Community Bank the following:

I have received the Borrower(s) Intent to Proceed with the application for a certain mortgage with New York Community Bank, in accordance with the terms and conditions set forth on the Loan estimate dated **06/09/2015**, from the Borrower(s) selected below (please check the box associated with the applicable borrower):

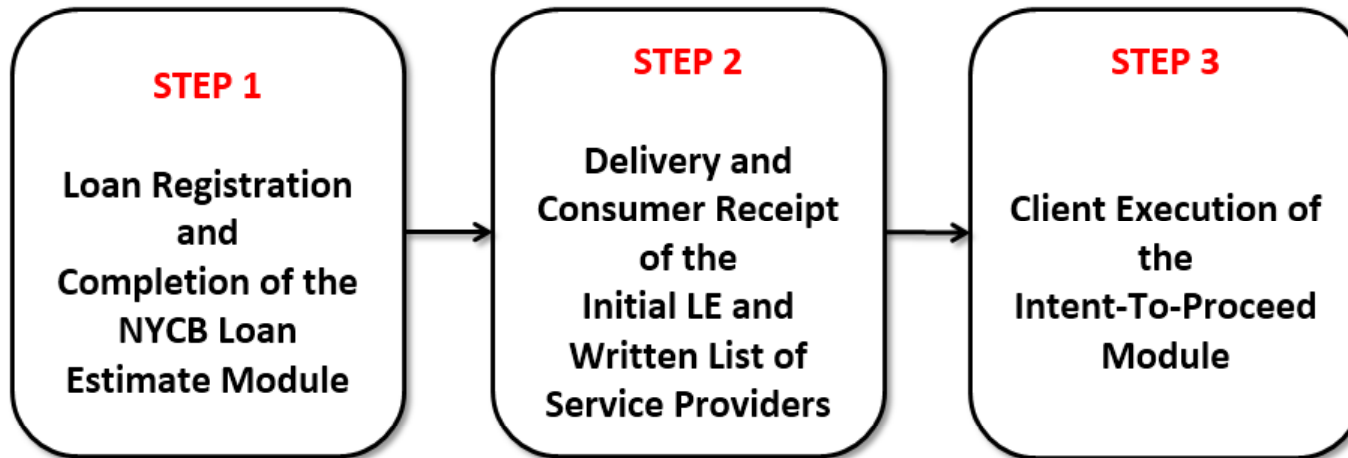
LeBron Fan

The intent to proceed was received by the following means: Please select how intent to proceed was made.

I have documented the Borrower(s) loan file with the applicable evidence received and will maintain such documentation for the benefit of New York Community Bank for a minimum of three (3) years from the date of this attestation (Example: Keep a copy of each applicable item in the loan file, such as the email or letter from the Borrower(s), Loan Officer, or Staff notes regarding the conversation with the Borrower(s) instructing you to proceed, your own Company's Intent to Proceed form, etc.).

As part of the New York Community Bank Pre-Closing Review that will occur after the loan has been Underwriting Approved, you will be required to upload a copy of your Borrower(s) intent to proceed documentation for this loan with all other required Pre-Closing review items.

KEY POINTS of the Gemstone LE Process



- In order to generate a loan number, run Initial AU, and/or lock a loan the Registration module must be completed AND the Loan Estimate module must be completed.
- Clients must have accurate fee information ready at the point of loan registration.
- Upon completion of the Registration and Loan Estimate Modules, a Loan Estimate Disclosure is immediately generated and sent to Signing Room if consumer opted in to electronic delivery and generated at the end of the business day and mailed the next business day if borrower opted for paper delivery. The fee amounts on this Loan Estimate set the baseline for the tolerance limits that will apply to future changes to fee amounts.
- To order an appraisal or upload a New Hi Speed Underwriting Submission all three steps of the Gemstone Loan Estimate Process must be completed.

Loan Estimate Process Odds and Ends

- Pre-Qualifications will still be permitted (the Pre-Qual indicator on the Registration screen must be selected). The Loan Estimate module will not be available to be completed on loans registered as Pre-Qualifications.
 - Once the Pre-Qual indicator is unchecked and the additional non-Pre-Qual loan information is entered into the Registration screen, Gemstone will require completion of the Loan Estimate module, resulting in the generation of a NYCB Loan Estimate for the consumer.
- If a new Registration triggers a duplicate hold, the Loan Estimate module must still be completed. However the duplicate hold will prevent the loan from moving forward until the MCC is contacted to review and potentially remove the duplicate hold.

Initial Loan Estimate Process Demonstration

Demonstration of completing the Registration and Loan Estimate screens, and executing the Intent to Proceed.

Demonstration of the Intent To Proceed Module.

Appraisal and UW Upload

Gemstone will not allow a user to order an appraisal or upload a New Hi Speed Underwriting Submission until all of the following are completed:

- The NYCB Loan Estimate has been generated and sent to the primary borrower.
- The primary borrower has received the NYCB Loan Estimate.
- The borrower has communicated their Intent to Proceed with the transaction to the client, based on the NYCB Loan Estimate.
- The NYCB client has executed the Intent to Proceed attestation in the Gemstone **new** Intent to Proceed module.

This process flow will differ depending on the delivery method of the Loan Estimate (electronic via the Signing Room, In-Person, or US mail).

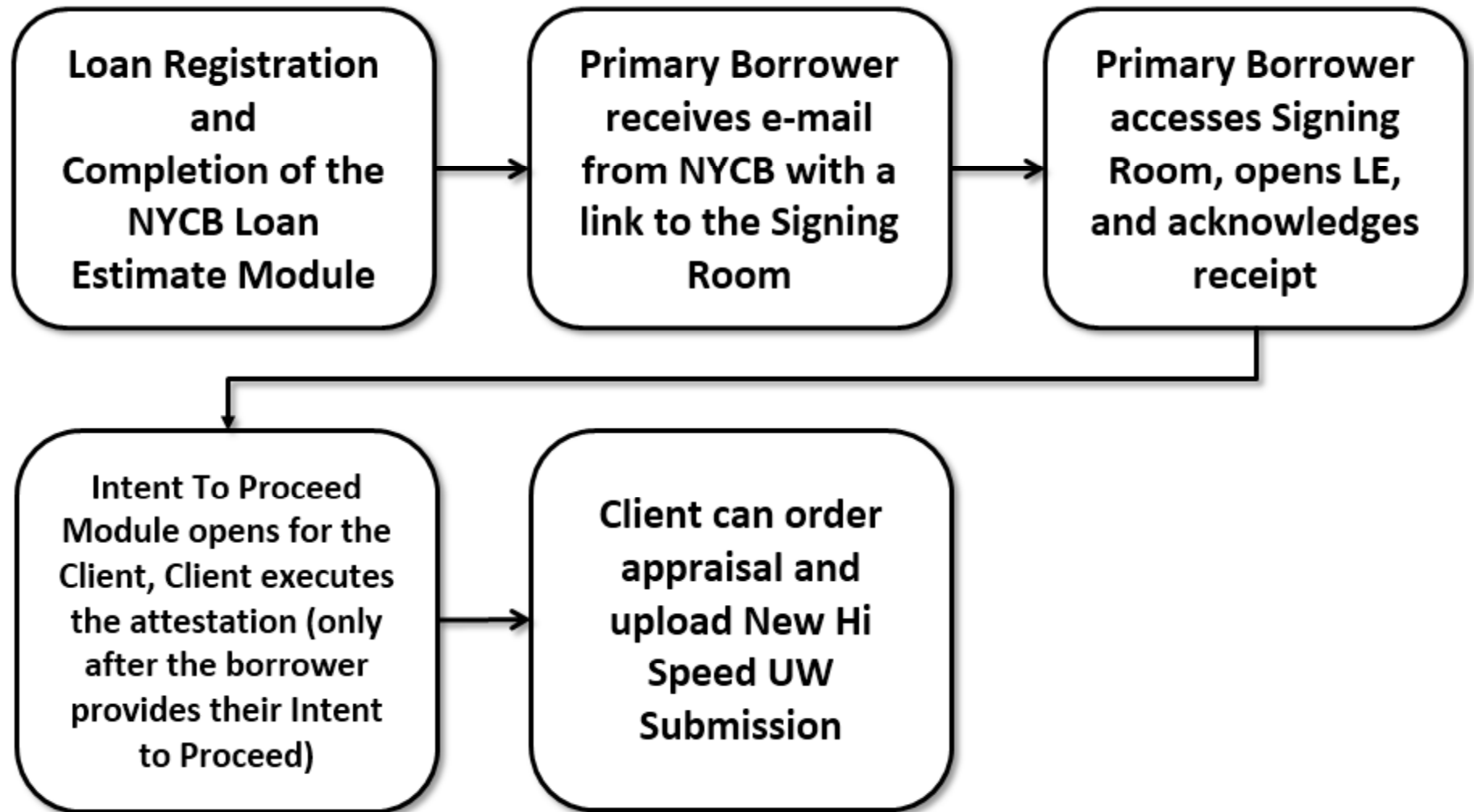
Primary Borrower

- Only the Primary Borrower must acknowledge receipt of the Loan Estimate, if electronically delivered to the Signing Room. It is also only mailed to the Primary Borrower on a paper transaction.
- For purposes of Registration the Primary Borrower is defined as the first Borrower entered on the Gemstone Registration screen.

Borrower Information

Borrower	Co-Borrower 1	Co-Borrower 2	Co-Borrower 3	
Primary Borrower Information				
SSN	First Name	Middle Name	Last Name	Suffix
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Credit Score	Residency Status	Employment Status		

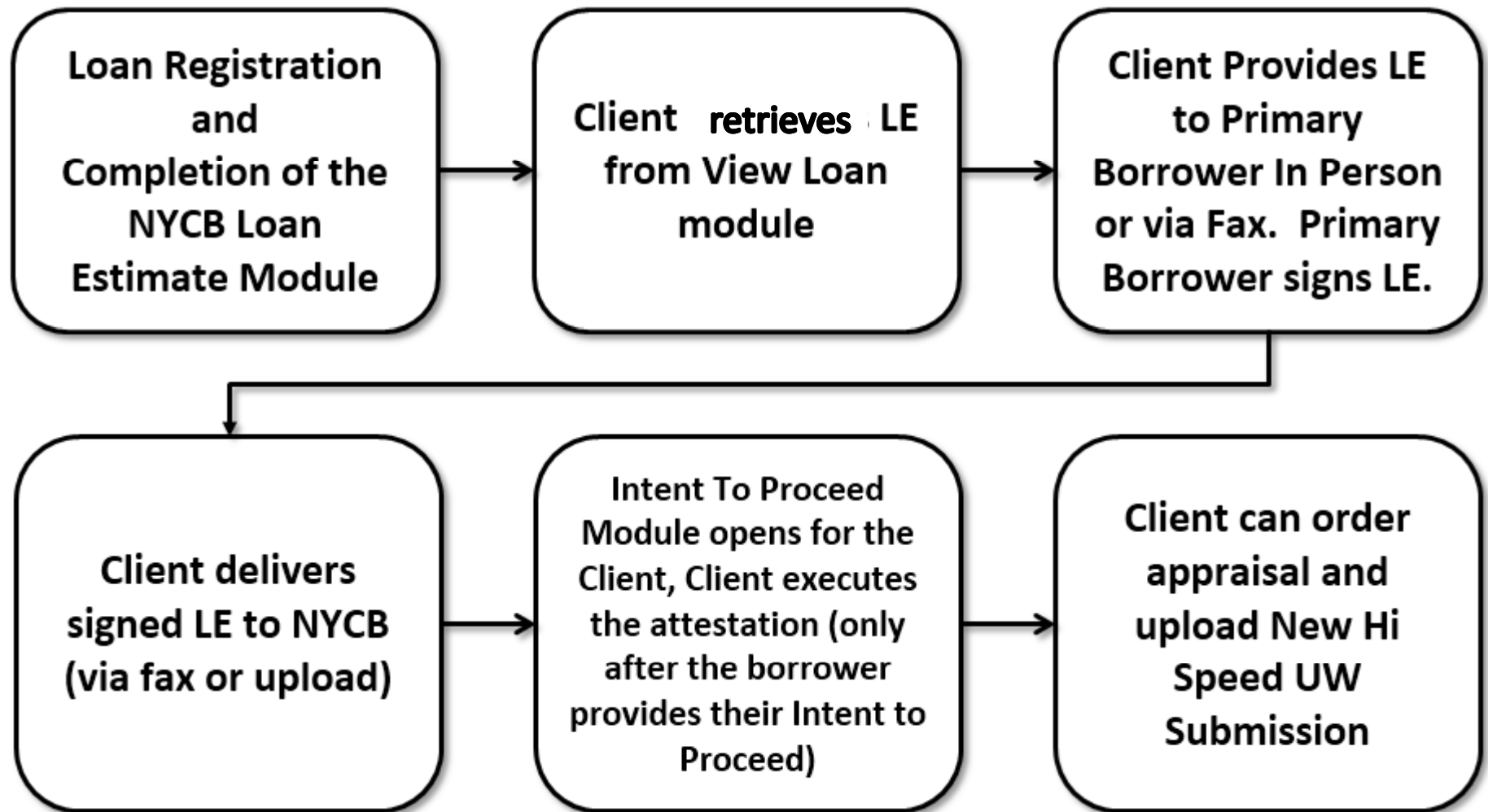
Appraisal and UW Upload- **Electronic Delivery via the Signing Room**



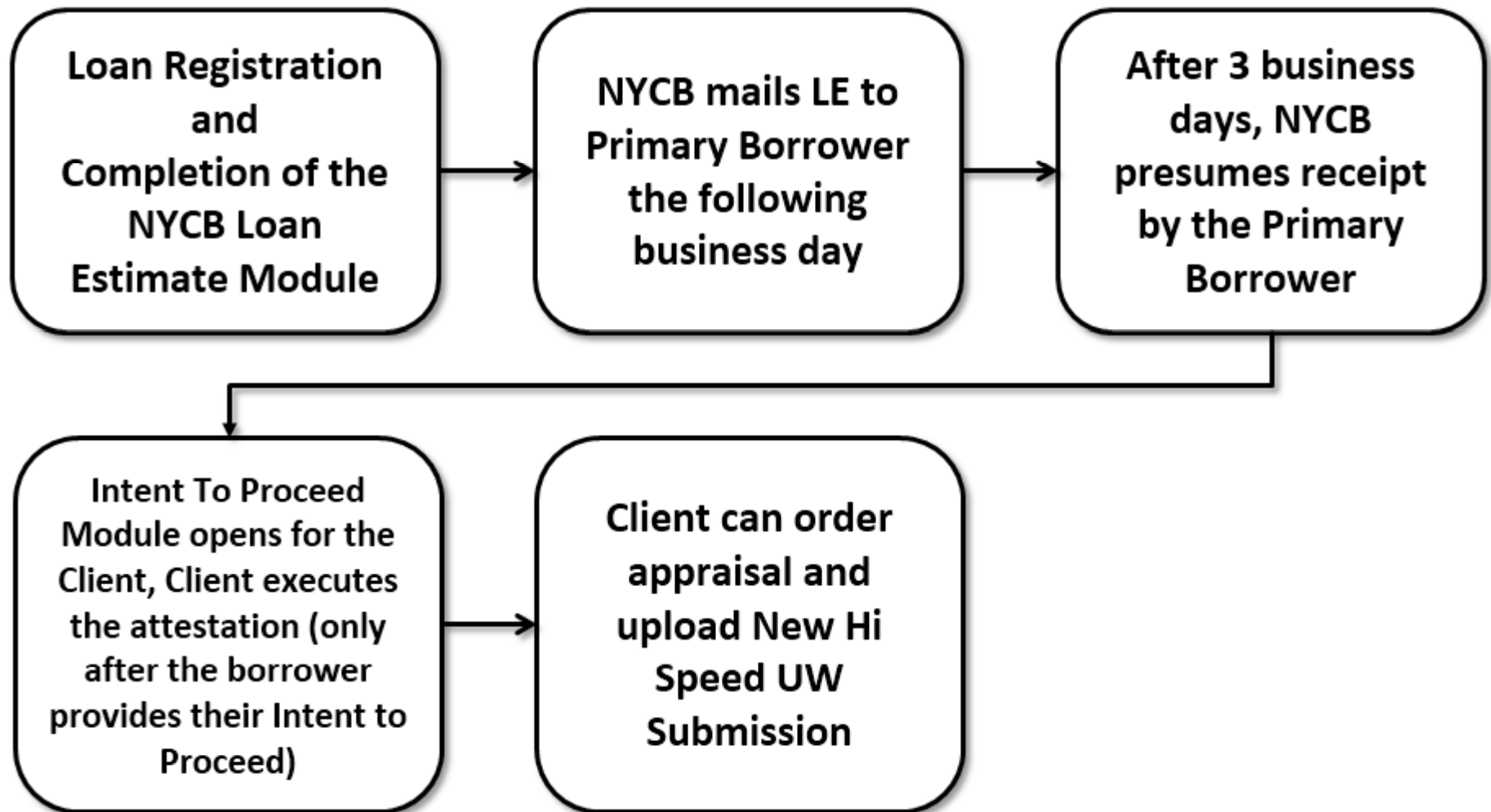
Appraisal and UW Upload- **Electronic Delivery via the Signing Room**

- To enable electronic delivery via the Signing Room, a borrower “opt in” indicator will be present on the Gemstone Registration screen for each borrower. Each borrower will also have a field on the Registration screen into which the borrower’s e-mail address can be input.
- In addition to the e-mail that the borrower receives when an electronic NYCB LE is available to be viewed in the Signing Room, the client will also receive a notification e-mail.
- Both borrowers and clients will receive reminder e-mails every day until the electronic NYCB LE has been viewed in the Signing Room.

Appraisal and UW Upload- In Person/Fax Delivery



Appraisal and UW Upload- **US Mail Delivery**



NYCB Initial Loan Estimate Expiration

- If the initial NYCB Loan Estimate (LE) was issued more than 10 business days ago and the Intent to Proceed has not been executed in Gemstone, the LE has expired. At this point, a client must generate a new LE or cancel the loan.
- The process to issue a new Initial LE is:
 - Click on the Intent to Proceed Link on Gemstone's left nav
 - The client will receive a message: "The Initial Loan Estimate issued is expired, would you like a new one?" The message will have a "Yes" button and a "No" button.
 - "Yes" upon clicking, the client will be taken to the Loan Estimate screen
 - "No" upon clicking, the client will be taken back to Gemstone home page.
 - If the client has clicked "Yes" and wants to create a new initial LE, they will be taken to the LE screen and can update any of the fees on the screen, or leave the fees the same.
 - Once the new LE is created, the tolerance baselines will be based on the fees on the new LE.
 - This will also produce a new SPL.
 - This will re-set the 7 business day wait period
 - A Change Circumstance Form will also be created.

Revised Loan Estimates

Revised NYCB Loan Estimates (LEs) will be generated in two ways:

- **System detected Changed Circumstance** (e.g. the Note Rate is updated in Registration, the system automatically updates the LE and sends to the borrower).
- **Client requested Changed Circumstance** (e.g. the client is made aware that the Seller Credit is being updated and wants a new LE created).
 - In this scenario, the client must fill out and upload a Request for Changed Circumstance form (form # TBD), as they do today with GFES. NYCB will then make the change to LE in Gemstone, and it will be sent to the borrower.
 - **KEY POINT:** The Request for Changed Circumstance form cannot be sent later than 2 business days after the client has been made aware of the change. This is necessary to allow NYCB to generate and deliver a revised LE by the 3rd business day.

System Detected Changed Circumstance

Once the Initial Loan Estimate (LE) has been created, but a CD has not yet been created, the following changes will result in the automatic generation of a Revised LE.

- Change to "Present Property Address" (Address, City, State, Zip, Extended Zip, County) for ALL borrowers (Please Note: address changes will allow minor variations, e.g. Street to ST.)
- Change to "Subject Property Address" (Address, City, State, Zip, Extended Zip, County) for ALL borrowers
- Change to "Loan Program"
- Change to "Loan Term"
- Change to Escrows (Adding escrows as a loan requirement or removing escrows as a loan requirement)
- Change to "MI Type" (Addition of MI as a loan requirement or removal of MI as a loan requirement, or change to MI Type)
- Change to "MI Factor %"
- Change to "Financed MI" (FHA)
- Change to "Total Loan Amount". In this situation, a LE will be generated for both increases and decreases. For increases the percentage change in loan amount will be calculated and the following Fees will be changed by the same percentage amount:
 - Borrower charge for interest rate (Points) (This will be updated for both loan amount increases and decreases.)
 - Transfer Taxes
 - Owners Title Policy
 - Lenders Title Policy
- The initial loan lock, lock extensions and/or relocks
- Any change to loan pricing not covered in the bullets above (i.e. reduction in credit for interest rate chosen or increase in charge for interest rate chosen)

System Detected Changed Circumstance

- When one of the changes on the previous slide are made in the Gemstone Registration module, after clicking the submit button on the Registration screen, the user making the change will automatically be directed into the Gemstone LE module.
- Gemstone will only permit the user to update information in the LE screen that is directly related to change that was made in the Registration module (i.e. most of the information in the LE module will not be editable).
- The user will need to review the LE screens, make any applicable updates, and “submit” the LE.
- This will generate the revised NYCB LE which will then be delivered to the consumer.

Timing Considerations of the Loan Estimate

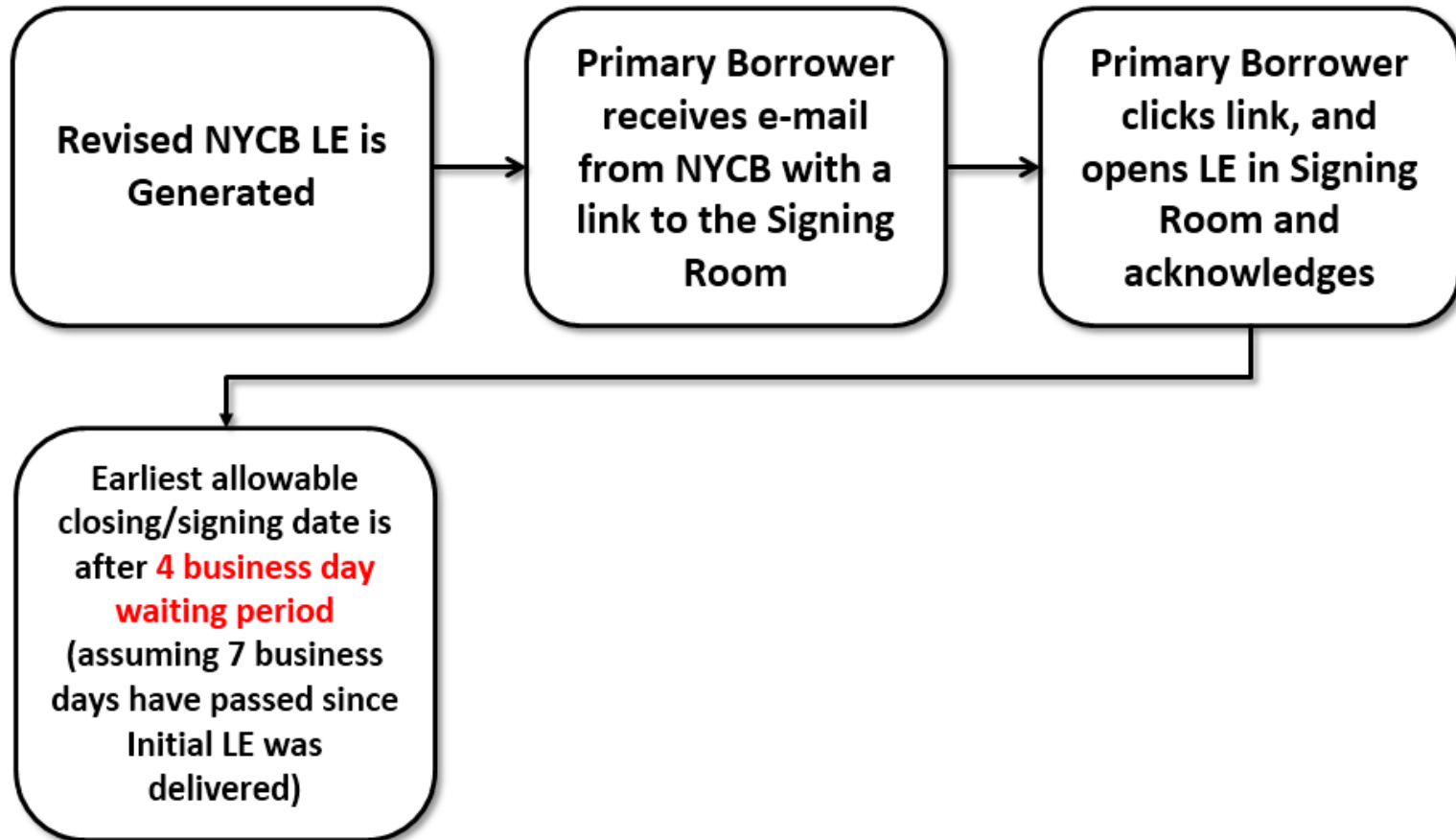
Consistent with the current requirements of RESPA and TILA, the creditor must provide the Loan Estimate disclosure to the consumer within three business days of receiving the application, but no later than seven business days before consummation.

- After the initial NYCB Loan Estimate is delivered to the consumer there will be a seven business day waiting period before the loan can be closed (presuming you have delivered a Closing Disclosure and met all applicable wait periods).
- The loan cannot close until the fourth business day after a revised NYCB Loan Estimate is received* by the consumer.

*Consumer is considered to have received the Loan Estimate three business days after mailing, upon acknowledgment for eSign delivery or the date borrower signed and dated when hand delivered or faxed and provided to NYCB.

- Once you issue the Closing Disclosure no further revised Loan Estimates may be issued.
- Gemstone will enforce all applicable waiting periods automatically.

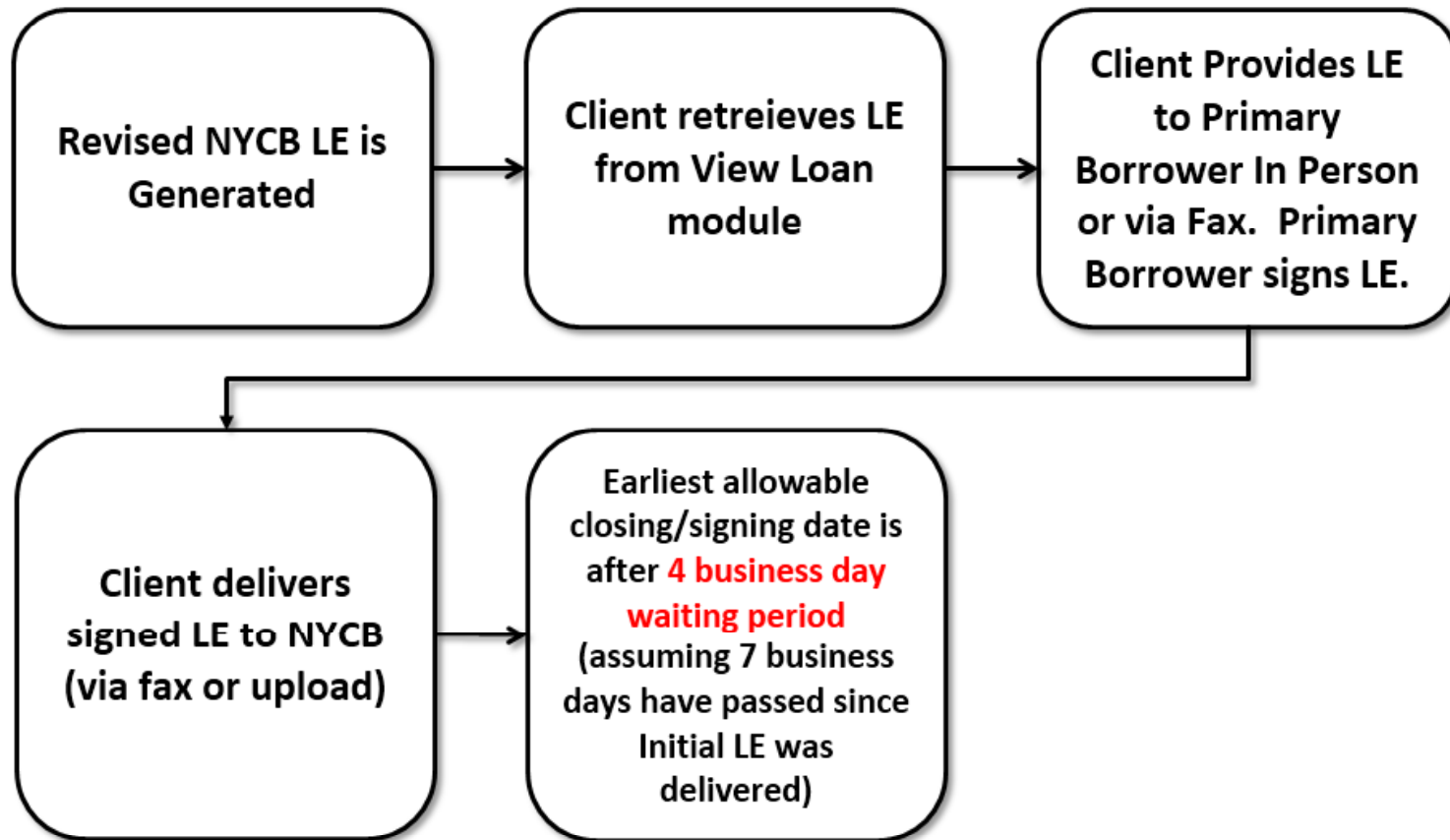
Revised LE Waiting Period- **Electronic Delivery via the Signing Room**



Once the Closing Disclosure has been received there is a 3 business day waiting period prior to the closing/signing date. The Revised LE and CD waiting periods can be observed simultaneously, if applicable.

In Sept, Closing Disclosure Process Training will be made available.

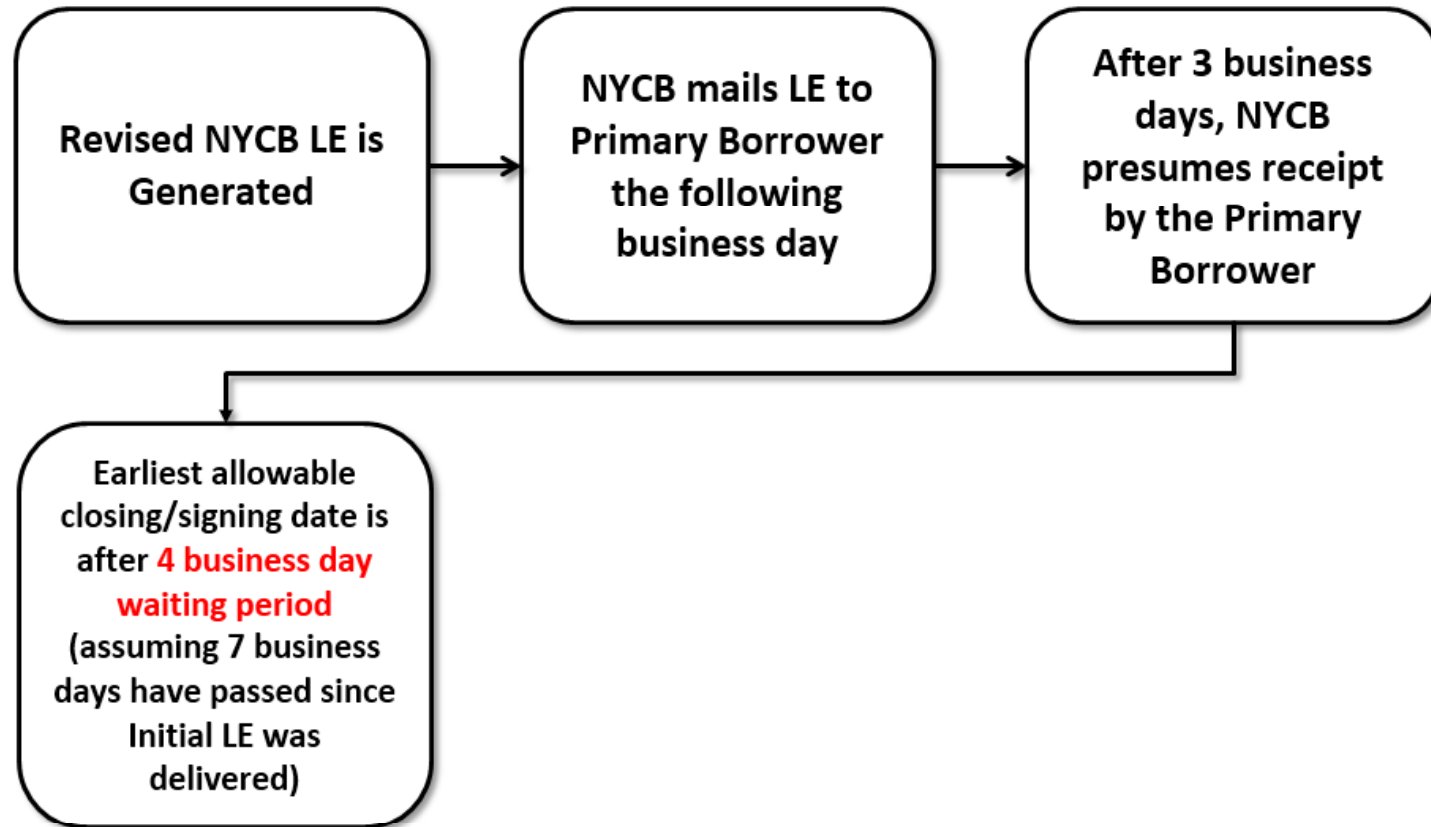
Revised LE Waiting Period- In Person/Fax Delivery



Once the Closing Disclosure has been received there is a 3 business day waiting period prior to the closing/signing date. The Revised LE and CD waiting periods can be observed simultaneously, if applicable.

In Sept, Closing Disclosure Process Training will be made available.

Revised LE Waiting Period- **US Mail Delivery**



Once the Closing Disclosure has been received there is a 3 business day waiting period prior to the closing/signing date. The Revised LE and CD waiting periods can be observed simultaneously, if applicable.

In Sept, Closing Disclosure Process Training will be made available.

Thank you!!