

How to Float / Lock Your Loan in ADM

March 2019

INTRODUCTION

This manual is designed to assist the user with pricing and locking their loans using the Automated Decision Manager (ADM). Specific fields within the ADM application will be emphasized to alert the user of its importance in producing the desired outcomes from the Price/Lock screen.

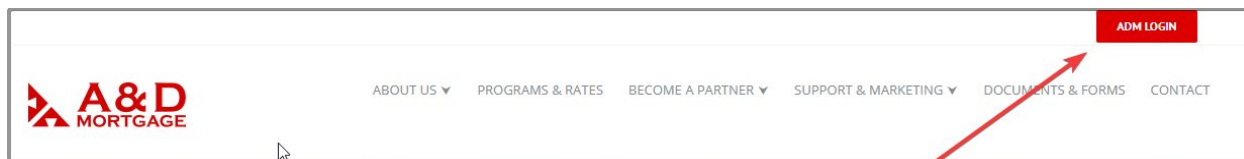
When accessing our site, it is best to use Internet Explorer, version 9 or higher. And as a reminder, the system will generate a pop-up notification when it detects are you using a browser other than Internet Explorer.

OBJECTIVE: By the end of this session, the user will know how to:

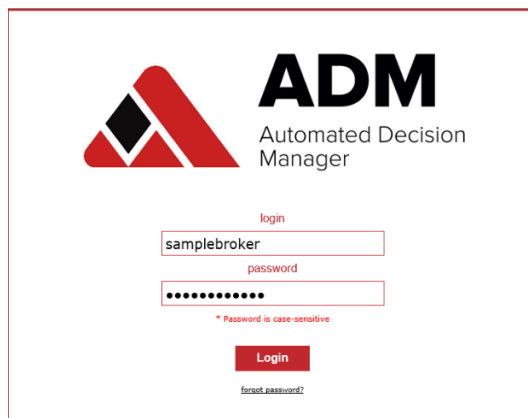
- Lock a Broker Paid or Lender Paid Compensation loan
 - How to register, float and lock their loans in ADM
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Access the ADM Login Screen

To access the ADM Login screen, click on the red “ADM Login” button, located at the top right-hand side of the www.wholesale.admortgage.com site.



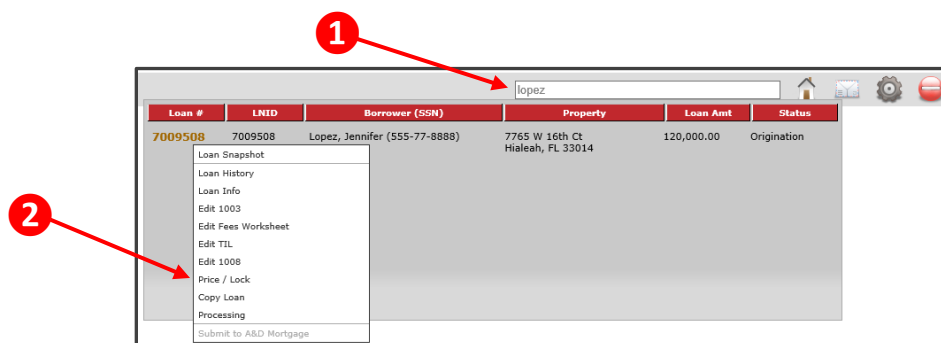
Enter your email address or login provided by the System Administrator and your password, then click Login.



The login screen for ADM (Automated Decision Manager) features the company logo and name at the top. Below, there are input fields for 'login' (containing 'samplebroker') and 'password' (masked with dots). A note states '* Password is case-sensitive'. A red 'Login' button is positioned below the password field, with a 'forgot password?' link underneath it.

Open your loan

1. Enter any of the loan information you have available (borrower's name, loan number, street address) into the search bar. Once your loan is brought up, click on the loan number in the results, and the pop-up menu will display.
2. From the menu click Price/Lock



The next few pages will review the Price/Lock screen and will detail for the user:

1. Critical fields required for pricing a QM and Non-QM loan.
2. Locking loans with Broker Paid Compensation and Lender Paid Compensation.
3. The final steps in registering and locking a loan.

Price/Lock Fields for QM Loans

We offer Conventional, FHA, VA, Jumbo Loans under QM loan type. The screenshot below highlights numbered blocks of information that are often missed by the user. See the table of explanations for each block of information below.

Enter your loan information, then click search programs.
Changes to certain fields in this form will update the 1003.
LTV / CLTV / HCLTV will be calculated when loan amount, purchase price, appraised value, subordinate financing or HELOC fields are changed.

<p>*First Name: <input type="text" value="Sergey"/></p> <p>Middle Name: <input type="text"/></p> <p>*Last Name: <input type="text" value="Sample"/></p> <p>*SSN: <input type="text" value="215-85-6954"/></p> <p>*Residence Status: <input type="text" value="Perm Resident Alien"/></p> <p>Qualifying Credit Score: <input type="text" value="700"/> (Middle Score Required)</p> <p>1 *Doc Type: <input type="text" value="Full/Alt"/></p> <p>*Property Type: <input type="text" value="Detached"/></p> <p>*Occupancy: <input type="text" value="Primary"/></p> <p>*Purpose: <input type="text" value="Refinance"/></p> <p>*Purpose of Refi: <input type="text" value="Rate Term"/></p> <p>*Units: <input type="text" value="1 Unit"/></p> <p>*Zip: <input type="text" value="34232"/></p> <p>*State: <input type="text" value="FL"/></p> <p>*County: <input type="text" value="Sarasota"/></p> <p>*Lien Position: <input type="text" value="Primary Loan"/></p> <p>*Interest Only: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>2 *Underwriting Type: <input type="text" value="Fannie Mae AUS"/></p> <p>*Recommendation: <input type="text" value="FNMA Approve/Eligible"/></p> <p>*Loan Type: <input type="text" value="Conventional"/></p> <p>Credit Grade: <input type="text" value="No Credit Grade"/></p> <p>3 Income Verification Type: <input type="text" value="N/A"/></p> <p>*Program Type: <input type="text" value="Fixed"/></p> <p>4 Compensation Type: <input type="text" value="Lender Paid Compensation"/></p> <p>Compensation Date: <input type="text" value="2/20/2019 6:28:13AM"/></p> <p>Application Date: <input type="text" value="12/06/2018 11:26:07A"/></p> <p>Origination Fee: <input type="text" value="0.00"/></p> <p>Mortgage Broker Fee: <input type="text" value="4200.00"/></p>	<p>Closing Cost Scenario: <input type="text" value="WS Non-QM Owner Occupied"/></p> <p>*Loan Amount \$: <input type="text" value="140,000.00"/></p> <p>Loan Amount w/MIPFF \$: <input type="text" value="140,000.00"/></p> <p>*Subordinate Financing \$: <input type="text" value="0.00"/></p> <p>Existing Loan Amt \$: <input type="text" value="0.00"/></p> <p>HELOC Amount Drawn: <input type="text" value="0.00"/></p> <p>Max HELOC Amount: <input type="text" value="0.00"/></p> <p>*Purchase Price \$: <input type="text" value="0.00"/></p> <p>*Appraised Value \$: <input type="text" value="260,000.00"/></p> <p>*Down Payment \$: <input type="text" value="0.00"/></p> <p>*LTV %: <input type="text" value="53.846"/></p> <p>*CLTV %: <input type="text" value="53.846"/></p> <p>*HCLTV %: <input type="text" value="53.846"/></p> <p>*Housing Ratio %: <input type="text" value="0.000"/></p> <p>*Debt Ratio %: <input type="text" value="0.000"/></p> <p>*Cash Out \$: <input type="text" value="128,165.40"/></p> <p>5 *Amortization Term: <input type="text" value="360"/></p> <p>Mortgage Insurance: <input type="text" value="No"/></p> <p>*Escrow Waiver: <input type="text" value="No Escrows Waived"/></p> <p>*Pre-Pay Penalty: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>Temporary Buydown: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>Seasonal Property: <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p>First Time Homebuyer: <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Servicing Type: <input type="text" value="Servicing Released"/></p> <p>Specialty Products: <input type="text"/></p> <p>Property Inspection Waiver: <input type="checkbox"/></p> <p>Desired Rate: <input type="text" value="2.75"/> to <input type="text" value="11"/></p> <p>Desired Price: <input type="text" value="95"/> to <input type="text" value="100"/></p> <p>Desired Lock Period: <input type="text" value="30"/></p> <p>Result: <input type="text" value="Best Price"/></p>
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Some fields are straightforward, and those that are not are **bolded** below:

Block 1:

Doc Type:	Full/Alt (always)
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Block 2:

Underwriting Type:	Fannie Mae AUS or Freddie Mac LP
Recommendation:	FNMA Approve/Eligible or FHLMC Accept These are the only acceptable results
Loan Type:	Conventional, FHA, VA

Block 3:

Income Verification Type:	N/A (always)
Program Type:	Fixed (always); we do not offer ARMs in QM

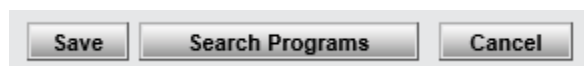
Block 4:

Compensation Type:	Lender Paid Compensation or Borrower Paid Compensation
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Block 5:

Amortization Type:	Varies
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After your fields have been entered on the Price/Lock screen, click on Search Programs at the bottom of the page.



Proceed to page 8 for instructions on locking loans with Broker Paid Compensation or page 10 for Lender Paid Compensation.

Price/Lock Fields for Non-QM Loans

The highlighted and numbered blocks below are critically important to be completed for the pricing engine to provide accurate results.

Changes to certain fields in this form will update the 1003.
LTV / CLTV / HCLTV will be calculated when loan amount, purchase price, appraised value, subordinate financing or HELOC fields are changed.

*First Name: Sergey
Middle Name:
Last Name: Sample
*SSN: 215-85-6954

1 *Residence Status: Perm Resident Alien
Qualifying Credit Score: 700 (Middle Score Required)
*Doc Type: Non-QM
*Property Type: PUD
*Occupancy: Primary
*Purpose: Purchase
*Units: 1 Unit
*Zip: 34232 Property TBD: ☐
*State: FL
*County: Sarasota
*Lien Position: Primary Loan

2 *Interest Only: ☐ Yes ☒ No
*Underwriting Type: Manual Underwrite
*Recommendation: Accept
*Loan Type: Conventional
Credit Grade: No Credit Grade
Income Verification Type: 24 Month Bank Statements
*Program Type: ARM
ARM Type: 5/1

3 Compensation Type: Borrower Paid Compensation
Compensation Date: 2/19/2019 4:34:42PM
Application Date: 12/06/2018 11:26:07A
Origination Fee: 0.00
Mortgage Broker Fee: 4200.00

Closing Cost Scenario: WS Non-QM Owner Occupier
*Loan Amount: 140,000.00
Loan Amount w/MIPFF: 140,000.00
*Subordinate Financing: 0.00
Existing Loan Amt: 0.00
HELOC Amount Drawn: 0.00
Max HELOC Amount: 0.00
*Purchase Price: 260,000.00
*Appraised Value: 260,000.00
*Down Payment: 120,000.00
*LTV %: 53.846
*CLTV %: 53.846
*HCLTV %: 53.846
4 *Housing Ratio %: 0.000
*Debt Ratio %: 0.000
*Cash Out: 0.00
*Amortization Term: 360
Mortgage Insurance: No
*Escrow Waiver: No Escrows Waived
5 *Pre-Pay Penalty: ☐ Yes ☒ No
Temporary Buydown: ☐ Yes ☒ No
Seasonal Property: ☐ Yes ☒ No
First Time Homebuyer: Yes
Servicing Type: Servicing Released
Specialty Products:
Property Inspection Waiver: ☐
Desired Rate: 2.75 to 11
Desired Price: 95 to 100
Desired Lock Period: 30
6 Result: Best Price

Some fields are straightforward, and those that are not are bolded below:

Block 1:

Residence Status:	Select the desired option
FICO:	Enter the borrower's FICO; if Foreign National has a FICO, enter a value from 560 to 660; 660 is the max for Foreign National.
Doc Type:	Select Non-QM for Non-QM loans only
Property Type:	PUD, Detached, Condo
Occupancy:	Primary, Second Home, Investment
Purpose:	Purchase, Refi
Units:	From 1 to 4

Block 2:

Interest Only:	Yes or No; always Yes for investment
Underwriting Type:	Manual Underwrite - for Non-QM loans only
Recommendation:	Accept – for Non-QM loans only
Loan Type:	Conventional – for Non-QM loans only
Credit Grade:	Disregard this section
Income Verification Type:	Always select an income type , otherwise pricing engine will not produce results
Program Type:	Fixed (30 YF only) or ARM (5/1 or 7/1 for Non-QM only)

Block 3:

Compensation Type:	Borrower Paid Compensation or Lender Paid Compensation
	<ul style="list-style-type: none"> - When selecting Borrower Paid Compensation, the System will open a field for you to enter the Mortgage Broker Fee after you select the product/rate/price. - The Mortgage Broker Fee is limited to 3%, including any other fees payable to the broker. - When selecting Lender Paid Compensation, the System will display pricing with broker compensation already included within the pricing. - Max Lender Paid Compensation, including processing fee is 2.75%.

Block 4:

DTI:	May not exceed program maximum
Cash-Out:	<ul style="list-style-type: none"> - If selected Cash Out Refi in Block 1, make sure to enter a cash out amount over \$2,000. - If selected Rate Term Refi in Block 1, make sure not to have cash out amount over \$2,000.

Block 5:

Pre-Pay Penalty ("PPP"):	<ul style="list-style-type: none">- Applies to investment properties only.- Standard PPP term is 3 Years.- You may select 3, 2, or 1 Year(s) PPP.- PPP Type must be Hard, and can be bought down to 2, 1, 0 years for a 0.25% rate increase for each year bought down.
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Block 6:

Desired Price and Result:	<ul style="list-style-type: none">- For Borrower Paid Compensation, select 100 max limit.- For Lender Paid Compensation, select 102 [according to your "comp plan amount"].- Always select Best Price as a result option.
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After your fields have been entered on the Price/Lock screen, click on Search Programs at the bottom of the page.



Proceed to page 8 for instructions on locking loans with Broker Paid Compensation or page 10 for Lender Paid Compensation.

Locking with Borrower Paid Compensation

When using BPC, select **Borrower Paid Compensation** at the bottom of the left-side column of the Price/Lock screen, shown below. At the bottom of the right-side column, enter **Desired Price** at 100, and **Result** at "Best Price"



Compensation Type: **Borrower Paid Compensation** ▼
 Compensation Date: 4/10/2019 1:09:23PM
 Application Date:
 Origination Fee: 0.00
 Mortgage Broker Fee: 3761.25

Desired Rate: 2.75 to 11
 Desired Price: 95 to **100.000**
 Desired Lock Period: 30 ▼
 Result: Best Price ▼

ADM will list products at par rate and will also highlight the par rate in the pricing grid for faster navigation.

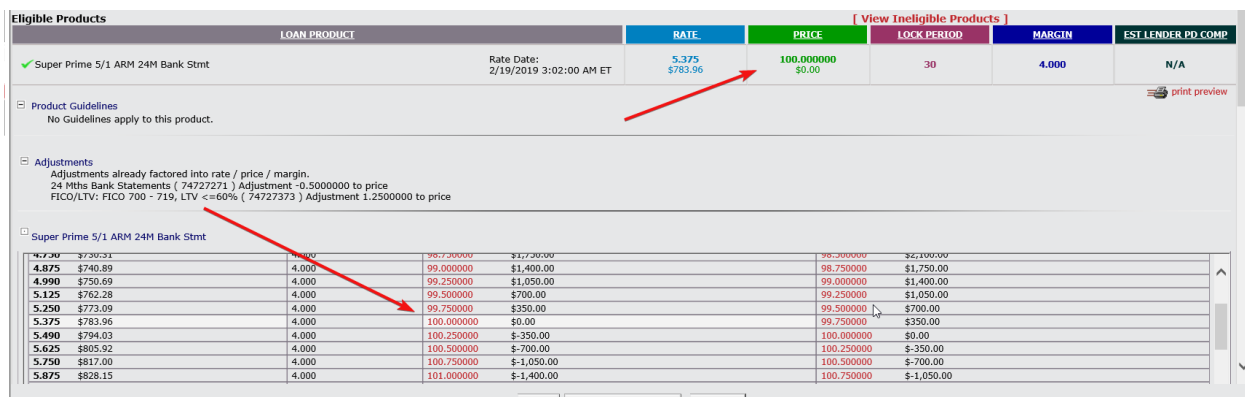
After your fields have been entered on the Price/Lock screen, click on Search Programs at the bottom of the page.



Save Search Programs Cancel

Select the Loan Product, then click on the **Price** in the grid as shown below.

Buydown is acceptable with the floor rate of 5.49% for Owner Occupied and Investment, however, please refer to our rate sheets for any updates. Buy Up is not allowed (NO Lender Credit to the borrower is allowed).



Eligible Products [View Ineligible Products]

LOAN PRODUCT	RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP
✓ Super Prime 5/1 ARM 24M Bank Stmt	Rate Date: 2/19/2019 3:02:00 AM ET 5.375 \$783.96	100.000000 \$0.00	30	4.000	N/A

Product Guidelines
No Guidelines apply to this product.

Adjustments
Adjustments already factored into rate / price / margin.
24 Mths Bank Statements (74727271) Adjustment -0.5000000 to price
FICO/LTV: FICO 700 - 719, LTV <= 60% (74727373) Adjustment 1.2500000 to price

Super Prime 5/1 ARM 24M Bank Stmt

Rate	Price	Margin	Est Lender PD Comp
4.750	\$720.21	4.000	\$0.00
4.875	\$740.89	4.000	\$0.00
4.990	\$750.69	4.000	\$0.00
5.125	\$762.28	4.000	\$0.00
5.250	\$773.09	4.000	\$0.00
5.375	\$783.96	4.000	\$0.00
5.490	\$794.03	4.000	\$0.00
5.625	\$805.92	4.000	\$0.00
5.750	\$817.00	4.000	\$0.00
5.875	\$828.15	4.000	\$0.00

Save Search Programs Cancel

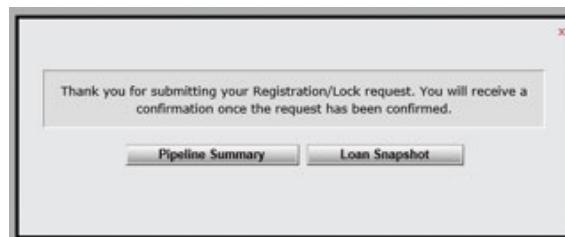
After clicking on the **price**, a new screen will display. Verify the information you entered and enter your mortgage broker fee either in percentage (%) or dollar amount (\$). Ensure you have also entered the Estimate Closing Date, as this is a required field.

Lien Position: <input type="text" value="Primary Loan"/> Purpose: <input type="text" value="Refinance"/> Base Loan Amount \$: <input type="text" value="140,000.00"/> Loan Amount w/MIPFF \$: <input type="text" value="140,000.00"/> Other Mortgages \$: <input type="text" value="0.00"/> Sales Price \$: <input type="text"/> Appraised Value \$: <input type="text" value="260,000.00"/> Subordinate Financing \$: <input type="text" value="0.00"/> LTV: <input type="text" value="53.846"/> CLTV: <input type="text" value="53.846"/> HCLTV: <input type="text" value="53.846"/> Purpose of Refinance: <input type="text" value="Rate Term"/> Cash Out Amount: <input type="text" value="132,229.29"/> Doc Type: <input type="text" value="Non-QM"/> Property Type: <input type="text" value="PUD"/> Escrow Waiver: <input type="text" value="No Escrows Waived"/> Pre-Pay Penalty: <input type="text" value="No"/> Pre-Pay Type: <input type="text"/> Pre-Pay Term: <input type="text"/> Mortgage Insurance: <input type="text" value="No"/> MI Coverage %: <input type="text"/> MI Coverage Type: <input type="text"/> Origination Channel: <input type="text" value="Wholesale"/> Pricing Group: <input type="text"/> Compensation Type: <input type="text" value="Borrower Paid Compensation"/> Compensation Date: <input type="text" value="2/19/2019"/> LO Compensation: (%) <input type="text" value="0.000"/> + (\$) <input type="text" value="0.00"/> = (\$) <input type="text" value="0.00"/> Discount Points: <input type="text" value="0.000"/> Pricing Credit: <input type="text" value="0.000"/>	Interest Only: <input type="radio"/> Yes <input checked="" type="radio"/> No Amortization Type: <input type="text" value="Adjustable Rate"/> Amortization Term: <input type="text" value="360"/> Number of Units: <input type="text" value="1"/> Product: <input type="text" value="Super Prime 5/1 ARM 24M I"/> Price: <input type="text" value="100.000000"/> Rate Date: <input type="text" value="2/19/2019 8:10:49 PM"/> Lock Period: <input type="text" value="30"/> Index Type: <input type="text"/> Margin: <input type="text" value="0"/> Temporary Buydown: <input type="radio"/> Yes <input checked="" type="radio"/> No Buydown Terms: <input type="text"/> Underwriting Type: <input type="text" value="Manual Underwrite"/> UW Recommendation: <input type="text" value="Accept"/> Housing Ratio %: <input type="text" value="0.000"/> Debt Ratio %: <input type="text" value="0.000"/> Request Debt Ratio %: <input type="text" value="0.000"/> First Time Homebuyer: <input type="text" value="Yes"/> Servicing Type: <input type="text" value="Servicing Released"/> Admin Fee Waiver: <input type="text"/> Specialty Products: <input type="text"/> Property Inspection Waiver: <input type="text"/> Credit Grade: <input type="text" value="No Credit Grade"/> Income Verification Type: <input type="text" value="24 Month Bank Statements"/> Delivery Method: <input type="text" value="Best Effort"/> Number of Mortgaged Properties: <input type="text" value="1"/> <input type="checkbox"/> Override? *Estimated Closing Date: <input type="text" value="12/28/2018"/> Application Date: <input type="text" value="12/06/2018"/>
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NOTE: Loans without LO Compensation will be **disclosed as is** and this may cause problems later in the process, included but not limited to resubmitting the file.

Click Register/Float or Register/Lock at the bottom of the page

Wait for the validation to be performed by the system and for this message:



Loan is Locked/Floated now and can be confirmed by viewing the Top Navigation bar.

Loan Actions (7005271)
 LNID: 7005271
Loan Status: Origination
Lock Status: Float Approved

Locking with Lender Paid Compensation

When using LPC, select **Lender Paid Compensation** at the bottom of the left-side column of the Price/Lock screen, shown below. At the bottom of the right-side column, enter the **Desired Price** maximum according to the compensation plan amount assigned to you.

For example, if:

- your LPC comp plan is 2.75, then max price 99.25.
- your LPC comp plan is 2.50, then max price 99.50.
- your LPC comp plan is 2.25, then max price 99.75.
- your LPC comp plan is 2.00, then max price 100.00.

Make sure to select **Best Price** as a filter option.

The example below assumes LO Comp Plan is 2.75%.

Compensation Type: Lender Paid Compensation ▼	Desired Rate: 2.75 to 11
Compensation Date: 4/10/2019 8:35:58AM	Desired Price: 95 to 99.250
Application Date: 	Desired Lock Period: 30 ▼
Origination Fee: 0.00	Result: Best Price ▼
Mortgage Broker Fee: 4500.00	

ADM will calculate the rate at which you can get maximum Yield Spread Premium. As a reminder, maximum YSP in wholesale channel is 102.

NOTE: Lender Credit to borrower is NOT allowed on LPC, meaning a broker cannot get full compensation on the back end and get more pricing credit for the borrower to offset closing costs.

Your results will provide the following information:

1. Price at which you can get maximum Yield Spread Premium
2. Your compensation plan reflected in percentage and dollar amounts
3. Highlighted rate and **price** in the grid

Eligible Products

[View Ineligible Products]

LOAN PRODUCT		RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP																																																								
✓ Premier 5/1 ARM 24M BkStmt	Rate Date: 4/10/2019 3:02:00 AM ET	6.490 \$883.97	99.250000 \$1,050.00	30	5.000	2.750 / 3,850																																																								
<div>Product Guidelines</div> <div>No Guidelines apply to this product.</div>																																																														
<div>Adjustments</div> <div>Adjustments already factored into rate / price / margin. 2 Year Prepayment (74727825) Adjustment -0.5000000 to price FICO/LTV: FICO 700 - 719, LTV 50.01 - 55% (74728419) Adjustment 1.0000000 to price 24 Mths Bank Statements (74727896) Adjustment -0.5000000 to price Originator Compensation Price Adj Adjustment 2.75 to price</div>																																																														
<div>Premier 5/1 ARM 24M BkStmt</div> <table><tr><td>5.990</td><td>\$838.47</td><td>5.000</td><td>98.250000</td><td>\$2,450.00</td><td>98.000000</td><td>\$2,800.00</td></tr><tr><td>6.125</td><td>\$850.65</td><td>5.000</td><td>98.500000</td><td>\$2,100.00</td><td>98.250000</td><td>\$2,450.00</td></tr><tr><td>6.250</td><td>\$862.00</td><td>5.000</td><td>98.750000</td><td>\$1,750.00</td><td>98.500000</td><td>\$2,100.00</td></tr><tr><td>6.375</td><td>\$873.42</td><td>5.000</td><td>99.000000</td><td>\$1,400.00</td><td>98.750000</td><td>\$1,750.00</td></tr><tr><td>6.490</td><td>\$883.97</td><td>5.000</td><td>99.250000</td><td>\$1,050.00</td><td>99.000000</td><td>\$1,400.00</td></tr><tr><td>6.625</td><td>\$896.44</td><td>5.000</td><td>99.500000</td><td>\$700.00</td><td>99.250000</td><td>\$1,050.00</td></tr><tr><td>6.750</td><td>\$908.04</td><td>5.000</td><td>99.750000</td><td>\$350.00</td><td>99.500000</td><td>\$700.00</td></tr><tr><td>6.875</td><td>\$919.70</td><td>5.000</td><td>100.000000</td><td>\$0.00</td><td>99.750000</td><td>\$350.00</td></tr></table>							5.990	\$838.47	5.000	98.250000	\$2,450.00	98.000000	\$2,800.00	6.125	\$850.65	5.000	98.500000	\$2,100.00	98.250000	\$2,450.00	6.250	\$862.00	5.000	98.750000	\$1,750.00	98.500000	\$2,100.00	6.375	\$873.42	5.000	99.000000	\$1,400.00	98.750000	\$1,750.00	6.490	\$883.97	5.000	99.250000	\$1,050.00	99.000000	\$1,400.00	6.625	\$896.44	5.000	99.500000	\$700.00	99.250000	\$1,050.00	6.750	\$908.04	5.000	99.750000	\$350.00	99.500000	\$700.00	6.875	\$919.70	5.000	100.000000	\$0.00	99.750000	\$350.00
5.990	\$838.47	5.000	98.250000	\$2,450.00	98.000000	\$2,800.00																																																								
6.125	\$850.65	5.000	98.500000	\$2,100.00	98.250000	\$2,450.00																																																								
6.250	\$862.00	5.000	98.750000	\$1,750.00	98.500000	\$2,100.00																																																								
6.375	\$873.42	5.000	99.000000	\$1,400.00	98.750000	\$1,750.00																																																								
6.490	\$883.97	5.000	99.250000	\$1,050.00	99.000000	\$1,400.00																																																								
6.625	\$896.44	5.000	99.500000	\$700.00	99.250000	\$1,050.00																																																								
6.750	\$908.04	5.000	99.750000	\$350.00	99.500000	\$700.00																																																								
6.875	\$919.70	5.000	100.000000	\$0.00	99.750000	\$350.00																																																								

After clicking on the desired **price**, and a new screen will display. Verify the information you entered and ensure you have entered the Estimated Closing Date, as this is a required field.

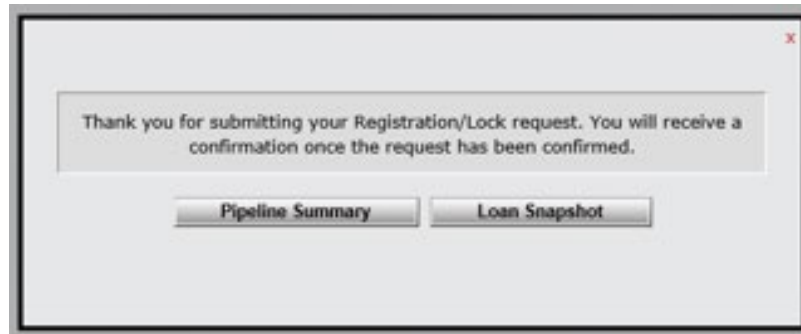
Scroll down to select the desired option.

<p>Originator Information Primary Borrower Loan Details</p> <p>Occupancy: Primary Residence</p> <p>Lien Position: Primary Loan</p> <p>Purpose: Refinance</p> <p>Base Loan Amount: \$140,000.00</p> <p>Loan Amount w/MIPFF: \$140,000.00</p> <p>Other Mortgages: \$0.00</p> <p>Sales Price: \$</p> <p>Appraised Value: \$260,000.00</p> <p>Subordinate Financing: \$0.00</p> <p>LTV: 53.846</p> <p>CLTV: 53.846</p> <p>HCLTV: 53.846</p> <p>Purpose of Refinance: Rate Term</p> <p>Cash Out Amount: \$0.00</p> <p>Doc Type: Non-QM</p> <p>Property Type: Detached</p> <p>Escrow Waiver: No Escrows Waived</p> <p>Pre-Pay Penalty: No</p> <p>Pre-Pay Type: No</p> <p>Pre-Pay Term: No</p> <p>Mortgage Insurance: No</p> <p>MI Coverage %: No</p> <p>MI Coverage Type: No</p> <p>Origination Channel: Wholesale</p> <p>Pricing Group: Wholesale</p> <p>Compensation Type: Lender Paid Compensation</p> <p>Compensation Date: 4/10/2019</p> <p>LO Compensation: 3,850.00</p> <p>Discount Points: 0.750</p> <p>Pricing Credit: 0.000</p>	<p>Interest Rate: 6.625</p> <p>Interest Only: Yes No</p> <p>Amortization Type: Fixed Rate</p> <p>Amortization Term: 360</p> <p>Number of Units: 1</p> <p>Product: Super Prime 30Y Fixed 24M</p> <p>Price: 99.250000</p> <p>Rate Date: 4/10/2019 10:19:49 AM</p> <p>Lock Period: 30</p> <p>Index Type: 1</p> <p>Margin: 0</p> <p>Temporary Buydown: Yes No</p> <p>Buydown Terms: No</p> <p>Underwriting Type: Manual Underwrite</p> <p>UW Recommendation: Accept</p> <p>Housing Ratio %: 12.296</p> <p>Debt Ratio %: 19.249</p> <p>Request Debt Ratio %: 19.249</p> <p>First Time Homebuyer: No</p> <p>Servicing Type: Servicing Released</p> <p>Admin Fee Waiver: No</p> <p>Specialty Products: No Specialty Products</p> <p>Property Inspection Waiver: No</p> <p>Credit Grade: No Credit Grade</p> <p>Income Verification Type: 24 Month Bank Statements</p> <p>Debt Service Coverage Ratio %: 0.000</p> <p>Delivery Method: Best Effort</p> <p>Number of Mortgaged Properties: 1 Override?</p> <p>*Estimated Closing Date: 05/17/2019</p> <p>Application Date: </p>
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Click [Register/Float](#) or [Register/Lock](#) at the bottom of the page.



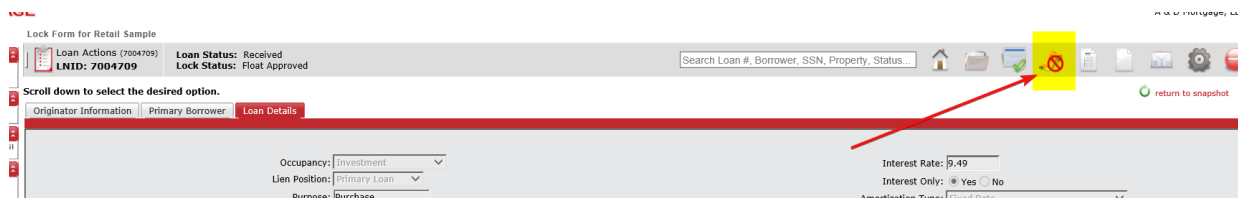
Wait until the following message pops up:



Loan is now Locked/Floated.

Verify QM / ATR Report for Compliance Issues

Although this report has the word QM in its title, it must also be used for Non-QM and Lite-Doc loans to determine the points and fees test.



For QM loans (Conv, FHA, VA) the points and fees test should show everything properly and no extra manual calculations needed.

QM POINTS & FEES ANALYSIS					Result	
Points & Fees Included						
SFE Ln #	PFC	Fee Name	Paid To	Amount		
302	X	Discount	Lender	75.00		
311	X	Underwriting Fee	Lender	1495.00		
322	X	Condo Questionnaire	Other	320.00		
364	X	Tax Related Service Fee	Lender	85.00		
Points & Fees Excluded						
SFE Ln #	PFC	Fee Name	Paid To	Amount		
302	X	Discount	Lender	0.00		
303		Appraisal Fee	ServiceProvider	480.00		
304		Credit Report	ServiceProvider	52.28		
332	X	Title - Courier Fee	ServiceProvider	50.00		
340		Real Estate Commission -	Other	3750.00		
					Note Loan Amt:	\$93750.00
					QM Points & Fees Cap:	\$3,232.00
					Total Loan Amt:	\$91445.00
					QM Points Cap Amt:	\$3,232.00
					QM Points & Fees On Loan:	\$1975.00
					QM Points & Fees Cushion:	\$1257.00
					Bona Fide Points	
					Max Eligible Points	3.000%

This is how the system calculates (see screenshot above):

- It will add all the fees in the "points and fees Included" section.
- That sum is divided by the Total Loan Amount.
- The result is the percentage of "QM Points and Fees on Loan".
 - As a reminder:
 - the QM threshold is 3%
 - the Non-QM threshold is 5%
 - the Lite-Doc threshold is 7%
- This report also tells you how much of a cushion you have. However, a red Cushion value indicates the loan has not passed the QM test and will automatically become unsellable. That means you will need to reduce branch compensation.

When the loan is Non-QM, you would need to follow the same procedure but make some manual calculations because system will not recognize 5% or 7% thresholds for Non-QM and Lite-Doc loans, respectively.

1. Add all the fees in the “points and Fees Included” section. Exclude PPP if it’s an investment loan.
2. Divide that sum by the Total Loan Amount.
3. The result is the percentage of “QM Points and Fees on Loan”.
 - a. Non-QM the threshold is 5%
 - b. Lite-Doc the threshold is 7%