

News You Can Use

Business Insights Brought to You
By Team Clermont

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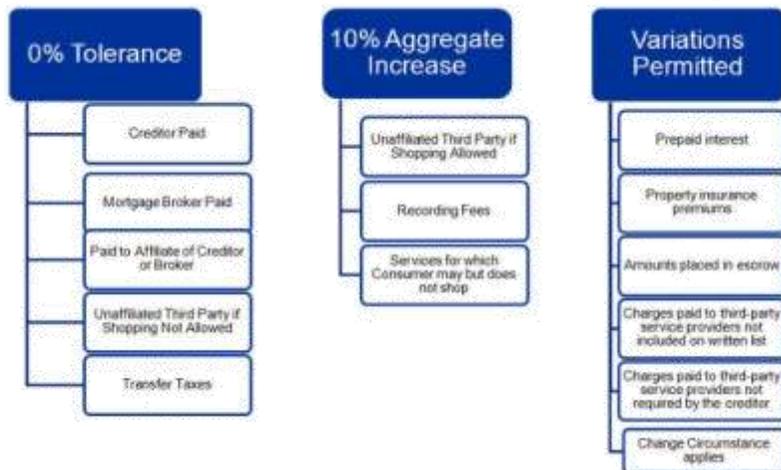
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TRID: TILA-RESPA Integrated Disclosures

By now you have likely heard that the new TRID–TILA-RESPA Integrated Disclosure–has been delayed until 10/3/2015. The CFPB refound an administrative error with the dates and realized this would give a bit more time for lenders to be fully ready and for the summer home buying season to not be interrupted. Although we welcome the delay, we were ready and will continue to be ready for the change. Inlanta Mortgage, Inc. has elected to be the preparer of the new Closing Disclosure, which could give us more control over the process of the Settlement, now known as Consummation by the CFPB. Our team is prepared and has put together every fail safe that we can foresee at this time. We welcome your questions and comments and will work very closely with our partners and clients to ensure as little interruption to the high level of service our clients have become accustomed to over the past 18 years.

Here is a helpful chart illustrating the different fees that are reporting on our current GFE and now will be on the Loan Estimate, and which of those that can change:



Please continue to use us as a resource and know we are here to help each step of the way. We know we are charged with ensuring the Buyer realizes their dream of home ownership, and you as their agent are compensated for your work. We take that responsibility seriously and will continue to keep in close communication throughout the entire process.

Thank you for your trust and here is to surviving the next wave of change in our every changing industry!

[Click Here](#) to view the new Loan Estimate, which replaces the Good Faith Estimate and the Truth in Lending.

[Click Here](#) to view the new Closing Disclosure which replaces the HUD-1 Settlement Statement.

FHA Max Loan Amount by County:

FLORIDA:

Hillsborough/Pasco	\$271,050
Sarasota/Manatee	\$285,200
Charlotte/Lee	\$271,050
Miami-Dade/Broward	\$345,000

WISCONSIN:

Brown/Outagamie	\$271,500
Oconto/Marinette	\$271,500
Milwaukee	\$288,650
Dane	\$271,500

REAL ESTATE FINANCE

Two-Unit Properties Offer Good Buy/Rent Options

With homeowners always looking to defray the cost of homeownership, some buyers may be open to living in one unit and drawing rental income from the other.

Fannie Mae: Fannie Mae guidelines now require a 20% down payment for two-unit buildings. That said, Fannie Mae's financing terms are often more favorable than FHA's, and the minimum credit score required of your client will be 640.

The good news is that even if one unit of the property is unrented at the time it's purchased, a client would be able to use a rental amount established through a market rent analysis as income, even without a history of rental income. Bear in mind that an occupancy rate will factor into this as well, as lenders will expect the property to be vacant some of the time.

FHA: Meanwhile, FHA monthly mortgage insurance premiums have dropped for the first time since 2001. Good news indeed!

The less good news is that FHA is a bit more conservative when it comes to using potential rental income for the purposes of qualification. If, however, the buyer can show some documentation of previous rental income (ideally on tax returns), that buyer may use the previous documented rental income toward qualification.

The minimum credit score will vary from lender to lender, but the FHA-required down payment remains at 3.5% for the purchase of a two-unit property. Your client can even look at four-unit properties with a view to renting three of them, but more than four becomes a commercial transaction.

RESPA Kickbacks: What's Okay and What's Not Okay!

"RESPA prohibits giving or receiving anything of value for the referral of settlement services, subject to certain exceptions. If found in violation, the law provides for penalties, such as triple damages and fines!"

It's Okay for a lender or title company to provide food at an open house as long as the lender or title company provides a marketing flyer or poster (to the general public) saying that the food is being sponsored by the company.

It's Okay for a service provider to sponsor a real estate meeting or association event as long as the sponsor "attends" the event. They must be allowed to display their marketing materials and it must be disclosed that the company is a sponsor.

It's Okay to do joint advertising with a service provider if the real estate agent pays their fair share proportionate to the amount of space provided for each company/person. For example, if a lender and a Realtor decide to pay for an online (or printed) ad and 75% of the info is about listings or info about the real estate agent, the lender is only allowed to pay 25% of the costs.

It's Okay for a lender to pay for renting a desk and using a real estate office's business equipment as long as the dollar amount is reasonable for the area (and can be documented by outside sources).

It's Okay for a lender to pay for breakfast, lunch and dinner as long as they dine with you and business is discussed.

It's Not Okay for lenders or service providers to regularly provide food, dinners or sponsor receptions where the sponsorship is not disclosed.

It's Not Okay for real estate agents to receive free business equipment, free printing or free services from lenders or service providers.

It's Not Okay to accept contributions from lenders or service providers to offset a real estate agent's business and/or marketing expenses.

It's Not Okay for lenders or service providers to provide tickets to plays, sporting events, airline tickets, vacations or reimburse real estate agents for any of the above.

It's Not Okay to accept payment from a lender for taking a loan application (unless the real estate agent performs certain tasks as outlined by the law).

It's Not Okay to give or receive payment for any type of referrals in exchange for business.

The examples listed are not all-inclusive and do not take into consideration additional rules that may have been imposed by the State. If in doubt, speak to a RESPA attorney.

WISDOM

Quotes on...Small Business

Many small businesses would rather face an angry barbarian horde than tackle their cash flow statement or price a new product.

Nicole Fende

Finance is the art of passing currency from hand to hand until it finally disappears.

Robert Sarnoff

A budget tells us what we can't afford, but it doesn't keep us from buying it.

William Feather

Thou shalt not forget that money is only money and not character or fame.

Steven J. Lee

I look at managing my money as if it were a part-time job. The time you spend monitoring your finances will pay off.

Laura D. Adams

To achieve what 1% of the world's population has (financial freedom), you must be willing to do what only 1% dare to do...hard work and perseverance of highest order.

Manoj Arora

Forecasts may tell you a great deal about the forecaster; they tell you nothing about the future.

Warren Buffett

Worth Reading

How the 'Uber effect' is changing work

Cadie Thompson | *CNBC Technology*

With on-demand apps providing new ways to access products and services, consumers are clear winners. But the story for contingent and other workers is more complex. The model for on-demand employment is evolving, and society is only beginning to rethink how it classifies employment and how employment benefits will be meted out in the future.

More: <https://tinyurl.com/Uber-effect>

Sleep Deprivation Is Killing You and Your Career

Travis Bradberry | *Entrepreneur*

Skipping sleep can kill your career, mess with your health, and make you genuinely miserable. Sleeplessness hinders the ability to process information, problem solve, and be creative. What to do? Bradberry has suggestions. But one thing he definitely eschews is sleep aids, including pills and alcohol.

More: <https://tinyurl.com/career-killer>

Abandon Customer Service. Embrace a Concept of Human Interactions.

Stephanie N. Williams | *LinkedIn*

Don't forget: Customers are human. Williams highlights six key traits that can be incorporated into any SME customer interaction to create a memorable experience that will positively impact a company's brand. Successful customer interactions include, among other things, empathy, acknowledgment, reassurance, encouragement, and a sincere smile.

More: <https://tinyurl.com/engaging-customers>

Need to Know: Mortgage Insurance Basics

Mortgage Insurance is what lenders use to help insure themselves against buyers defaulting on their mortgages.

This is quite different from homeowners (property) insurance that buyers would also take out when they finance a home, and your clients will often confuse the two.

Mortgage insurance (MI) works a little differently in each of the two loan types: conventional (Fannie Mae) and FHA. Conventional MI is typically what most buyers think of when they hear the term “mortgage insurance.”

With a conventional mortgage, MI is only required on a purchase transaction if buyers are putting down less than 20%.

If they are putting down less than 20 percent, the premium will be based on their down payment, meaning 15 percent down will have a lower premium than 10 percent down.

With FHA, there are actually two types of mortgage insurance. The first is termed an “upfront premium,” and buyers pay it at closing, either by financing it or paying it out of their pockets.

Even with the FHA minimum down payment of 3.5 percent, they can still roll MI into the loan amount.

And while buyers may finance MI—causing the payment to increase slightly more than if they had paid out of pocket—it will still



represent a hit to the equity in the property, as none of this will ever be refunded when they sell.

That said, buyers may see some of this upfront premium refunded if they refinance into another FHA loan within the first several years.

FHA buyers also pay another form of MI: this is in the form of a premium, which is rolled into their monthly payments. MI with FHA tends to be more expensive than conventional MI, as conventional MI has no upfront premium.

The benefit to the borrower who is willing to pay the upfront fee and the often higher monthly premium lies in the fact that the FHA qualification guidelines are less restrictive than

the guidelines for conventional mortgages.

The bottom line: In these days of more conservative underwriting guidelines, many buyers are simply unable to qualify for conventional mortgages.

Another significant difference between the two types of mortgage insurance is that conventional MI, at some point in the life of the loan, may be removable.

This can happen because the borrower has been paying down the principal, or because there’s been an increase in value to the property.

In the latter case, the buyer would have to petition the lender, which would order an appraisal that the buyer would have to pay for up front.

Should the value come in at or above where it needs to be to have the MI removed, the MI will come off. If it comes in lower, the MI stays.

With FHA—and this is a fairly recent change—mortgage insurance must remain in place for the entire life of the loan or until the buyer sells the property or refinances into a non-FHA mortgage program.

In some cases, borrowers with older FHA mortgages may be grandfathered out of this provision.

PLANNING

Bad Review Comeback

A scathing review spread across a multitude of online channels can push the calmest business owner over the edge. But before your seething gets the better of you, consider your next move carefully—the damage has been done, don’t make it worse.

Take a breath and follow this advice:

- **Don’t** ignore it.
- **Don’t** deny that there was an issue.
- **Don’t** argue with an upset customer online.
- **Don’t** pay to have it removed or have someone write a fake review to counter the bad one.
- **Do** respond—professionally and with tact—no matter how infuriated you may feel. Handling it well from the start can save face, time and a lot of headache for both parties
- **Do** apologize (even if it hurts a little) and do what it takes to make it right. Provide a direct line of communication, so customers can get personalized attention, and you can get the conversation offline and out of public view.

No matter how customer-centric you are, unhappy customers are an inevitable reality for every business. And although unpleasant, these issues can be eye-opening. They may reveal blind spots in service or where improvements can be made—a true silver lining take away after a stormy experience.

- Article from Manta.com



Yvette Clermont – Mortgage Professional America Elite Women 2015

A few months ago, the Mortgage Professional America (MPA) asked for nominations of women who had broken new ground in the mortgage industry.

The list was narrowed down to 50 women who are rising stars in the industry. From marketing geniuses to CEOs to loan officers, these women represent the mortgage world’s best and brightest.

★ SEE THE 50 WOMEN WHO MADE THE LIST!

Yvette, who has been in the industry since 1997, had the distinct pleasure to not only be nominated, but voted onto the list of the top 50 women. Please join us in congratulating her on this major achievement!

Consistently among the top performers at Inlanta, Yvette Clermont also serves as a branch manager and team leader, overseeing staff members in both Green Bay, Wis., and Lakewood Ranch, Fla. Dedicated to positive industry reforms, Clermont is active in the Mortgage Bankers Association’s Political Action Committee, as well as the Florida Association of Mortgage Professionals, the Wisconsin Mortgage Bankers Association, and the Florida Bankers Association. She also serves on Inlanta’s Advisory Board, providing her insight and experience to the company’s senior leadership. Clermont has been in the industry since 1997 and she is currently working on her CMB through the MBA.

★ CLICK HERE TO VIEW MY MPA PROFILE!

Mortgage Professional America (MPA) is the mortgage & finance industry’s most trusted source of news, opinion and analysis. Created exclusively for the mortgage & finance industry, MPA provides a real-time web service that keeps time-poor mortgage & finance professionals up to date with the latest breaking news, cutting-edge opinion, and expert analysis affecting both their business, and their industry as a whole. Learn more at www.mpamaq.com.

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LINKS YOU CAN USE NOW

This Month – Personality and Career

Decades ago, your career defined your life. Today, the opposite is true: Your lifestyle dictates your career, rather than the other way around. However, where your career goes is a function of many factors, including your personality.

And there are links for that:

You may face hindrances in your professional growth based on your work environment, skill sets, and educational background. But working in your favor is your personality. So control how it works for you at <http://tinyurl.com/June-link1>.

If you aren’t sure what type of career fits your personality, why not take one or more personality tests? There are many critics of these tests, but as long as you take them with a grain of salt and watch for catches with a wary eye, they may help you.

Try these links:

<http://tinyurl.com/June-personality1> and <http://tinyurl.com/June-personality2>.

