



Broker Edition Release Notes

Encompass 9.1 Release (builds 9.1.0.0/9.1.0.1/9.1.0.2)

Last Revised: 2/7/2014



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Encompass Broker Edition Release Notes, Encompass 9.1 (9.1.0.0/9.1.0.1/9.1.0.2)
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Encompass Broker Edition Release Notes

Encompass 9.1 Release (version 9.1.0.0/9.1.0.1/9.1.0.2)


The Encompass 9.1 release includes the key features described on the following pages. This document includes a high-level overview of key features and updates, followed by more detailed information and instructions where appropriate. In addition to these key features and updates, this document also provides information about the 9.1.0.1 hot update that was released on January 11 and the 9.1.0.2 hot update scheduled for release on February 15. To view the 9.1.0.1 section, [click here](#). To view the 9.1.0.2 section, [click here](#).

Refer to the Encompass online help and the Documentation Library for additional information and related documents.


System Requirements for Encompass
<p>Check Latest System Requirements</p> <p>Before downloading or applying this new Encompass release, it is important to verify the latest system requirements for Encompass. Please review the appropriate guides below to ensure your environment meets the requirements needed to operate Encompass successfully.</p> <ul style="list-style-type: none"> • System Requirements for Encompass: for hosted customers (Ellie Mae hosts and administers the Encompass server) • Encompass Capacity Planning Guide: for self-hosted customers (the Encompass server is installed at your company's location)




Overview of Updates and Enhancements




The following tables describe each change, indicate whether or not the change is automatically enabled, and describe any setup requirements. Click the page number links on the title lines to view detailed information if applicable.

Description of Feature	Automatically Enabled	Setup Requirements
Compliance Updates		
<p><i>Non-Standard to Standard Refinance</i> Option Added to ATR Loan Type Field in ATR/QM Management Tool</p> <p>The <i>Non-Standard to Standard Refinance</i> option has been added to the Ability-to-Repay Loan Type drop-down list (field ID QM.X23) on the ATR/QM Management Tool's ATR/QM Eligibility input form. When entered in the Ability-to-Repay Loan Type field, this value will now be included in the Encompass Compliance Service's Ability to Repay/Qualified Mortgage loan review.</p> <p style="text-align: right;">ENC-10191</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>New Affiliated Business Arrangements Input and Output Forms page 15</p> <p>To help ensure compliance with RESPA requirements for disclosing affiliated business relationships, the new Affiliated Business Arrangements input form enables companies with affiliated business relationships with multiple affiliates such as title companies and appraisal management companies to store information for each affiliate and provide a separate disclosure each affiliate independently.</p> <p>While RESPA has long required lenders to provide consumers with a disclosure whenever the lender has an affiliated business relationship with a service provider, upcoming changes to Reg Z establish additional requirements around fees paid to affiliates. This new form helps investors ensure that they have visibility into a lender's affiliated relationships and whether fees being paid to affiliates are indicated appropriately in points/fees tests and disclosures.</p> <p>NOTE: The Affiliated Business Disclosure input form available in previous versions of Encompass is still available in 9.1 and can be used to populate the RESPA affiliated business disclosure, however this input form supports a single affiliate disclosure only.</p> <p style="text-align: right;">ENC-9662, ENC-9664</p>		<p>To access the input form, open a loan file, click the Forms tab, and then click Affiliated Business Arrangements.</p> <p>To view or print the output form (disclosure), open a loan file, click the Forms tab, click Affiliated Business Arrangements, and then click the Print icon.</p>
<p>Affiliated Business Arrangement Templates page 17</p> <p>Encompass administrators can create Affiliated Business Arrangement templates that are pre-populated with business affiliate information. For lenders that use the same affiliates for every business transaction, users can then apply the template to their loan file and include the affiliate information in the Affiliated Business Arrangements input form.</p> <p>You can apply the Affiliated Business Arrangement template to your loan file in one of three ways:</p> <ul style="list-style-type: none"> • When starting a new loan file, you can select a loan template and add its predefined data to the new loan. If you apply a loan template that has an Affiliated Business Arrangement Template associated with it, it is applied to the loan file. (Administrators can associate an Affiliated Business Arrangement template with a loan template using the Loan Templates > Loan Template Sets setting.) • Apply a loan template to an existing loan file. If you apply a loan template that has an Affiliated Business Arrangement template associated with it, it is applied to the loan. • Additionally, you can click the Apply Template button in the Affiliated Business Arrangements form to include the predefined Affiliated Business Arrangement template data to the form. <p style="text-align: right;">ENC-7692, ENC-9665</p>		<p>To create an Affiliated Business Arrangement template, go to Encompass Settings > Loan Templates > Affiliated Business Arrangement Templates.</p>



Description of Feature	Automatically Enabled	Setup Requirements
<p>New Home Counseling Providers Form page 17</p> <p>A new Home Counseling Providers input form has been added to Encompass to provide users with access to home counseling information.</p> <p>Amendments to RESPA (effective January 10, 2014) require that consumers be provided with a list of available home counselors for the area in which they live. The Consumer Financial Protection Bureau (CFPB) intends to coordinate with HUD on creating a web portal to generate this list. Encompass users can use this form to generate the list of home counselors to be included in the initial disclosure package and to indicate when home counseling is required and if so, which service was used and when home counseling was completed.</p> <p>A corresponding printed output form, <i>Homeownership Counseling Organization List</i>, is also available in Encompass. This form is populated with a list of the individual home counseling agency records selected on the Home Counseling Providers input form and included in the initial disclosures package. To print this form, open the Home Counseling Providers input form, and then click the Print icon.</p> <p style="text-align: right;">ENC-9192, ENC-9629</p>		None
<p>Updates to NMLS Mortgage Call Reports</p> <p>The following updates have been made to the NMLS Mortgage Call Report feature in Encompass:</p> <ul style="list-style-type: none"> • To prevent NMLS Mortgage Call Reports (MCR) from reflecting fees collected after credits to the borrower have been deducted, an Exclude Origination Credits from Fees Collected option has been added to NMLS Report Setup setting. When this option is selected by the administrator, the calculation for Total Lender Fees (field ID 3311) excludes the total Origination Credit paid to the broker by the lender (field ID 1663) from the calculation. • The NMLS Mortgage Call Report data generated in Encompass (in Excel file format) now includes loan details of the loans included in the generated report. Four new tabs have been added to the generated Excel report: <ul style="list-style-type: none"> • Applications Received (Lists loan applications received during the reporting period) • Loans Originated (Lists loan applications originated during the reporting period) • Withdrawn (Lists loan applications that were withdrawn during the reporting period) • Adverse Action (Lists loan applications that were given adverse action during the reporting period) <p style="text-align: right;">ENC-8138, ENC-8143</p>		<p>To edit NMLS Report Setup settings, go to Encompass > Settings > Loan Setup > NMLS Report Setup.</p> <p>To generate NMLS MCR data, click the Pipeline tab in Encompass, then click the Pipeline menu, point to Compliance Services, and then click Generate NMLS Call Report.</p>
<p>New Discount Points Button Added to ATR/QM Management Tool's Qualification Tab page 17</p> <p>In order to exclude discount points from the HOEPA/QM Points and Fees tests, lenders must make and document some tests to show why discount points were excluded from the Reg Z Total Points and Fees Amount.</p> <p>The new Discount Points button added to the Points and Fees section of the ATR/QM Management tool's Qualification tab enables lenders to document to investors and regulators that the loan is in compliance with Reg Z points and fees limits and to determine whether or not the discount points are Bona Fide.</p> <p>Clicking the Discount Points button displays the Bona Fide Discount Point Assessment window where you can create and document why discount points were excluded from the Reg Z Total Points and Fees Amount (field ID QM.X120).</p> <p style="text-align: right;">ENC-9856</p>		<p>To open the Bona Fide Discount Point Assessment quick entry form and document your discount points assessment in a loan file, go to the Forms tab, click ATR/QM Management, click the Qualification tab, and then click the Discount Points button.</p>


Description of Feature	Automatically Enabled	Setup Requirements
Form Updates		
<p>New Date of Birth and Occupancy Fields Available When Adding Individuals to Vesting Information page 19</p> <p>When adding an individual to the Vesting Information section on the Borrower Information - Vesting input form, the following new fields have been added to the Borrower Vesting pop-up window:</p> <ul style="list-style-type: none"> • DOB • Occupancy Status drop-down list • Occupancy Intent drop-down list <p>These values are printed to associated closing documents including the Patriot Act disclosure and Occupancy Certification.</p> <p>NOTE: To add an individual to the Vesting Information section, click the New icon in the Vesting Information section.</p> <p style="text-align: right;">ENC-9816</p>		None
<p>Late Fee and Total Late Payment Fields Added to Closing RegZ Input Form</p> <p>Two new fields, Late Fee (field ID 3876) and Total Late Payment (field ID 3877) have been added to the Late Charge section of the Closing RegZ input form. The Late Fee calculates the late fee amount, while the Total Late Payment calculates the total monthly payment plus the late fee.</p> <p style="text-align: right;">ENC-9975</p>		None
<p>Decimal Point Can Now Be Entered in <i>Number of Shares Owned</i> Field on Property Information Form</p> <p>You can now enter a decimal point in the Number of Shares Owned field (field ID 2635) on the Property Information input form. This field now accepts up to three decimal places.</p> <p style="text-align: right;">ENC-10178</p>		None




Description of Feature	Automatically Enabled	Setup Requirements
State-Specific Form Updates		
<p>Updates to Maryland State-Specific Form</p> <p>The state of Maryland has recently changed their laws to allow a lender to refinance a first lien and automatically subordinate an existing junior lien subject to certain conditions, including specific language requirements being printed on the Security Instrument. In support of this update, a new Refinance Subordination section containing new check box indicator fields has been added to the <i>State Specific Information - Maryland</i> input form. Select a check box to indicate that the associated information is to be printed to the Maryland Deed output form.</p> <div data-bbox="178 451 1257 846" style="border: 1px solid black; padding: 5px;"> <p>Refinance Subordination</p> <ul style="list-style-type: none"> <input type="checkbox"/> The interest rate of the Refinance Mortgage is lower than the interest rate of the first mortgage being paid off. <input type="checkbox"/> The Refinance Mortgage refinances in full the unpaid indebtedness secured by the first mortgage or deed of trust. <input type="checkbox"/> The principal amount secured by the junior lien does not exceed \$150,000.00 <input type="checkbox"/> The principal amount secured by the Refinance Mortgage does not exceed the unpaid outstanding principal balance secured by the first mortgage deed of trust plus an amount to pay closing costs not exceeding \$5,000.00. <input type="checkbox"/> Existing Junior Lien will be subordinated under new first lien </div> <p style="text-align: right;">ENC-9911</p>		None
<p>New Fields Added to New York State-Specific Form</p> <p>Two new text fields (field ID DISCLOSURE.X1074 and DISCLOSURE.X1075) have been added to the <i>State Specific Information - New York</i> input form where you can enter a description of a term of condition under which PMI is no longer required. These fields are located in the Interest Rate Lock Commitment/Lock-In Agreement/Prevailing Interest Rate Commitment section of the form.</p> <p style="text-align: right;">ENC-9896</p>		None
Electronic Document Management (EDM)		
<p>Users Can Request Files for eFolder Documents That Have All Selected as the For Borrower Option</p> <p>Users can now use the eFolder to request documents with All selected in the For Borrower category. The All option is selected on the Document Details window and displays in the For Borrower column on the eFolder Documents tab. Previously, when a user clicked the Request button, documents with the All option selected would not display in the list of documents available to send to the borrower.</p> <p style="text-align: right;">EDM-3038</p>		None





Description of Feature	Automatically Enabled	Setup Requirements
<p>Faster Speeds When Setting eFolder Document Access Rights While Milestone Worksheet Open</p> <p>Encompass user will experience greatly increased processing speed when setting eFolder document access rights in a loan file that has a large number of eFolder documents (for example, more than 100) while a Milestone Worksheet is also open in the main Encompass window.</p> <p style="text-align: right;">EDM-3054</p>	✓	None
<p>Importing Files with Non-Standard Page Sizes into the eFolder with Document Conversion Enabled</p> <p>A more informative error message now displays when the Document Conversion setting is enabled and a user attempts to import a file that contains non-standard page sizes (other than legal and letter size). Previously, an error message would notify the user that the conversion failed, but would provide no additional details for the user. The new error message describes the cause of the failure and recommends that the non-standard pages be resized.</p> <p style="text-align: right;">EDM-3150</p>	✓	None
<p>Multiple eFolder Attachments Created When Borrowers eSign Multiple 4506-T Forms</p> <p>When a borrower electronically signs an eDisclosure package that includes multiple Request for Transcript of Tax (IRS 4506-T) forms, each form is returned to the eFolder as a separate file attachment. Previously, the multiple forms would be returned to the eFolder in a single file attachment. As a result, electronic orders for 4506-T tax reports would fail when the 4506-T file attachment included more than one form.</p> <p style="text-align: right;">EDM-3571</p>	✓	None
<p>Warning Displays for Document Requests or eDisclosures for Loans with No Assigned Originator</p> <p>When a loan originator's signature is required for eDisclosures or for a document request sent via the eFolder, a pop-up message will display if the loan does not have a loan originator assigned. Users can click a button on the pop-up window to cancel the process and return to the loan file to assign a loan originator.</p> <p style="text-align: right;">EDM-3654</p>	✓	None
Encompass Settings		
<p>New <i>Include in Duplicate Loan Check</i> Option Added to Loan Folders Setting</p> <p>Administrators can use the Loan Folders setting to create loan folders to organize loans into groups. You can create folders to group loans by categories such as month of origination, loan status, or loan type. A new option is now available for each loan folder where you can indicate that the loan files in that loan folder should be included in the duplicate loan check performed by the Duplicate Loan Check component.</p> <p>When enabled in the Encompass Admin Tools, the Duplicate Loan Check component provides a pop-up message when a user attempts to save a loan file that contains data that matches the data in another loan file. When the Duplicate Loan Check window displays, all potential duplicate loans are listed.</p> <p style="text-align: right;">ENC-9192</p>		<p>To Indicate Loans in a Loan Folder are to be Included in the Duplicate Loan Check:</p> <ol style="list-style-type: none"> 1 Go to Encompass > Settings > Loan Setup. 2 Click Loan Folders. 3 Click the New icon, enter a Folder Name, and then select the Include in Duplicate Loan Check check box. 4 Click Save.


Description of Feature	Automatically Enabled	Setup Requirements
<p>Issue with Changing a New User's Password Resolved</p> <p>An issue occurred for administrators when they created a new user in Encompass (in the Organization/Users setting) and then changed the original password they created for the user before the user logged into Encompass for the first time. When they tried to save the new password, they received a <i>Password Synchronization Failed</i> error message. This issue has been resolved and administrators can now successfully change a user's password even if the user has not logged into Encompass beforehand.</p> <p style="text-align: right;">ENC-10035</p>		<p>To Update a User's Password:</p> <ol style="list-style-type: none"> 1 Go to Encompass > Settings > Organization/Users. 2 Select the appropriate folder in the Organization section. 3 Double-click the user's name in the Enabled Users section. 4 Enter the new password in the Password field, and then re-type it in the Re-type Password field. 5 Click Save.
Duplicate Loan Check Performance Enhancement		
<p>Duplicate Loan Check Performance Enhancement</p> <p>When enabled in the Encompass Admin Tools, the Duplicate Loan Check component introduced in Encompass 9.0 provides a pop-up message when a user attempts to save a loan file that contains data that matches the data in another loan file. When the Duplicate Loan Check window displays, all potential duplicate loans are listed. Select a loan and then click Review Loan to view the file and confirm if it is a duplicate or not. To continue saving the new file, click Exit.</p> <p>The code behind this component has been updated to improve its performance when checking for duplicates across a large number of loan files.</p> <p style="text-align: right;">ENC-10007</p>		<p>To Enable Duplicate Loan Check:</p> <ol style="list-style-type: none"> 1 On your Windows task bar, click the Start menu or Start icon, navigate to the Ellie Mae Encompass program folder, and then click Admin Tools. 2 Double-click Settings Manager. 3 Log in to Encompass Admin Tools. 4 From the Category drop-down list, select Components. 5 In the Setting Name column, double-click Duplicate Loan Check, select Enabled from the drop-down list, and then click Apply or OK.




Description of Feature	Automatically Enabled	Setup Requirements
Update 9.1.0.1		
<p>Issue Resolved: Wrong Date Being Populated to Milestone Fields when Data Template Applied</p> <p>An issue occurred in Encompass 9.0 (and later) where the following milestone fields were getting populated/overwritten with the current date (i.e., “today’s date”) when a data template that was created or modified in Encompass 9.0 was applied to the loan file.</p> <ul style="list-style-type: none"> • MS.PROC (contains the date when the Processing milestone is completed) • MS.SUB (contains the date when the Submittal milestone is completed) • MS.APP (contains the date when the Approved milestone is completed) • MS.DOC (contains the date when the Processing milestone is completed) • MS.FUN (contains the date when the Doc Signing milestone is completed) • MS.CLO (contains the date when the Completion milestone is completed) • MS.START (contains the date when the File Started milestone is completed) <p>This issue has been resolved. When a data template from 9.0 (or later) is applied to a loan, the dates in these milestone fields are no longer overwritten with the current date.</p> <p style="text-align: right;">ENC-10298</p>		None
<p>Completion Milestone Now Available to be Included in Task Sets</p> <p>Administrators use the Task Sets tool in Encompass Settings to create a task set (a group of predefined tasks that are associated with particular milestones) that can then be added to a loan template. When the template is assigned to a loan, the tasks in the task set display on the appropriate milestone worksheet. An issue occurred for administrators when creating task sets where the Completion milestone was not included in the Milestone drop-down list for Predefined Tasks. This prevented administrators from being able to include the Completion milestone (and its associated predefined tasks) in a task set. This issue has been resolved and the Completion milestone is now included in the Milestone drop-down list.</p> <p style="text-align: right;">ENC-10302</p>		None






Description of Feature	Automatically Enabled	Setup Requirements
Update 9.1.0.2		
<p>New Option in the Compliance Setting for Customers Who Do Not Use the Encompass Compliance Service</p> <p>A new option for running Qualified Mortgage Points and Fees and Higher-Priced Covered Transaction Tests is now accessible in the Encompass Compliance Audit Settings setting for Encompass users who do not use the Encompass Compliance Service (ECS). The option has been added to the bottom of the Compliance Audit Settings section and includes a drop-down list with the following three options:</p> <ul style="list-style-type: none"> • All Loans (selected by default) • Qualified Mortgages • No Loans <p>This option is only available to customers who are not using the Encompass Compliance Service. The Option is disabled and is not visible to customers who are using the Encompass Compliance Service.</p> <p style="text-align: right;">CE-1079</p>		None
<p>Updates to USDA Rural Assistance Input and Output Forms</p> <p>The following Encompass input and output forms for USDA rural assistance loans have been updated to match the latest version of the USDA Worksheet for Documenting Eligible Household and Repayment Income:</p> <ul style="list-style-type: none"> • The USDA Income Worksheet input form on the Rural Assistance URLA tab of the USDA Management form. • The Additional Information Required for RHS Assistance output form. To access the output form, open the USDA Management form, click the Print icon on the upper-right, select Additional Information Required for RHS Assistance, and then click Preview or Print. <p style="text-align: right;">ENC-3140, ENC-7204</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>New Field for Disclosed Daily Interest</p> <p>A new Disclosed Daily Interest field (field ID 3887) has been added to enable the Encompass Compliance Service to perform a more granular review of loan data that can be used to support REGZ compliance reviews. The field displays the last disclosed value of the borrower-paid portion of the daily interest for the loan as entered on line 901 on the 2010 Itemization and HUD-1 Page 2 forms (field ID 334). The current value in field 334 is copied to the new field when both of the following conditions are met:</p> <ul style="list-style-type: none"> • The Paid By selection on line 901 (field ID SYS.X303) is blank, B (Broker), or O (Other). • A change is made to the Disclosed APR (field ID 3121) and Disclosed Finance Charge (field ID 3246). <p>NOTE: When the Paid By selection (field ID SYS.X303) is L (Lender), the value in field 334 is not copied to the new field. Field 561 – Seller Paid Interest is also not copied to the new field under any condition.</p> <p>The Disclosed Daily Interest field displays on the REGZ-TIL and Closing RegZ input forms directly below the Disclosed Finance Charge (field ID 3246), in the ECS Data Viewer under FHA Assignment Date (to the right of Prior Disclosed APR), and in the Disclosure History entries in the Disclosure Tracking tool. To view the field in a Disclosure History entry for a loan, open a loan, click the Tools tab, click Disclosure Tracking, and double-click an entry in the Disclosure History section. When the Disclosure Details window opens, the Disclosed Daily Interest field displays in the right column below the Disclosed APR. The value in the field is non-editable by default, however, a Lock icon has been added to the Closing RegZ, REGZ-TIL, and Disclosure Details window to allow users to override the stored value in the field. Access to the Lock icon can be controlled through business rules.</p> <p style="text-align: right;">ENC-9977</p>		None
<p>Additional CEMA Fields Added to New York State-Specific Disclosure Information Input Form</p> <p>Eight new fields have been added to the New York State Specific Disclosure Information form to enable entry of refinance loan data that will be populated to the New York Consolidation, Extension, and Modification Agreement. The following fields have been added to both the Previous Recorded Lien 1 and Previous Recorded Lien 2 sections:</p> <ul style="list-style-type: none"> • Mortgage Recorded On Date • Mortgage Recorded Title • Mortgage Recorded Jurisdiction • Mortgage Recorded Description <p style="text-align: right;">ENC-10132</p>		None
<p>Update to HUD-92564CN Output Form</p> <p>The HUD-92564CN Get a Home Inspection output form for FHA loans has been revised to match the most recent HUD updates to the HUD-92564CN form. To access the output form, click the Print icon, select the Standard Forms tab, and then select FHA USDA/RHS from the Look In drop-down list.</p> <p style="text-align: right;">ENC-10151</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>Paid To Dropdown Fields Added to Lines 1002-1009 on the 2010 Itemization</p> <p>Paid to dropdown lists have been added on lines 1002 through 1009 on the 2010 Itemization input form to ensure that Encompass captures and identifies the recipients of fees for Escrow Impounds. These fields are used by the Encompass Compliance Service in making an ATR/QM and HOEPA points and fees assessment.</p> <p style="text-align: right;">ENC-10184</p>		None
<p>Update to Text of the Credit Authorization Letter</p> <p>A change has been made to the text in the Credit Authorization letter in the Encompass standard print forms. The word “balance” has been replaced with the word “assignee” in the next-to-last sentence in section 1.</p> <p>Previous text:</p> <p>Therefore, the undersigned, and each of them, hereby authorizes you to provide credit report and/or a disclosure to Lender or any agent or balance.</p> <p>Current text:</p> <p>Therefore, the undersigned, and each of them, hereby authorizes you to provide credit report and/or a disclosure to Lender or any agent or assignee.</p> <p style="text-align: right;">ENC-10188</p>		None
<p>Support for FHA QM Loans</p> <p>Updates have been made to Encompass to allow user to indicate that a loan with an application date and case assignment date on or after January 10, 2014 is an FHA/QM loan. For the most part, the FHA QM decision making process is the same as the Agency/GSE QM, except the FHA has a unique threshold for Safe Harbor.</p> <ul style="list-style-type: none"> • An FHA QM option has been added to the Qualified Mortgage Loan Type drop-down list (field ID QM.X24) on the ATR/QM Eligibility tab on the ATR/QM Management form. • The FHA QM option described above is automatically selected when FHA is selected for the Loan Type (field ID 1172), the Case Assignment Date (field ID 3042) is on or after January 10, 2014 (or blank), and a green check mark displays above the header on the Agency/GSE Qualified Mortgage column (field ID QM.X62). <p style="text-align: right;">ENC-10324</p>		None
<p>Import Income Button Added to the ATR/QM Management Form</p> <p>An Import Income button has been added to the Appendix Q tab on the ATR/QM Management form. The button allows users to import income values from the 1003 Page 2 into the Income Analysis section on the Appendix Q tab without having to manually enter the data. The income data is then used to populate the ATR/QM worksheet generated by Encompass. If you change the income values on the 1003 Page 2 and then click the button, the data on the Appendix Q tab is cleared and replaced with the current data from the 1003 Page 2.</p> <p>NOTE: Your Encompass administrator can use a Field Access Rule business rule to control access to the button.</p> <p style="text-align: right;">ENC-10358</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>Changes to Calculations in the Discount Points Pop-Up Window Several calculations used in the Bona Fide Discount Point Assessment Quick Entry pop-up window (accessible from the Qualification tab on the ATR/QM Management form) have been updated to generate more consistent and expected results when using the quick entry fields.</p> <p>Rate Reduction Basis (field ID QM.X365)</p> <ul style="list-style-type: none"> • Clients may now choose to apply a basis other than 0.25. <p>Discount Points that can be excluded based on reduction in rate (field ID QM.X367)</p> <ul style="list-style-type: none"> • System will return 0.000 when QM.X365 and QM.X366 are both blank • System will now include values in NEWHUD.X1227, 436, and NEWHUD.X1722 when calculating QM.X367 <p>Discount Points that can be excluded based on the Starting Adjusted Rate (field ID QM.X368)</p> <ul style="list-style-type: none"> • System will now include values in NEWHUD.X1227, 436 and NEWHUD.X1722 when calculating QM.X368 • System will return 0.000 if Starting Adjusted Rate (NEWHUD.X1720) and/or Undiscounted Rate (3293) are blank, less than zero or less than the Note Rate (3) <p>Bona Fide Discount Points % (field ID QM.X369)</p> <ul style="list-style-type: none"> • System will return lesser of QM.X364 or QM.X368 if QM.X365 and QM.X366 are both blank. • System will return 0.000 if Starting Adjusted Rate (NEWHUD.X1720) and Undiscounted Rate (3293) are blank, less than zero or less than the Note Rate (3) • System will use value of Undiscounted Rate (3293) to calculate QM.X364, QM.X367 and QM.X368 if Starting Adjusted Rate (NEWHUD.X1720) is blank • System will return 0.00 if Total Discount Point Amount (field ID NEWHUD.X1151 or NEWHUD.X15) is less than or equal to Total Starting Adjusted Rate Amount (field ID NEWHUD.X1723) <p style="text-align: right;">ENC-10360, ENC-10436, ENC-10708</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>Updated Calculations for Section 32 Total Points/Fee and Maximum Points and Fees Allowed</p> <p>Changes have been made to the calculations for the Total points and fees applicable under section 32 (field ID S32DISC.X48) and the Maximum points and fees allowed (field ID S32DISC.X101) to be able to properly calculate the total amount of points and fees that must be included in the calculation for Reg Z Total Points and Fees and the HOEPA fee limit.</p> <ul style="list-style-type: none"> • Lender paid fees (except broker compensation) are now excluded from the calculations. • Include Insurance Impound Premiums are now included when paid to an Affiliate. • Bona fide discount points are excluded based on the calculations made in the Discount Point Pop Up window (see preceding entry on page 12). • Broker compensation or rate set broker compensation (whichever is highest) is included. • Seller-paid finance charges are excluded. • Title premiums not retained by affiliates are excluded. <p style="text-align: right;">ENC-10364</p>		None
<p>Fields Added to Record Title Insurance Retained by an Affiliate</p> <p>The POC/PTC pop-up windows on lines 1103 and 1104 on the 2010 Itemization and 2010 HUD-1 Page 2 have been modified to allow users to indicate the portion of a title insurance fee retained by the affiliate. This change ensures that only the portion of the title insurance premiums retained by an affiliate are included in the total Reg Z Total Points and Fees. This is important for companies that have affiliated title companies, especially those serving areas with traditionally lower median loan amounts.</p> <p>On lines 1103 and 1104, when the A (Affiliate) option is selected from the Paid To drop-down list, the POC/PTC pop-up window opens. The window will contain two new entries at the bottom of the window:</p> <ul style="list-style-type: none"> • A Paid To drop-down list that cannot be edited and is populated by default with A (Affiliate). • An Amount Retained by Affiliate \$ field (field ID NEWHUD.X1724), where users can enter the amount of the fee retained by the affiliate. <p>NOTE: When A is not selected from the Paid To drop-down list, the POC/PTC pop-up window does not display. If a user selects the P check box, the POC/PTC pop-up window opens and the Amount Retained by Affiliate \$ displays, but is not editable.</p> <p style="text-align: right;">ENC-10365</p>		None
<p>Vacant Land Option Added to the ATR/QM Eligibility tab on the ATR/QM Management Form</p> <p>To record ATR/QM exemptions for properties without a dwelling, a Vacant Land option has been added to the Loan Program options that can be selected when the Transaction is exempt from Reg. Z Ability to Repay requirements based on check box has been selected in the ATR/QM Exemption Eligibility section of the ATRM/QM form.</p> <p style="text-align: right;">ENC-10368</p>		None

Description of Feature	Automatically Enabled	Setup Requirements
<p>Change to ATR/QM Debt-to-Income Calculation</p> <p>The calculation for the ATRM/QM debt-to-income ratio (field ID QM.X69) for non-FHA loans will now pass (a green check mark displays on the Eligibility tab on the ATRM/QM Management form) when one of the following terms are entered in the AUS Recommendation (field ID 1544):</p> <ul style="list-style-type: none"> • Approve Eligible • Accept Eligible • Approve/Eligible • Accept/Eligible • Accept • Approve • ApproveEligible • AcceptEligible <p style="text-align: right;">ENC-10374</p>		None
<p>Revised Section 35 HPML Input Form</p> <p>The Section 35 HPML Input form has been revised to reflect changes to the requirements for Section 35 Higher priced mortgage loans that went into effect on January 10, 2014. The revisions involve replacing the entire text in the Compliance with Higher Priced Mortgage Loans requires section.</p> <p style="text-align: right;">ENC-10469</p>		None
<p>Loans With No Reg-Z Section 32 Points and Fees Now Flagged as Meeting ATRM/QM Standards</p> <p>When the Total Points and Fees Applicable Under Section 32 (field ID S32DISC.X48) is blank, Encompass now displays a green check mark for the Points and Fees Limit for an Agency/GSE Mortgage (field ID QM.X68) on the ATR/QM Eligibility tab on the ATR/QM Management form, indicating that the loan meets the ATRM/QM standard for the points and fees limit. Previously, Encompass would display a blue flag, indicating that a review was required.</p> <p style="text-align: right;">ENC-10610</p>		None
<p>LO (Broker) Compensation Does Not Update When the Rate was Set Check Box Selected</p> <p>If the Broker Compensation when rate was set check box (field ID QM.X372) is selected on the Qualification tab on the ATR/QM Management form, the LO (Broker) Compensation (field ID QM.X371) will not be updated. Previously, if the check box was selected, the LO (Broker) Compensation field would update when the lender-paid broker compensation (field ID NEWHUD.X225) or borrower-paid charge for origination points (field ID 436) changed.</p> <p style="text-align: right;">ENC-10614</p>		None
<p>Points Populated to Starting Adjust Rate Field on the ATR/QM Management Tool (Released January 23)</p> <p>A change has been made in the value that is populated to the Starting Adjust Rate (field ID NEWHUD.X1721) in the Points and Fees section on the Qualification tab of the ATR/QM Management tool. This field will now populate with the number of points associated with the Starting Adjusted Rate, rather than the price.</p> <p style="text-align: right;">INV-5433</p>		None

Detailed Procedures

Affiliated Business Arrangements Input Form

To help ensure compliance with RESPA requirements for disclosing affiliated business relationships, the new Affiliated Business Arrangements input form enables companies with affiliated business relationships with multiple affiliates such as title companies and appraisal management companies to store information for each affiliate and provide a separate disclosure each affiliate independently.

To Add Affiliates to Affiliated Business Arrangements Input Form:

- 1 In Encompass, open a loan file, click the **Forms** tab, and then click **Affiliated Business Arrangements**.
- 2 Click the **New** icon.

Alerts & Messages	Log
Qualification expected	11/20/13
Processing expected	12/01/13
Submitted expected	12/01/13
Cond. Approval expected	12/01/13

Affiliated Business Arrangements	Apply Template
1 A1 Quality Credit Reports Joint holding company Credit reporting Y Y	
2 A1 Appraisals Appraisal Y Y	

Affiliate
Lender Name: 1st United Services Credit Union
Address: 805 Beautiful Street
City: Alameda State: CA Zip: 94501
Affiliate Name: A1 Quality Credit Reports
Nature of Relationship: Joint holding company
Percentage of Ownership Interest: 20.00 %
Settlement: <input checked="" type="checkbox"/>
Purchase/Sale/Refinance: <input checked="" type="checkbox"/>

Service Description	Charge or Range of Charges	Required Use
Credit reporting	50	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

- 3 In the Affiliate section, enter the affiliate's name, followed by the affiliate's details.
 - Click the **Address Book** icon to select a lender from your Business Contacts.
- 4 Repeat steps 2-3 to add additional business affiliates to the template.
- 5 To manage the list order of the affiliates at the top of form, select an affiliate and then click the **up** or **down** arrow to move the affiliate up or down in the list.

The order of the affiliates within the list determines the sequence of the printed disclosures (the first affiliate's disclosure is printed first, and so on)

- 6 When finished, click **Save**.

Apply Template Button

If your Encompass administrator has created Affiliated Business Arrangement templates that are pre-populated with business affiliate information you can click the **Apply Template** button to automatically enter business affiliate information in the Affiliated Business Arrangements form rather than manually entering this information. Refer to the "Affiliated Business Arrangement Templates" section for more information about these templates.

Affiliated Business Arrangement Templates

Encompass administrators can create Affiliated Business Arrangement templates that are pre-populated with business affiliate information. For lenders that use the same affiliates for every business transaction, users can then apply the template to their loan file and include the affiliate information in the Affiliated Business Arrangements input form.

Create an Affiliated Business Arrangement Template

Use the Affiliated Business Arrangement Templates option in Encompass Settings to create templates with multiple business affiliate information. Here you can add and remove affiliates from the template and use the **up** and **down** arrows to arrange the affiliates within the list.

To Create an Affiliated Business Arrangement Template:

- 1 On the menu bar, click **Encompass**, and then click **Settings**.
- 2 On the left panel, click **Loan Templates**, and then click **Affiliated Business Arrangement Templates**.
- 3 Click the **New** icon.
- 4 The new template is added to the Affiliates list with its name automatically selected. Enter a new name for the template as needed.

- 5 Double-click the new affiliate template to open the Affiliated Business Arrangement Details window.

Affiliate Name	Nature of Relationship	Service Description	Required Use	Settlement
1 A1 Quality Credit Reports	Joint holding company	Credit reporting	Y	Y
2 A1 Appraisals	Joint holding company	Appraisal	Y	Y

- 6 Enter a Description for the template.
- 7 In the Affiliated Business Arrangement section, click the **New** icon to add a business affiliate to the template.
- 8 In the Affiliate section, enter business affiliate details.
 - Click the **Address Book** icon to select a lender from your Business Contacts.
- 9 Repeat steps 7-8 to add additional business affiliates to the template.
- 10 To manage the list order of the affiliates in the Affiliated Business Arrangements section, select an affiliate and then click the **up** or **down** arrow to move the affiliate up or down in the list.

The order of the affiliates within the list determines the sequence of the printed disclosures (the first affiliate's disclosure is printed first, and so on)
- 11 If the data in the template conflicts with a business rule, select the **Template data will ignore business rules** check box to ignore the conflicting business rule and apply the template data to the loan.
 - If the check box is not selected, the business rule will take precedence over the template data.
- 12 When finished, click **Save**.

Add an Affiliate Template to a Loan Template Set

Encompass administrators can use the Loan Template Sets tool to create templates of business affiliate information for frequently-used loan scenarios. Using loan template sets saves time and improves the accuracy of loan information. When you start a new loan, the New Loan (or Select Loan Template) window opens, from which you can select a template to apply to the loan.

To Create a Loan Template Set:

- 1 On the menu bar, click **Encompass**, and then click **Settings**.
- 2 On the left panel, click **Loan Templates**, and then click **Loan Template Sets**.
- 3 On the Loan Template Sets setting, select the **Public** or **Personal** folder in which to add the template set.
- 4 Click the **New** icon, type the name of the loan template set, and then (with the new template selected) click the **Edit** icon.
- 5 On the Loan Template Details window, enter a Description.
- 6 In the Templates section, click the **Edit** icon for the Affiliate Template field.

Loan Program	Public:\Companywide\30 Year Fixed
Closing Costs	Public:\Companywide\Beta Bank for 2010 Itemization
Input Form Set	Public:\Companywide\Example Form List
Settlement Service Providers	
Document Set	Public:\Companywide\Example Document Set
Task Set	
Data Template	Public:\Companywide\Example Data Template
Affiliate Template	

- 7 In the Select Affiliated Business Arrangement Template window, click the template you want to add to the loan template set, and then click **Select**.
- 8 Back on the Loan Template Details window, click **Save**.

Home Counseling Providers Input Form

A new Home Counseling Providers input form has been added to Encompass to provide users with access to home counseling information.

Amendments to RESPA (effective January 10, 2014) require that consumers be provided with a list of available home counselors for the area in which they live. The Consumer Financial Protection Bureau (CFPB) intends to coordinate with HUD on creating a web portal to generate this list. Encompass users can use this form to generate the list of home counselors to be included in the initial disclosure package and to indicate when home counseling is required and if so, which service was used and when home counseling was completed.

The form is divided into three panels: Home Counseling Providers, Home Counseling Provider List, and Home Counseling Provider.

To Add Home Counselors to the Home Counseling Providers Form:

- 1 In Encompass, open a loan file, click the **Forms** tab, and then click **Home Counseling Providers**.
- 2 In the Home Counseling Provider List panel in the middle of the form, click the **New** icon.

Selected	Agency Name	Agency Address	Agency Direct Phone	Agency Used	Source	Languages Supported	Counseling Services Provided	Distance
<input type="checkbox"/>	Consumer Credit Counseling Service	2450 E. Abraham Ave, Pleasanton, CA		Y	Manual	English, Spanish, Vietnamese	Pre-purchase Counseling, Rental Housing Counsel	
<input type="checkbox"/>	EVERGREEN FINANCIALS	4325 West Grande Ave, Arroyo Grand			Manual	English, Spanish	Financial Management/Budget Counseling	
<input type="checkbox"/>	CCCS OF TULARE COUNTY	Bakersfield, CA 93301	661-661-6611		Manual		Home Improvement and Rehabilitation Counseling	

- 3 In the Home Counseling Provider panel near the bottom of the form, enter the housing counselor's contact details.
 - As you enter information in this section, it is displayed in the Home Counseling Provider List panel.
- 4 Repeat steps 2-3 to add additional home counselors to the Home Counseling Provider List.

NOTE: The **Get Agencies** button is not operational at this time. This button will be available to import contact information for home counseling agencies from the Encompass Compliance Service in a future Encompass release.

- 5 In the Home Counseling Provider List panel, select the check box for each counselor that you want to include in the list of counselors printed to the *Homeownership Counseling Organization List* output form that will be included in the initial disclosure package.
 - If you do not select a counselor's check box here, the counselor will not be included in the list of home counselors printed on the *Homeownership Counseling Organization List* output form.
- 6 In the Home Counseling Providers panel, indicate when home counseling is required and if so, which service was used and when home counseling was completed.
 - To automatically populate this information with specific counselor data, select a counselor in the Home Counseling Provider List in the middle of the screen. Then select the **Agency Used Indicator** check box located in the Home Counseling Provider panel.
- 7 When finished, click the **Save** icon.

Bona Fide Discount Point Assessment Tool

In order to exclude discount points from the HOEPA/QM Points and Fees tests, lenders must make and document some tests to show why discount points were excluded from the Reg Z Total Points and Fees amount.

The new **Discount Points** button added to the Points and Fees section of the ATR/QM Management tool's Qualification tab enables lenders to document to investors and regulators that the loan is in compliance with Reg Z points and fees limits and to determine whether or not the discount points are Bona Fide.

When the button is clicked, the Bona Fide Discount Point Assessment quick entry window displays. The following information is provided in this window:

- Note Rate and Associated Discount Points being paid by the consumer
- Starting Adjusted Rate and Discount Points associated with the starting adjusted rate
- Undiscounted Rate
- Average Prime Offer Rate
- Rate Reduction Basis (used to document that the meaningful reductions in rate was calculated in a manner consistent with established industry practices)

This information is used to determine the amount of discount points that can be deemed Bona Fide based on the:

- Amount of discount points that can be excluded based on the difference between the started adjusted rate and the APOR
- Amount of discount points that can be excluded based on a meaningful reduction in rate

- Amount of discount points that can be excluded based on points that exceed the points associated with the starting adjusted rate

Based on the results of all three assessments listed above, a final value of discount points eligible for Bona Fide consideration is calculated.

To Manage Points and Fees in the Bona Fide Discount Point Assessment Quick Entry Window:

Enter information in the Bona Fide Discount Point Assessment quick entry window as needed. Calculated fields in this window are automatically populated using the information you enter. Here you can manage the numbers until you get the amounts best suited to your business scenario.

- 1 In Encompass, open a loan file, click the **Forms** tab, and then click **ATR/QM Management**.
- 2 Click the **Qualification** tab.
- 3 In the Points and Fees section, click the **Discount Points** button.

- 4 In the Starting Adjusted Rate row:

- **Starting Adjusted Rate** (field ID NEWHUD.X1720) - Enter the interest rate from which the mortgage's interest rate will be discounted.
- **Starting Adjusted Discount Points %** (field ID NEWHUD.X1721) - Enter the charge paid by the borrower (expressed as a percentage of the loan plus any flat charge) to obtain a lower interest rate. Any discount points associated with the Starting Adjusted Rate are required to be included in Reg Z Total Points and Fees for HOEPA and ATR/QM.

- **Starting Adjusted Discount Points \$** (field ID NEWHUD.X1722) - Enter the charge paid by the borrower (expressed as a flat charge) to obtain a lower interest rate. Any discount points associated with the Starting Adjusted Rate are required to be included in Reg Z total Points and Fees for HOEPA and ATR/QM.

- 5 In the Rate Reduction Basis row:

- **Rate Reduction Basis Points** (field ID QM.X365) - Enter the amount of basis points in which the final note rate is reduced from the starting adjusted rate.
- **Rate Reduction Discount Points %** (field ID QM.X366) - Enter an amount equal to a percent of the loan amount to compare the number of discount points being charged against the amount of basis points by which the note rate is being reduced. For example, enter 1% if the value in <rate reduction basis points %> is 0.250 to reflect a requirement that the note rate be reduced by 0.25% for 1% in discount points being charged.

- 6 When finished, click **Close**.

Updated Borrower Vesting Window

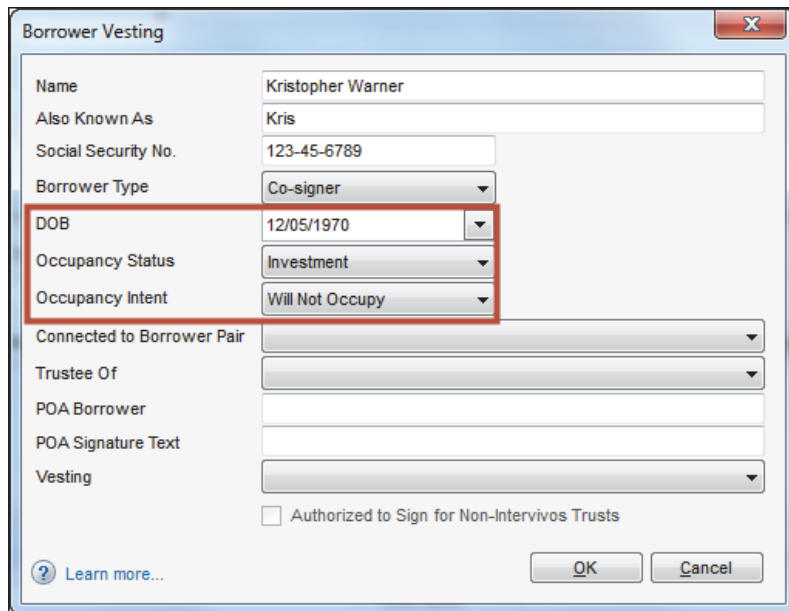
When adding an individual to the Vesting Information section on the Borrower Information - Vesting input form, the following new fields have been added to the Borrower Vesting pop-up window:

- DOB
- Occupancy Status drop-down list
- Occupancy Intent drop-down list

These values are printed to associated closing documents including the Patriot Act disclosure and Occupancy Certification.

To Add an Individual to Vesting Information:

- 1 In Encompass, open a loan file, click the **Forms** tab, and then click **Borrower Information - Vesting**.
- 2 In the Vesting Information section, click the **New** icon.
- 3 Enter the individual's information in the Borrower Vesting window.



The screenshot shows the 'Borrower Vesting' dialog box with the following fields and values:

Name	Kristopher Warner
Also Known As	Kris
Social Security No.	123-45-6789
Borrower Type	Co-signer
DOB	12/05/1970
Occupancy Status	Investment
Occupancy Intent	Will Not Occupy
Connected to Borrower Pair	
Trustee Of	
POA Borrower	
POA Signature Text	
Vesting	

At the bottom, there is a checkbox for 'Authorized to Sign for Non-Intervivos Trusts' which is unchecked, and buttons for 'OK' and 'Cancel'. A 'Learn more...' link is also present.

- 4 When finished, click **OK**.

Encompass Release Notes Change Log

This Change Log lists each release notes entry that has been added, deleted, or modified since the initial pre-release version of this document was published.

Affected Entry	Date Change was Made
<p>Change Type: New Update 9.1.0.1 section added on page 8.</p> <p>Details: A new section was added describing the features and enhancements included in the Encompass 9.1.0.1 update released on January 11.</p>	1/10/14
<p>Change Type: New Update 9.1.0.2 section added on page 9.</p> <p>Details: A new section was added describing the features and enhancements included in the Encompass 9.1.0.2 update scheduled for release on February 15.</p>	1/30/14
<p>Change Type: New Electronic Document Management (EDM) section added on page 5.</p> <p>Details: A new section was added describing Electronic Document Management (EDM) features and enhancements included in the Encompass 9.1 release.</p>	1/30/14
<p>Change Type: Changes to discount points calculations consolidated into a single entry.</p> <p>Details: Additional changes were made to calculations used in the Discount Points pop-up window (accessible from the Qualification tab on the ATR/QM Management form). The content for this change and for two earlier entries that were related to changes in discount point calculations have been consolidated into a single entry: Changes to Calculations in the Discount Points Pop-Up Window on page 12.</p>	2/07/14