

## REM N Standalone HELOC FAQ

### Getting Started

#### Does the broker need to be approved with REM N?

- Yes, the broker company must be approved with REM N to use our standalone HELOC

#### Does the broker need to be licensed in the subject property state to use our standalone HELOC?

- Yes, the broker company and MLO must be licensed in the subject property state

#### How does the broker submit a HELOC request to REM N?

- The broker must complete the [HELOC Eligibility Analysis and Certification form](#) on the REM N website for every application. Resubmissions require a new certification form to be completed. This form must be completed in its entirety, including the mailing address to which compensation should be sent.
- The broker will be sent a unique URL link for the borrower to use for application
- Additionally, the borrower and MLO must sign a Mortgage Loan Origination Agreement. This will be sent via DocuSign from REM N once the URL is provided

#### Does the broker need to do anything prior to submitting the request?

- The broker must take an application and pull the borrower's credit report. REM N will pull credit internally once the HELOC application is complete

#### Who can I contact for HELOC status or if my borrower is having issues while completing their application?

- The broker may reach out to REM N's Broker Help Desk via chat or ticket [here](#)

#### How long after closing on a 1st mortgage must a borrower wait before applying for a standalone HELOC?

- The borrower must wait 45 days after closing on a refinance and 90 days after closing on a purchase before applying for a standalone HELOC

#### What documentation will the borrower need to provide for the loan process?

- The borrower will need, at minimum, a copy of their valid state issued ID, IRS.gov or ID.me, user IDs for bank accounts, certificates of trust (if applicable), and potentially proof of homeowner's insurance

### Pricing & Fees

#### What rates can the borrower expect to see?

- Interest rates are determined by loan components through AI (aka black box). Currently, there is no rate sheet to calculate pricing by specific loan qualifications
- If the borrower is approved, they may receive several offers with differing rates/terms/origination fees and can select the option that is most suitable for their needs

#### Are there any pricing discounts?

- Quoted interest rates include a **0.25%** discount for automatic payments and a **0.25%** discount for credit union membership . Opting out of either of these features will increase the interest rate accordingly

#### What are the closing fees?

- One-time origination fee of **1.99%\*** or **2.99%** depending on applicant selection (choices vary based on creditworthiness, state of residence, and LTV)

*\*1.99% origination fee option is not available if property is actively listed for sale*

- Notary Fee (applicable for states & counties that do not allow for e-notary services)

## General Guidelines and Applications In Process

### What loan terms are available?

- REMN offers fixed rate loan terms of 5, 10, 15, and 30 years for standalone HELOCs. The HELOC is fully-amortizing throughout the life of the loan, there is no interest-only period

### How long is the credit report good for?

- While a soft pull is used for pre-qualification, hard credit will be used for final underwriting. The hard credit pull is valid for 30 calendar days and will be re-performed for any loans closing 30 days after the last hard credit pull. The soft credit is also valid for 30 calendar days. *NOTE: REMN uses FICO 9 credit scoring model for credit pulls*

### How can the borrower request changes to their application once submitted?

- No changes can be made once an application is submitted. Broker must complete the [HELOC Eligibility Analysis and Certification form](#) again and receive a new URL where the borrower may complete a new application

### Does the borrower need to manually enter property liens separately when completing the REMN application?

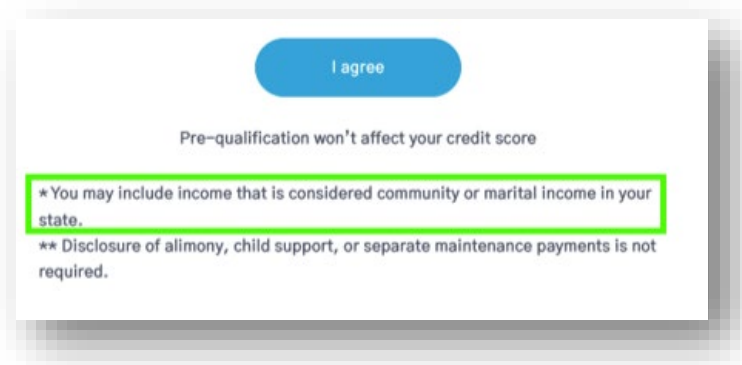
- No, borrowers should not manually enter property liens separately. That can create duplicate entries and artificially inflate ratios

### How is borrower income verified?

- REMN's 5 Day HELOC uses automated or manual income verification methods to support the stated income on all loan applications. Income can be a combination of earnings and/or asset depletion. The borrower will have the option to verify income by their choice of personal bank account data, asset accounts, paystubs, or tax filings

### Can income from a spouse be used for qualifying?

- Yes, for the purposes of the standalone HELOC, all states are viewed as Community Property or Homestead except for **CT, GA, HI, IN, MA, MD, ME, OR, PA, RI, UT, and VA**
- The borrower will receive a disclaimer during application (example on next page) to let them know when they may include community or marital income. All household income must come from a legal spouse/domestic partner, and will need to be verified



### What is the maximum Debt-to-Income (DTI) ratio?

- The maximum DTI is 50%

**Can the borrower use the HELOC to pay off debt to qualify?**

- No, the HELOC may not be used to pay off debt to qualify

**Can a borrower use the HELOC funds to pay off or refinance an existing HELOC lien?**

- No, REMN's standalone HELOC may not be used to payoff or refinance an existing HELOC lien

**What type of homeownerships are available?**

- Sole ownership, joint, and revocable inter vivos trust\* owners are eligible for our standalone HELOC. Any non-fee simple ownership structures including leasehold, ground lease, or co-operative interests are ineligible

\*HELOCs secured by properties held in trust are permissible only in the following states and only if the borrower provides a trust certification that meets legal requirements: **AR, AZ, CA, CO, CT, DC, FL, IA, ID, IL, KS, MA, ME, MI, MN, MS, NH, NM, NV, OR, SD, TN, UT, WA, WY, VA**

**Are HELOCs available on subject properties with no lien?**

- Yes, we can offer a REMN standalone HELOC on a subject property with no lien

**Are solar panels/UCC filings considered a lien when determining the HELOC lien position?**

- Yes, solar panel financing is considered a lien and may affect the HELOC being in an allowable 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> lien position. The REMN HELOC cannot be greater than a 3<sup>rd</sup> lien position in any instance

**If there is more than one person on the title of the subject property, does everyone on the title need to be on the loan? (Co-trustor)**

- Only one owner applies and signs for the loan. However, any and all additional owners on the title are required to sign the mortgage document

**Are Hazard and Flood Insurance required?**

- If the HELOC is a first lien, the borrower will need to attest that there is adequate hazard insurance (and flood insurance if the property is in a FEMA designated high-risk flood zone) before closing. The borrower will be required to provide proof of hazard insurance (and flood insurance, if applicable) post-closing

**Are there any ineligible property types?**

- Yes. Co-ops, commercially zoned real estate, multi-family (5+) real estate, manufactured housing, timeshares, log homes, houseboats, mixed-use properties, duplex, properties larger than 20 acres, and properties located in a disaster area are ineligible
- Only Single Family Residences (including townhomes), condos, and PUDs are eligible

**How are property values determined?**

- An internally pulled AVM will be used to determine the value of the subject property. No rebuttals will be considered. If no AVM is returned, the applicant will have the option to order a "Broker Price Opinion" (BPO) to confirm the estimated value (when the borrower selects their loan offer, they must agree to pay an additional fee of \$180.00 at closing for this service. At that time, they must also acknowledge that offers may be updated or the application may be denied based on the property's estimated value and condition) Note: The BPO process can take up to 5 business days

**How long is the application link valid?**

- The application link must be opened by the borrower within 2 weeks. If the application link isn't accessed within 2 weeks, the loan application will be cancelled. The Broker would need to request a new link when the borrower wishes to apply

**How long can an application remain inactive?**

- Applications inactive for 10 days will be cancelled

**Are exceptions possible?**

- Exceptions will not be considered on our standalone HELOC

**How many applications can a borrower have? Can the borrower apply for HELOCs on multiple properties owned?**

- Yes, however there are restrictions to consider. The borrower may only have one application in process and cannot apply for a new HELOC until 45 days has passed from the closing of the initial HELOC
- A maximum lending limit per borrower is determined during the first HELOC application, and the borrower cannot exceed that limit on subsequent applications
  - For example, if the borrower's established maximum lending limit is \$100,000 on their initial application, they cannot exceed that limit in aggregate

**Closing****Can a Power of Attorney be used for this transaction?**

- No, POAs are not accepted at this time. All signers must be able to personally execute the closing documents

**Who completes the closing?**

- Online video notary sessions are available in some locations. If the borrower is in a county that requires a "wet signature", a notary appointment will be arranged (to be paid for by the borrower)

**How does the eNotary process work?**

- Borrowers can connect with an eNotary through a video conference by logging into their customer dashboard and selecting "Talk to a notary". The borrower will need a device that has a camera and microphone to interact with the eNotary. The eNotary will complete all legal signing requirements in about a 10 minute session

**How and when does an additional signer connect?**

- Any additional signer identified in the application process is required to log in and complete a separate eNotary session. They will receive an email inviting them to set up a session after completing the online application

**What does the funding timeline look like?**

- Most fundings happen within about 5 business days, which may include a 3 day rescission period in applicable transactions. The rescission period lasts for three consecutive business days (all calendar days except Sundays and Federal holidays)

## After Closing

### How does the draw work?

- On our standalone HELOC, borrowers will receive 100% of the HELOC amount. Additional draws are based on the original credit limit approved (loan amount + origination fee). As the borrower begins to pay down their loan, they may be able to redraw up to 100% of their credit limit\*. Additional draws must be in increments of at least \$500, and the total outstanding balance cannot exceed 100% of the credit limit. APR is based on the prime index at the time of the redraw and the fixed margin rate outlined in the HELOC agreement, as well as a Rate Cap and Rate Floor also outlined in the agreement. Credit will not be repulled with requested withdrawals

**\*NOTE:** Borrower may pay off or pay down the HELOC balance at any time; however, a new AVM will be run on future draw requests. If the property value has significantly declined, this may impact the borrower's ability to take out a new draw at that time

### What are the additional draw periods?

Term	Draw Period
5	2 years
10	3 years
15	4 years
30	5 years

### Is there a prepayment penalty?

- No, there is no prepayment penalty on our standalone HELOC

### Is it possible to recast after a large payment?

- Yes, there is the option to recast a loan after a large payment. An automatic recast after a large payment of 10% or more will be performed. The borrower may also reach out to Customer Service to request an additional recast. There are no fees or limits to number of recasts

### Can the HELOC be subordinated after closing?

- Yes, this is possible. The borrower will reach out to Customer Service with their request

### How will the HELOC appear on the borrower's credit profile?

- It will show as a "Revolving Tradeline" on the borrower credit profile

### How does the broker get paid?

- The broker will be sent a check from REMN/Homebridge approximately 45 days after closing. **IMPORTANT NOTE:** the broker will not be paid if the MLO Brokerage Agreement is not fully executed by both the MLO and the borrower PRIOR to the borrower signing their HELOC closing documents