*LHFS uses Quantum Reverse (QR) LOS. LHFS can only accept loans through QR.

For set up, please email TPOApprovals@lhfs.com and your AE. For any assistance, please email Reverse@lhfs.com.

ACCESS QUICK REFERENCE GUIDE FOR CREATING A LOAN IN QR

1. CREATE A NEW LEAD IN QUANTUM REVERSE (QR)

Enter pertinent borrower information and loan data

- ☐ **Data:**
  1. Names of all borrowers, any Nonborrowing spouses, POA, Nonborrowing owners. Please contact the Reverse Department for questions.
  2. Subject address, mailing address
  3. DOBs of borrowers (and NBS, if applicable)
  4. Subject property estimated value
  5. Estimated liens/mortgage payoffs

- ☐ **Select** the primary product for your borrowers with the appropriate margin or interest rate

- ☐ **Fees Screen:** Ensure broker compensation, origination fees, and third-party fees are entered correctly. (Broker compensation will pull from the active rate sheet using the highest pricing for padding. To verify your estimated compensation, please use daily rate sheet or contact the Reverse Department)

2. GENERATE THE QUOTE/PROPOSAL AND PROVIDE TO BORROWERS FOR REVIEW. FIGURES PRESENTED ON THE QUOTE ARE SUBJECT TO CHANGE.

- ☐ **California Loans:** Important Notice to Reverse Mortgage Loan Applicant and the Reverse Mortgage Worksheet Guide MUST be provided to borrowers and SIGNED and DATED prior to receiving counseling. Obtain a copy of the signed and dated disclosures prior to the counseling date.

- ☐ **Financial Assessment discussion:** Before borrowers take application and HECM Counseling, discuss the financial assessment with your borrowers. Financial Assessment Informational

  If there is indication they may not pass, add a loan product with a fully funded LESA to see if they would be short to close at this stage. *Reach out to Reverse@lhfs.com for further assistance or scenario questions.

3.HECM COUNSELING

☐ Borrowers are to select a HUD approved counselor. There will be a List of HUD approved counselors in the proposal package for borrowers to refer to. <u>Steering is prohibited</u> - pushing of any particular counselors is not allowed.

☐ If the borrower selects a counselor that is not on the provided list, they need to provide an explanation on how they selected their counselor.

☐ Counseling must be done prior to application in these states: Connecticut, Rhode Island, Tennessee, Vermont, Utah

☐ California borrowers: application can be taken prior to counseling; however, they may not incur fees for 7 days after HECM Counseling date. Services may not be ordered until the 8th day.

4. RUN CREDIT AND GENERATE APPLICATION AND DISCLOSURES PACKAGE IN QUANTUM REVERSE

☐ Ensure all pertinent loan information is entered to complete an application.

- o Borrowers' names matching vesting
- o DOB / SSN
- o Income
- o Assets
- o REOs
- o Property charges
- o Borrower contact information
- o Any POAs, Conservators, Alt contacts
- o Property Square footage
- o If home is vested in a trust
- o Month and Year subject was built/completed
- o Years of residence at subject property
- o All borrower declarations completed (judgements, BK, citizenship, co-maker of note, etc.)
- o Estimated property value
- o Liens/mortgage payoffs

☐ Product and fees

- o Make sure the correct LHFS product is selected as the primary product AND both a HECM Fixed Rate product and a HECM Adjustable product are presented to your borrower.

- ☐ Running credit:
    - o Get authorization to run Credit. Credit must be pulled in Quantum Reverse. If you are not set up to run credit in Quantum, please email Reverse@lhfs.com.
    - o Review credit for derogatory accounts, bankruptcies, judgments. Make sure to account for Collection amounts. Follow the HECM Financial Assessment Guide Financial Assessment Informational
    - o Review Residual Income for any shortfalls
- ☐ Generate a final application version (not a draft).

5. TAKE APPLICATION, COLLECT SUBMISSION DOCUMENTS

- ☐ Borrowers and Loan Officer to sign and date the application and disclosures.
    - o If utilizing Esign, send out via Esign (Application ESign Tutorial)
    - o If Wet-signed, save the documents as PDF and print for the borrowers to execute.
- ☐ Collect the required documents for loan processing. (Reverse Mortgage Submission Checklist)
    - o Advise borrowers of any missing documentation and assist them with alternatives or how to request the documents.

6. REQUEST FHA CASE NUMBER ASSIGNMENT

- ☐ FHACaseNumberRequest
- ☐ Email the following to Reverseprocessing@lhfs.com to request an FHA Case Number
    - o Completed initial 1009 application.
    - o Executed HECM Counseling Certificate
        - ▪ If CA, provide the CA Addendum (from the counselor if not an in-person session) and Important Notice to Reverse Mortgage Loan Applicant and the Reverse Mortgage Worksheet Guide SIGNED and DATED prior to receiving counseling
    - o DOB and SSN verification
    - o For FHA Approved Condos or H2H refinances, follow checklist.

7. ORDER FHA APPRAISAL

- ☐ If your borrowers are ready to proceed to appraisal AND the financial assessment has been discussed/reviewed, place the order for FHA appraisal through DASH. Appraisal Order Guide
- ☐ Payment is collected upfront
- ☐ Discuss HUD's collateral risk assessment and repairs requirements with borrowers as best practice to prep them for the result of the appraisal.

8. ORDER SERVICES

☐ Order title and escrow services. Title and escrow company must be approved and familiar/capable of handling reverse transactions. LHFS can order title and escrow services on your behalf. Please email ReverseProcessing@lhfs.com.

☐ LHFS will order Flood Certificate, Fraud Guard once loan is submitted.

9. SUBMIT LOAN TO PROCESSING AND UNDERWRITING

☐ Reverse Mortgage Broker Submission Checklist

☐ When you have the full submission package and are ready to submit the loan to LHFS for processing and review, please upload the supporting documents into Quantum Reverse. Submit loan in Quantum Reverse AND email ReverseProcessing@lhfs.com to confirm your submission was done correctly and received.

☐ If you would like a Credit/income review PRIOR to receiving the appraisal, please submit the loan and email ReverseProcessing@lhfs.com advising the submission is for credit/income review.: