



July 28, 2017 | The AFR 411 2017-14 ****REVISED**

American Financial Resources, Inc.



Attention: All Consumer Direct, Wholesale and Correspondent Sales and Operations Staff

Topics in this edition of The AFR 411 include:

- **One-Time Close Programs **Overlay**
 - **Title / Vesting **FACTS/Key Reminders**
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This 411 supersedes the current guidelines outlined in the applicable Program Matrices. All updated guidelines will be highlighted and the matrices will show a revised date once they have been modified.

One-Time Close Programs **Overlay**

Effective immediately, AFR will no longer permit secondary financing in conjunction with all One-Time Close Programs. Any type of subordinate financing will not be permitted.

Title / Vesting **FACTS/Key Reminders**

- The purpose of the Signature/Name Affidavit has become misinterpreted over time. It is often incorrectly used to link a borrower's AKA in any fashion – assumed to cover the credit package and the closing/legal package.
 - FACT: This affidavit is used to protect the credit package - ONLY.
 - FACT: This affidavit has no connection to the legal side, so that is why our closing documents must match the owner of record or the borrower's legal name as indicated on their government ID.
- Warranty Deed, Conveyance Deed or other variation based on state law is required on all purchase transactions. Based on the marital status and vesting illustrated on the deed, it must match exactly on the security instrument (Deed of Trust or Mortgage). If a loan closes and the marital status or vesting do not match, Correspondent clients will be responsible for corrections, which in most cases, involves re-recording of the security instrument face page at a minimum. Additionally, if the borrower name is not the borrower's legal name, the borrower may be required to re-sign certain documents, like the 1003, security instrument, note, etc.

Basic Guidance:

- Name – the legal name as shown on the government ID (SSN or driver's license) should be used for the legal documents for the new loan. If a borrower has a middle name(s), it is acceptable to include the middle initial(s) or the full middle name. If there is a middle name, and the legal documents do not have a middle initial or middle name – the variation would be deemed unacceptable.
- Address - The subject property address should be confirmed by comparing the title commitment and/or the closing protection letter to the insured address on the homeowner's insurance policy, tax certification, purchase contract, appraisal and other loan origination documents for accuracy. All should match. Street directions are commonly missed and will deem the address unacceptable if not accurately reflected on the legal documents. Any variations or missing information, may require modifications, re-recording, and/or new borrower signatures/notary.
- Marital Status – only required if shown in the title commitment as proposed vesting OR on the warranty/conveyance deed. If shown on the deed or title, this must be reflected on the security instrument. Any variations or missing information, may require modifications, re-recording, and/or new borrower signatures/notary.
- Vesting - only required if shown in the title commitment as proposed vesting OR on the warranty/conveyance deed. If shown on the deed or title, this must be reflected on the security instrument. Any variations or missing information, may require modifications, re-recording, and/or new borrower signatures/notary.

Contact your AFR Account Manager/Correspondent Production Specialist with any questions. Feel free to reach out to AFR, prior, to preparing the loan documents to allow for ample time to review and assist with any questions regarding this topic.