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## Section 6

### **CLOSING AND FUNDING REQUIREMENTS**

Loans approved by Huntington must be closed properly pursuant to all federal and state regulatory requirements, comply with all guidelines of FNMA, FHLMC, FHA, VA or USDA as may be applicable, and all conditions of underwriting approval must be met as stipulated. This section contains the closing package parameters, which establish minimum eligibility requirements for the wholesale network. Huntington's Quality Control procedures are described in Section 7.

#### **6.1 CLOSING AGENT APPROVAL**

Huntington reserves the right to approve all closing agents and title insurers. The title insurer for each loan must have an acceptable financial rating from one of the rating agencies approved by FNMA. Closing agents and all employees of the closing agent must not be on any investor's exclusionary list or the agent will not be approved by Huntington Bank.

A loan specific Insured Closing Letter is required for every transaction closed with Huntington funds.

#### **6.2 SCHEDULE LOAN CLOSING**

Loans should only be scheduled to close with the closing agent after confirming the minimum consummation date and closing capacity (for rushes).

Any loan requiring a closing disclosure (CD) within 2 days or less of submission to closing is considered a rush and requires approval. The Broker is required to submit the final submission checklist to include estimated closing date information, lock expiration, broker fees, etc. prior to final submission to Underwriting. The accuracy of this form is important to avoid closing delays.

The following process is followed for all Broker loan transactions:

- The Huntington processor submits the loan to underwriting for final underwriting (PTC Clear)
- Upon PTC Clear, the Huntington Processor will finalize the loan, create the initial CD and submit to the closing department.
  - Loans closing within the next 5 business days will be pulled by the next available closer and the closer will contact the broker the same day as receipt.
  - Loans closing in excess of 5 business days will be moved to a future closing queue that is monitored daily by the closing department. Loans will be pulled out of this queue when we reach 5 days to closing.
- Huntington will prepare the Closing Disclosure and Closing Instructions which will be reviewed by the title company. Upon submission of the above to the title company, the Closer will alert the Broker. The Broker will not receive any documentation at this time as the title company and the Closer will be working together to balance the CD.
- The Huntington closer will email the closing disclosure to the broker for review prior to sending the CD to the borrower.
- ◆ The Broker must schedule the closing with the closing agent and borrower. The borrower(s) is/are required to receive the initial approved Closing Disclosure at least 3 days prior to closing.

- ◆ Delivery methods, other than Face to Face or E-Consent delivery, will require the CD to be sent 6 days prior to closing to allow for mail delivery in order to comply with TRID guidelines.
- ◆ The Huntington closer will deliver the final closing disclosure to the borrower(s) via the Broker's communicated method of delivery on the Final Submission Checklist.
- ◆ Upon completion of the Verbal VOE, the closing package will be sent to the title agent. The title agent is not permitted to close the loan prior to the closing date on the CD and cannot close the loan after the funding date listed on the CD.
- ◆ Pre-signing the closing document package is prohibited. There are only 2 signature requirement options for the closing document package:
  1. All parties (including the spouse in a dower rights scenario) must physically sign the day of closing and cannot sign before or after that date.
  2. A Power of Attorney is used for parties (including the spouse in a dower rights scenario) that cannot physically attend closing. The Power of Attorney must physically sign the day of closing and cannot sign before or after that date.
- ◆ The loan must be closed in the name of Huntington and be assigned to MERS.
- ◆ Huntington will wire the net funding amount to the closing agent on the day of the loan disbursement. Last minute changes can delay this process.
- ◆ The closing agent must confirm the loan closing prior to disbursing funds.
- ◆ Huntington will complete a limited review of the Closing Package received from the closing agent and notify the Broker and/or the title company of any exceptions that require their correction.
- ◆ The Broker and/or title company must correct any communicated deficiencies within forty-eight (48) hours of notification.

### **6.2.1 CLOSING CONFIRMATION**

We will require the following signed documents to be forwarded by the Closing Agent as proof that the loan closed as scheduled:

- ◆ Identity Verification Worksheet (IVW)
- ◆ Closing Disclosure
- ◆ CD from sale of current primary verifying liens paid off and funds received (if applicable)

The aforementioned proof of closing documents must meet the following requirements:

- ◆ All documents are required to be signed and dated by the borrower(s).
- ◆ Document dates are required to match the closing date.

Please send the above mentioned signed documents through Doc Velocity using the drop down Closing Confirmation.

If closing documents are validated and approved, the Closing Agent will be notified via email. The Closing Agent will then be authorized to disburse the wire. In a case where the documents are validated but not approved, the Closing Agent will be notified via email that the proof of closing is not acceptable. In this case, the Closing Agent does not have the authorization to disburse the wire and will need to correct and resubmit the documents.

## **6.2.2 DELAY/CANCELLATION OF LOAN CLOSING**

In the event a scheduled closing is delayed or canceled prior to closing, it is the Broker's and/or title company's responsibility to notify the Huntington Closer via email immediately so that funds are not sent to the closing table. For those closings that are canceled or will be postponed on which funds have already been disbursed, see section 6.2.3 for return wire transfer procedure.

## **6.2.3 RETURN WIRE TRANSFER**

The closing agent must wire the closing funds back to the bank for further credit to Huntington the same day that the closing is delayed/postponed. A \$25 return wire fee will be assessed. Charges will be assessed at the rate of \$10 per day from the date of the wire until the date the funds are returned by wire transfer. Charges will be deducted from the proceeds at the time the loan closing rescheduled.

## **6.3 CLOSING AND DELIVERY REQUIREMENTS**

This section instructs the Broker and closing agent regarding preparation of loan closing documents and specific requirements for loans being closed by Huntington.

### **6.3.1 DOCUMENT DELIVERY REQUIREMENTS**

All closed loan packages, including the original Note, are to be delivered **directly from the settlement agent** within forty-eight hours of disbursement, seventy-two hours for loans disbursed on Fridays.

All closing packages are to be delivered to:

The Huntington National Bank  
Attn: Imaging – GW0214  
5555 Cleveland Ave  
Columbus, OH 43231

All final documents (original recorded mortgage, final title policy, trailing documents, etc.) are to be delivered to:

The Huntington National Bank  
Attn: Imaging – GW0214  
5555 Cleveland Ave  
Columbus, OH 43231

### **6.3.2 PREPAID INTEREST / FIRST PAYMENT DUE DATE**

Prepaid interest is computed from the date of disbursement to the first of the following month. Interest credit is computed from the first day of the month to the date of disbursement. Assume a 365-day year when calculating per diem interest. Prepaid interest is required to be collected unless the loan disburses early in the calendar month.

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If a loan disburses early in the month, the Lender may choose between an interest credit or prepaid interest as follows:

- ◆ For conventional loans funded in the first 10 days of the month, collect no prepaid interest, compute an interest credit to the borrower, and make the first payment due the first of the following month; or
- ◆ For government loans funded in the first 7 days of the month, collect no prepaid interest, compute an interest credit to the borrower, and make the first payment due the first of the following month; or
- ◆ Collect prepaid interest and make the first payment due the first day two months out.

### **6.3.3 REFINANCES**

Huntington will accept the annual renewal date already established for escrowed items (taxes, insurance, etc). The closing agent will be responsible for collecting sufficient amounts to enable Huntington to pay the next amounts due for those items.

All refinance transactions will require a 3 day right to cancel if secured by an owner occupied property. This is required regardless of the amount on the Closing Disclosure, whether it shows cash required to close, a zero balance, or getting cash back, as well as HNB to HNB transactions.

### **6.3.4 TAXES**

Generally, Huntington requires a tax escrow. Waivers may be granted by Huntington in limited situations as detailed in the Product Profiles. The title agent must notify the taxing authorities that The Huntington National Bank is escrowing taxes and that all future billings must be received by Huntington.

Bills for payment of taxes, municipal liens and assessments must be sent to:

The Huntington National Bank  
c/o CoreLogic Real Estate Tax Service  
1 CoreLogic Drive  
Westlake, TX 76262

When taxes have a homestead exemption, we will allow proration of taxes but the escrow account must be set up on the regular taxing amount. If the subject property is new construction and there has been no valuation set on the building for taxing purposes, we will require escrow of an anticipated annual tax estimate based on 1.5% of the appraised value unless the Broker provides supporting documentation from the taxing authority that the maximum for that taxing district is less.

The closing agent will be responsible for collecting sufficient amounts to enable Huntington to pay the next amounts due for those items.

Payment of taxes at closing by the closing agent:

- ◆ If a loan closes within thirty days of the tax collection period for the subject property, the settlement agent will be instructed to collect and pay the taxes for that period.

- ◆ For example, if the tax collection period for 2<sup>nd</sup> half 2016 taxes is June 1 through June 30, 2017, for taxes due July 1, 2017 any loan closed after May 30, 2017 should have taxes collected and paid by the settlement agent.
- ◆ This requirement applies to both purchase and refinance transactions.

### **6.3.5 HAZARD INSURANCE**

An original hazard insurance policy is required on all loans. A paid receipt or copy of the check cut at closing must be submitted with the Closing Package. The policy must be written by an insurance carrier with Best's General Policyholder's ratings as defined in current FNMA/FHLMC/GNMA guidelines, depending on the loan type. If in doubt, contact Huntington for the ratings required.

The Mortgagee Clause must be amended to read:

The Huntington National Bank  
ISAOA/ATIMA  
P.O. BOX 5072  
Troy, MI 48007-5072

The coverage (dwelling) amount must be greater than or equal to the amount of the mortgage. Condominium properties require a Master Policy with hazard coverage of 100% of replacement cost value and \$1,000,000 liability and fidelity coverage. If the Master Policy does not provide for "walls-in" coverage at 100% of replacement cost value, then the borrower must obtain an additional individual HO6 ("walls-in") policy for at least 20% of the condo unit's appraised value to equal the required 100% coverage.

Payment of premiums must be set up for annual installments only. We will not remit quarterly, semi-annual, etc. We do not accept blanket policies (*e.g.*, car, house, boat, etc.)

Refinances:

- ◆ Huntington will accept the annual renewal date already established.
- ◆ The closing agent will be responsible for collecting sufficient amounts to enable Huntington to pay the next amounts due for those items.
- ◆ A copy of the existing policy or declaration page may be used along with a statement from the insurance agent that the policy is current and specifying the current premium amount.

### **6.3.6 FLOOD INSURANCE**

Flood Insurance is required if the property is in a flood zone as indicated on the Flood Certification. Huntington requires the Closing Package to include the issued flood insurance policy or the policy application with one year paid premium receipt.

The Mortgagee Clause on the flood insurance policy must read as follows:

The Huntington National Bank  
ISAOA/ATIMA  
P.O. BOX 5072  
Troy, MI 48007-5072

The following guidelines must be followed in securing flood insurance:

- ◆ The flood zone that appears on the flood insurance policy must match the flood zone on the flood determination;
- ◆ The property address and borrower name must match the other loan documents;
- ◆ The amount of flood insurance coverage must equal the **lesser** of the following:
  1. The outstanding principal balance of the loans(s) (total liens)  
Or
  2. The maximum amount of insurance available under the NFIP  
Or
  3. The full insurable value of the building and/or its contents which is the same as full replacement cost value (RCV).

**NOTE:** Huntington follows regulatory guidance and applicable Investor Guidelines. The flood insurance premium must be escrowed. If a property is determined to be in a Special Flood Hazard Area (SFHA), acceptable proof of coverage may be a copy of the following:

- ◆ Flood Insurance Application and evidence of Paid Premium
- ◆ Declarations Page of Policy. NFIP does not recognize binder nor certificates of insurance.
- ◆ If a condo, then a Residential Condominium Building Association Policy (RCBAP) and Evidence of Insurance or Certification of Insurance contains borrower unit information.

**NOTE:** It's typical to receive an evidence of Insurance with the Condo Policy (RCBAP). The evidence typically reflects borrower personal data – name, actual unit #, Loss Payee Clause, etc.

### **High Rise Condo/Condo Project**

- ◆ Investor requires RCBAP from homeowners' association. If RCBAP coverage doesn't comply with investor's requirement, borrower will be responsible to provide the insurance coverage to be the lower of the Loan (total liens) or \$250,000 max NFIP coverage available per Unit. If the condo association does not provide the necessary coverage, the borrower would have to purchase the additional insurance to equate to the \$250,000 combined coverage when the total liens exceed \$250,000.

**The above requirements are strictly adhered to. Failure to comply with these requirements may result in delays in final credit approval, and/or loan funding or purchase.**

### **6.3.7 PRIVATE MORTGAGE INSURANCE**

Requirements for Private Mortgage Insurance (PMI) are outlined in the Product Profiles. Huntington accepts all Mortgage Insurance products with the exception of Split Premium.

### **6.3.8 SURVEY**

Huntington requires surveys for purchase transactions on all residential properties except condominiums. An ALTA 9 endorsement to the title policy is acceptable in areas where surveys are not commonly required. If it is not customary in a particular area to supply either the survey or an

endorsement, the title policy must not have a survey exception. Surveys must be less than one year old at the time Huntington purchases the loan.

The survey must be signed and sealed by a registered surveyor. The survey must contain a recitation of the legal description, setback lines, platted easements and improvements. Borrowers must sign the survey acknowledging they have received a copy or original survey.

**Refinance Transactions**

- ◆ Obtain a copy of the previous survey on the subject property;
- ◆ Obtain a signed affidavit from the borrowers stating that the property has not undergone any changes; and
- ◆ The title policy to be issued cannot have a survey exception.

All three of these requirements must be satisfied.

**6.3.9 FLOOD CERTIFICATION**

Third Party Lending will order a flood zone determination and life of loan flood zone certification from First American Flood Data Services, Inc. on all loans. **Huntington’s compliance with the [Flood Disaster Protection Act \(FDPA\)](#) requires all loans obtain flood insurance if the property secured by a mortgage is located in a Special Flood Hazard Area (SFHA) as determined by the Federal Emergency Management Agency (FEMA). To comply, Lenders must order and provide a Standard Flood Hazard Determination Certification to determine if the property requires the purchase of flood insurance.**

Special Flood hazard areas (SFHA) are the flood zones that have the greatest risk of flooding. The Table below contains flood zones:

Zone	Description
Zone A99	This refers to an area of special flood hazard where enough progress has been made on a protective system, such as dikes, dams, and levees.
Zone A	This is an area of special flood hazard without water surface elevations determined.
Zone V	Is an area of special flood hazard without water surface elevations determined, and with velocity, that is inundated by tidal floods (coastal high hazard areas).
Zone B, C, and X	Areas of minimal to moderate flood hazard (where flood insurance is available but not required by federally regulated lenders).

**IMPORTANT NOTE:** Zones A99, A, and V are considered properties in a flood zone (A, AE, AH, AO, AR, A1-30, A-99, V, VE, VO and V1-30). The A-lettered areas are susceptible to flooding, while the V-lettered areas are also subject to wave velocity associated with storm waves or wave action.

Lenders must determine whether any of the improvements for a security property are located in a Special Flood Hazard Area by using a Standard Flood Hazard Determination. The Standard Flood Hazard Determination Form should indicate if the property is located in an unmapped and/or in a non-participating community.

When the area is not mapped, there is no designated Special Flood Hazard Area and the federal mandatory purchase of flood insurance requirement does not apply and consequently, Fannie Mae does not require flood insurance.

When the community is non-participating, but the property has been mapped by FEMA as being in a high-risk flood zone, Huntington will require full flood coverage written by a private (non-NFIP) insurance provider.

**NOTE: Government Sponsored Enterprises (GSEs), such as Fannie Mae and Freddie Mac, may not purchase loans made on properties in a Special Flood Hazard Area (SFHA) in communities that do not participate in the NFIP.**

Huntington will not close any loan wherein the securing property is located in a community **not** participating in the National Flood Insurance Program.

### **6.3.10 NAMES AND SIGNATURES**

All documents must be consistent in the spelling of names and signatures.

The typed names and signatures on warranty deeds and corresponding mortgages must be identical. Corrections to these documents are **NOT** allowed.

For all other loan documents with spelling inconsistencies, including the Note, a Name Affidavit will suffice. **Notarized Signature/Name Affidavits are required for all loans.**

**\*\*Loans to be closed in the name of a trust require trust approval by Huntington's legal counsel. Trust documents along with title work and any other trust documentaiton must be submitted to [HMGTrustReview@huntington.com](mailto:HMGTrustReview@huntington.com) in advance of receiving a PTC clear.**

#### **Dower Rights**

Anyone on the loan must also be on the title. Some examples of Huntington's requirements with regard to dower rights are presented below:

Example 1: John Smith is married to Mary Smith. Only John applied for a mortgage but Mary will be on title. The Mortgage must read:

“John Smith and Mary Smith, husband and wife.”

Example 2: John Smith is married to Mary Smith. Only John applied for a mortgage and Mary will not be on title. The Mortgage must read:

“John Smith, married, Mary Smith, his wife, signing to release her dower rights.”



A spouse who is not on the loan must sign the following closing documents:

- Errors and Omissions
- Closing Disclosure
- Mortgage; and
- Right to Cancel (per state specific requirements)

### **6.3.11 LAND CONTRACTS**

Huntington views the payoff of a land contract as a refinance closing. Please refer to requirements shown earlier in this chapter under “Refinances”.

### **6.3.12 ESCROW HOLDBACK**

Huntington will allow for an escrow holdback for external items only, and typically the delay must be weather related. Escrow holdbacks will be required to be completed within 60 to 120 days, per Huntington’s discretion. The broker will need to provide the following for RETS and Underwriting review and approval prior to receiving a PTC Clear:

- Estimate and description of work to be completed
- Confirmation of who is responsible for depositing the funds and agreement that funds deposited will be 1.5x (or 150%) of the amount of the estimate.
- If the borrower is responsible, funds will need verified in addition to closing costs and reserves already required

The most common situation where we will permit escrows to be established is weather related, particularly for new construction. A recertification of appraisal is required once the escrowed items have been completed.

We will generally allow escrows for completion for FHA and VA loans per customary FHA and VA regulations.

An executed copy of the escrow agreement must be included in the Closing Package.

### **6.3.13 TITLE INSURANCE REQUIREMENTS**

#### **Title Commitment**

A Title Insurance Commitment must be included with the Closing Package and must be dated within sixty (60) days of closing. Issuance of a short form title policy at the time of closing does not eliminate the requirement for a title commitment prior to closing.

If title commitments are not customary in a region, Huntington requires a copy of each master policy for each title company used. Additionally, an original Short Form Certificate must be included with each Closing Package.

The title commitment must document a minimum of six (6) months history of property ownership prior to the effective date of the title commitment. **Loans closing in the name of a trust must be reviewed and approved by Huntington prior to issuing a PTC clear. See section 6.3.10.**

### **Title Insurance Policies**

The final title policy is a follow-up document required within one hundred twenty days of loan disbursement.

The Title Insurance must provide full protection to Huntington. The policy must be issued to The Huntington National Bank Its Successors and/or Assigns, as their interest may appear. The Assignment of the Mortgage must be acknowledged in the Title Policy.

Title insurance policies must conform to Huntington's requirements:

- ◆ An American Land Title Association (ALTA) Mortgage Loan Policy or other form of title insurance that is acceptable to FNMA, FHLMC or GNMA. Such policy must be issued by a title insurer eligible under FNMA, FHLMC, or GNMA guidelines;
- ◆ The Title Insurance Policy must be effective as of the loan closing date and must be valid and binding and in full force and effect; and
- ◆ The Title Insurance Policy must insure that the security instrument creates a valid first lien on the mortgaged premises in the original principal amount of the loan.
- ◆ The Title Insurance Policy must document a minimum of six (6) months history of property ownership prior to the effective date of the Title Insurance Policy.

When property is described by Metes and Bounds, we cannot accept in the legal description the language which typically reads "...subject to all legal highways, easements and restrictions of record." Each of these items may be excepted in Schedule B. All standard exceptions, parties in possession, in-file mechanics liens, matters of survey and uncertified assessments must be deleted on Schedule B.

### **Endorsements**

The following endorsements are required to be issued with the title policy:

- ◆ An 8.1 Environmental Protection Lien is required on all loans;
- ◆ Comprehensive/ALTA 9/Secondary Marketing Endorsement is required on all loans where exceptions appear on Schedule B;
- ◆ Condominium, Planned Unit Development, ARM and Balloon are required for applicable property and/or product types;

### **6.3.14 INSURED CLOSING LETTER**

A loan specific Insured Closing Letter (also known as the Closing Protection Letter) is required for every loan transaction closed using Huntington funds. The insured-closing letter must be issued on behalf of the same title insurance company that will issue the title policy for the loan. No loan will be funded unless we have a loan specific Insured Closing Letter.

The insured-closing letter must have the following criteria to be accepted by Huntington:

- ◆ The closing agent's name and address must appear on the top of the first page of the letter;
- ◆ The letter must be addressed to:

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The Huntington National Bank  
ISAOA/ATIMA  
P.O. BOX 5072  
Troy, MI 48007-5072

◆ An individual from the company issuing the insured-closing letter must endorse the letter.  
Please Note: If your state has different laws governing insured-closing letters, please continue to produce them as required by the state.

### **6.3.16 POWER OF ATTORNEY**

If a Power of Attorney is absolutely essential to the loan closing, Huntington must pre-approve the Power of Attorney document prior to the final underwriting PTC clear. Huntington will not close a loan with a Power of Attorney unless the form was pre-approved. Pre-signing and mail away closings are prohibited. There are 2 options for signing the closing package:

- ◆ All parties (including spouse in dower rights scenario) must physically sign the day of closing, not before or after that date
- ◆ Power of Attorney is used for parties (including spouse in dower rights scenario) that cannot physically attend closing but the Power of Attorney must also physically sign the day of closing, not before or after that date

**At a minimum**, the Power of Attorney must address the following:

- ◆ The Power of Attorney must be dated prior to and recorded prior to the recording of the Security Instrument;
- ◆ If the Power of Attorney is to be used to sign a primary document on behalf of a principal party to the transaction, the Power of Attorney must be specific with regard to the transaction in question and specifically state which documents the attorney-in-fact is being authorized to sign;
- ◆ The Power of Attorney should grant all the powers necessary to accomplish what is desired and should refer to a specific property and contain the legal description of that property. General Power of Attorney's are NOT acceptable;
- ◆ All Power of Attorney forms acceptable to Huntington must contain the following two provisions in substantially similar language:
  - ◆ "I hereby agree and represent to those persons dealing with my said agent and attorney-in-fact that this Power of Attorney shall not terminate on legal or mental disability or incapacity of the principal"; and
  - ◆ "This Power of Attorney may be voluntarily revoked only by a written instrument of revocation filed for record in the office of the County Recorder, \_\_\_\_\_ County, \_\_\_\_\_."
- ◆ If the Power of Attorney is signed in a state other than the Borrower's current primary residence, a letter of explanation will be required as to why this has occurred.
- ◆ Documents must be properly signed with a Power of Attorney, (*i.e.*, "Jane Doe by John Doe, her attorney-in-fact").

In a Power of Attorney situation the Broker must obtain assurance from the title company that it will insure the loan using the proposed Power of Attorney. Affirmative coverage is required on the title policy or no exception taken to its usage.

Two certified copies of the executed Power of Attorney must be submitted with the Closing Package.

### **6.3.17 NOTES, ASSIGNMENT, MORTGAGE / DEED OF TRUST**

FNMA and FHLMC have mandated usage of revised Notes, Mortgage/Deeds of Trust and Riders for conventional loans closing on or after July 1, 2000. This information was communicated in Fannie Mae Bulletin 99-04 and Freddie Mac Bulletin 99-3. Both agencies are allowing the use of these forms for mortgage loan closings prior to July 1, 2000. **It is important to note that a mixture of revised and existing documents cannot be used for the same mortgage.** Therefore, if the new documents are being used, the Note, Mortgage/Deed of Trust and Rider must be consistently used. In the event that these forms are mixed, Huntington will not accept the loan until the documents are re-executed.

When a Power of Attorney is used, it must be specific to the real estate transaction; however, on a case-by-case basis, a durable Power of Attorney may be used if first approved by the Huntington Legal Department.

Mortgage Electronic Registration Systems, Inc. (MERS) is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and MERS has a mailing address of P.O. Box 2026, Flint, MI 48501-2026 and a street address of 1901 E. Voorhees Street, Suite C, Danville, IL 61834. The MERS telephone number is (888) 679-MERS.

#### **Huntington is a MERS Member:**

- ◆ MERS language and MIN # are disclosed on all Mortgages so there will no longer be a need for a paper Assignment;
- ◆ Huntington will complete the Transfer of Servicing (TOS) and the Transfer of Beneficial Rights (TOB) via MERS.

In the event of an error in the MIN #, the original recorded document must be corrected and re-recorded by the Lender to cure the deficiency.

Any typed and/or handwritten additions or corrections on the notary and/or signature page of the Mortgage/Deed of Trust must be initialed by the borrowers. If the borrowers do not initial the additions and/or corrections, you will be responsible to correct the document and cover the cost to re-record in order to cure the deficiency.

\*Changes to the contract within the Mortgage/Deed of Trust are prohibited.

### **6.3.18 CUSTOMER IDENTIFICATION PROGRAM**

The USA Patriot Act of 2001 contains many provisions; most important to financial institutions is Title III, which is also known as the International Money Laundering Abatement and Anti-Terrorist

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Financing Act of 2001 (MLAA). The primary purpose of the MLAA is to require all financial institutions to maintain vigorous anti-money laundering programs.

Huntington has adopted a Customer Identification Program (CIP) as required by the USA Patriot Act. To ensure compliance with Section 236 of the USA Patriot Act, the following procedures must be followed:

- ◆ Obtain identification information about customers;
- ◆ Verify customer information using an appropriate verification method such as an unexpired government-issued photo identification. This must be a photo ID (i.e.: Drivers' license, passport, military identification, or other government identification with a photograph); and
- ◆ Complete the Identity Verification Worksheet and maintain records of the information used to verify identity.

### **6.3.19 RIGHT OF RESCISSION**

Closing agents should be reminded in writing on every refinance transaction that the Notice of Right to Cancel forms are not to be pre-signed.

A rescission period (Notice of Right to Cancel document) is required for all refinance transactions with the exception of investment property or a second home. The following requirements must be followed:

- ◆ The document must be signed for non-cancellation by all parties. Every borrower requires a separate rescission. This cannot be cured by a new rescission period.
- ◆ Dated the fourth business day or after by all parties. If the Notice of Right to Cancel is not dated correctly and the signatures for non-cancellation are present, it is a violation of Huntington's policy. This cannot be cured by a new rescission period.
- ◆ Full three days of rescission observed. If three full business days were not observed (insufficient days allowed or rescission expiration date missing) **a new rescission period must be extended.**
- ◆ Certain transactions are exempt under Regulation Z. A rescission period is not required on second homes and investment property.
- ◆ Under no circumstances is a waiver of the right to rescind acceptable. If the right of rescission has been waived contrary to Huntington's policy, **a new rescission period is required.**

#### **New Construction**

Loans for the purchase or construction (including construction permanent loans) of a borrower's principal residence are generally not rescindable. However, if the loan is secured by the equity in the borrower's current principal dwelling (*i.e.*, bridge loan), the rescission period would be applicable.

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### **6.3.21 INITIAL ESCROW DISCLOSURE**

When escrow accounts are established in connection with a mortgage loan, the borrower must be provided with a statement at closing itemizing estimated taxes, insurance premiums and other charges anticipated to be paid from escrow during the first twelve months of the account's existence. Anticipated payment dates must also be provided.

If escrows are waived, the Initial Escrow Account Statement is not applicable. When requested by the investor, an Escrow Waiver Agreement (signed by the borrower) may be required in lieu of the escrow statement.

### **6.3.22 CUSTOMER SERVICE**

Huntington's Mortgage Loan Servicing Customer Service Department handles incoming customer inquiries through our toll-free customer service information line (800) 323-4695. This area also processes Verifications of Mortgage (VOM), partial releases of lien, written customer requests, etc.

### **6.3.23 REQUESTING PAYOFFS**

Payoff Statements can be issued using our automated service by calling 614-480-6750. To request a payoff via facsimile, the closing agent must fax a request to the Payoff Department at (614) 480-6009 following the steps below. Payoff requests must be in writing and signed by the borrower or his/her authorized representative. The payoff request must include the following information:

- ◆ Borrower's name;
- ◆ Borrower's Huntington loan number;
- ◆ Payoff date (the anticipated payoff date or the date through which the payoff is to be calculated); and
- ◆ Requesting party's name, address, and phone number.

In most cases, payoff requests will be processed within twenty-four hours; however, due to increased volume for these requests during certain times of the month, the turn-around time could run forty-eight to seventy-two hours.

### **6.3.24 PAYMENT PROCESSING**

The Payment Processing area posts all payments on the day that they are received by Huntington. Payments received by the Broker/closing agent after the transfer of a loan to Huntington should be forwarded to Huntington immediately for processing. Please remember to always include Huntington's loan number on the check so that the borrower's payment can be posted correctly.

Funds forwarded to Huntington for monthly payments should not be included with other funds issued to Huntington for premiums, fees, escrow deposits, etc. Monthly mortgage payments should be sent under separate cover to:

The Huntington National Bank  
EA2W42, Payment Processing  
P.O. Box 182661  
Columbus, OH 43218-2661

Huntington will not accept partial payments. Payments received that are insufficient to post toward a full monthly payment will be returned to the customer.

Borrowers may elect to establish an automatic withdrawal after payment of the first mortgage payment. The initial coupon book mailed to the borrowers contains an application form insert disclosing the automatic withdrawal option. Upon receipt, the borrowers should review the coupons for accuracy of the payment data and clear any discrepancies prior to initiating the automatic withdrawal. The borrowers may exercise the option of automatic withdrawal by returning the application form and voided check.

#### **6.4 FUNDING**

Under this method of funding, Huntington wires the closing funds directly to the closing agent. Funds will be available on the day of disbursement. The account into which funds are wired must be specific to real estate loan transactions only. **Huntington will not wire funds to operating accounts.** Failure to provide proper wiring instructions may result in a delay in the funding process. Huntington cannot be held responsible for delays in wires moving through the Federal Reserve System. Loan specific Insured Closing Letters are **REQUIRED** for all loans.

Due to recent increases in Wire Fraud, Huntington has implemented a check to ensure all wiring instructions are accurate prior to funding the loan. Title companies are asked to be responsive to this verification. Huntington will only accept wiring instructions that are submitted through the Doc Velocity thread and will always verify. We will not accept any emailed or faxed wiring instructions.

Any changes requested by client or title company to the wire instructions, prior to funding, will be valudated by Huntington prior to making said change.

##### **6.4.1 Net Funding Calculation**

All loan closings will be net funded and loan proceeds will be wired to the title company on the day of the loan disbursement. Huntington can not wire funds prior to the date of disbursement. The broker compensation will be paid at the time of disbursement and included in the wire amount. Huntington's required fees (Tax Service, Insurance Service, Flood Cert and Assignment/MERS, ) and any applicable Discount Points due to Huntington will be deducted. In addition, escrow deposits, interim interest, cures, Up Front Mortgage Insurance (UFMIP), will be deducted from the loan proceeds.