



# A word from Ridgewood

**January 2, 2014**

We look forward to a successful business relationship with you in 2014 and we wish you and your family happiness and good health for the new year.

There are a few reminders that we want to bring to your attention, too.

All applications/registrations received as of January 1, 2014 will automatically receive a 70-day rate lock.

November 25th we sent the following but we want to remind you of the changes being made within our industry due to Dodd-Frank and we want you to know how these changes will affect you and our business relationship.

Commencing January 1, 2014 on all new applications/registrations received the following will hold true –

- o DTI Ratios cannot exceed 43.00%; there will be no exceptions granted.
- o Commitment Letters will not be issued conditioning for receipt of an appraisal report on any loans.
- o Copies of all appraisal reports will be sent to the borrowers within 3 days of receiving the Ridgewood Appraisal Department Review. If any changes or corrections are needed, such will be provided within the same time frame.
- o A Commitment Letter cannot be issued to the borrowers until 6 business days have passed after sending the appraisal report to the borrower unless the borrower has consented to waive their right to receive a copy of the appraisal report within the mandated timeframe by completing and returning the new Appraisal Disclosure Form which will be issued by Ridgewood with the Initial TIL & GFE Documents.
- o Ridgewood will issue a Notice of Homeownership Counseling Organizations with the Initial TIL & GFE Documents.
- o Any property which pays water and sewer charges to a municipality will need to have the monthly charges included in the housing/debt ratios. If a copy of a recent water bill is not supplied with the application package Ridgewood will condition for a copy of a water bill to be provided regardless if the loan purpose is for a purchase or refinance.
- o Pre-payment penalties will be eliminated on all loans.
- o The Bank's Pre-Application Disclosure is being updated and will be provided in a future notice and will be available on the Bank's website.

Lastly, we also want to remind you of the information that was sent on October 30th –

**The 10/1ARM and the 7/1ARM beginning November 18, 2013 will have the borrowers qualified at the greater of the fully indexed rate or current Ridgewood rate.**

Borrowers should supply a copy of their photo identification at the time of closing and not with the registration or application package – except when such identification is needed sooner to satisfy FNMA requirements on verifying that a non-US citizen is legally present in the United States.

Working together the transition will go smoothly, but should you have any questions please do not hesitate to call.

Respectfully,

*Art Saitta*

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