

Subject: Mortgage Disclosures Improvement Act (MDIA) - REMINDER
Date: July 27, 2009

MORTGAGE DISCLOSURES IMPROVEMENT ACT (MDIA)

Compliance changes will take place when the Mortgage Disclosures Improvement Act (MDIA) becomes effective on July 30, 2009.

NEW COMPLIANCE REQUIREMENTS

The following compliance requirements regarding how and when the TIL must be disclosed will become effective for all loans with an application taken on or after July 30, 2009:

- TILA disclosures now apply to any closed-end extension of credit secured by the dwelling of a consumer. This now includes non-principal dwellings.
- There must be a seven-business-day waiting period between the date the initial TIL disclosure is provided to the consumer and the closing / signing date of the loan.
- There must be a three-business-day waiting period between the date a final / redisclosed TIL is received by the consumer and the closing / signing date of the loan.
- No fees, other than a *bona fide* credit report fee, can be charged prior to the initial TIL disclosure being received by the consumer.
- Both final / redisclosed and initial TIL disclosures shall contain the following statement.

“You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.”

DISCLOSURE COMPLIANCE SCREEN

To accommodate these changes, our system will be replacing the “*Acknowledgement of Disclosures*” page with a “*Disclosure Compliance*” page on all transactions. Below are some additional highlights of our system changes:

- Generating and validating an Initial/Rediscovered/Final TIL from our system.
- Brokers and correspondents closing in the name of Flagstar will be required to generate the initial TIL/rediscovered/final TIL from our system.
- You will have the ability to accept the Acknowledgment of Disclosure upon completion of the above