

New Jersey Housing Mortgage Finance Agency New Truth In Lending Form Frequently Asked Questions (FAQ)

1. WHY IS NJHMFA MAKING THIS CHANGE?

Over the past year, NJHMFA has received consistent feedback from many of our lenders that the TIL approach is simpler than the 2nd LE/CD, as many systems don't easily allow for the 2nd LE and CD to be properly populated. The intent here is to make it simpler across the board.

2. IS IT OPTIONAL TO USE THE NEW TIL?

NJHMFA does need to remain consistent in our disclosure allowances, so we will need all Participating Lenders to implement this new process. The TIL will only be used for the DPA.

3. WHEN DOES THE NEW TIL PROCESS START?

The new TIL can be utilized immediately for any new loan reservations. All participating lenders will be required to use the form effective June 1, 2019. For loans reserved on or after 6/1/19, the DPA will now require an initial and Final TIL instead of the second LE and CD. The first mortgage will continue to be disclosed via LE and CD.

4. WHAT IF SYSTEM CONSTRAINTS PROHIBIT US FROM IMPLEMENTING THIS NEW PROCESS BY THE DEADLINE?

If your current system will limit your ability to begin this new process by 6/1/19; please send an email to SFLenders@njhmfa.gov to request an extension and provide a timeline as to when you will be ready to adopt the new process.

5. WHO CAN SIGN IN THE LENDER SIGNATURE FIELD?

For the lender signature field the loan officer or sales manager can sign this form. The other option is whomever your compliance department deems appropriate.

6. IS AN INK SIGNATURE REQUIRED FOR THE BORROWER AND LENDER?

The borrower(s) signature can be ink signature or it can be signed via DocuSign or Dot Loop. The lender signature can be print signature via your loan system.

7. IS A SEPARATE 1003 REQUIRED WITH THIS NEW PROCESS?

A separate 1003 will not be required for this new process. The TIL replaces the LE for the NJHMFA DPA second mortgage. **You will complete the TIL in lieu of the LE.** The 1003 is not affected by this change. Please continue to submit the 1003 as you always have. You will need to disclose the TIL with both the LE and CD.

8. DOES AN NMLS NUMBER NEED TO GO ON THE NEW TIL?

An NMLS Number does not go on the TIL as the TIL is an internal form for NJHMFA. In addition, the DPA is originated in the name of NJHMFA so an NMLS number is not required.

9. WHEN DOES THE INITIAL AND FINAL TIL NEED TO BE SIGNED?

The Initial TIL must be signed and executed following TRID Guidelines. The Final TIL must be signed by 3 business days prior to closing when the final CD is issued.

10. IF THERE IS A CHANGE OF CIRCUMSTANCE FOR THE 1ST MORTGAGE, DO I NEED TO REISSUE A NEW TIL FOR THE 2ND?

If a change of circumstance is required please send an email to SFLenders@njhmfa.gov to process this request. Generally, if any of the terms on the TIL are changing; a new TIL must be issued.

