



**Alert 24-23 | November 14, 2024**

## **Correspondent Launches in the State of New York**

Effective October 29, 2024, PHH Mortgage Corporation dba Liberty Reverse Mortgage (Liberty) will begin accepting Correspondent HECM reverse mortgage loans for properties in the State of New York. (Wholesale launch coming soon!)

### **NY Program Approval**

Clients will be required to obtain NY Program Approval from the Broker Approval Team prior to taking/generating a loan application in PORTAL. Please reach out to your Account Manager and/or [Brokerapproval@libertyreverse.com](mailto:Brokerapproval@libertyreverse.com) to get started with NY Program Approval.

Clients who utilize a non-Liberty loan origination system will require Compliance review and approval of their NY loan document packages except for Bay Docs, QuantumReverse, and Reverse Vision, which have been reviewed and approved by Liberty Compliance.

### **Acceptable Methods of Taking Loan Applications**

Telephone applications are prohibited. Loan applications must be taken face to face or via video conferencing, mail or online.

### **Counseling**

Counseling waiver is prohibited. A HECM counseling certificate is required at loan submission, and the date of counseling must be no more than 6 months prior to the date of the signing of the commitment.

### **Life Expectancy Set Asides (LESA)**

Liberty will not accept, close, or purchase any loans with a LESA.

## Loan Disclosures Matrix

The disclosures will be required to be completed in their entirety, fully executed, and meet NY timing requirements for loan acceptance. A copy of the NY Disclosure Matrix is available on the [Client website](#). The disclosures have been added and/or updated in PORTAL, Quantum Reverse, and Reverse Vision.

### **(3) Business Day Cooling Off Period and Commitment Letter:**

There is a (3) Business Day Cooling Off Period after the submission of the loan application and prior to closing after the acceptance of a commitment letter to the borrower(s). The cooling off period is determined by comparing that the FHA Case Assignment and/or Effective Date of the Appraisal are beyond 3 business days of the application date. If the cooling off period hasn't been met, then the loan will be considered "Non-Compliant." There is a (3) Business Day Cooling Off Period after the commitment letter execution date by borrower(s) and prior to loan closing.

### **Appraisal Fee Cap**

Regardless of a second appraisal requirement, the Borrower can only be charged for one appraisal. For example, if there are (2) appraisals required then (1) appraisal fee must be credited so that only (1) appraisal fee is charged to the Borrower.

### **Representation of Attorney at Closing**

Both the Lender and Borrower must be represented by an attorney, under separate representation, at the time of closing on the reverse mortgage. The Borrower must select their own attorney for representation. Liberty will utilize PC Law Associates when scheduling Lender attorney representation at closing.

***NY 79: Both the authorized lender and the mortgagor shall be represented by an attorney or attorneys at the time of closing on the reverse mortgage, and each such party shall have at least one attorney present to conduct the closing.***

### **Attorney Representation, Selection, & Fees**

- Attorney representation must be provided in-person. Attorney representation is not allowed by telephone and/or video conference.
- Liberty's attorney and the Borrower's attorney must provide separate representation. Dual coverage provided by one attorney is not allowed.
- Liberty cannot steer or refer any borrower to a specific attorney for representation. If the borrower needs assistance locating an attorney for their representation, the following legal aid services may be of assistance to locate legal counsel.
- Legal Aid Society of New York

Website Address: [www.legalaidnyc.org](http://www.legalaidnyc.org)

Phone Number: (212) 577-3300

- Legal Services of NYC

Website Address: <https://www.legalservicesnyc.org/>

Phone Number: (917) 661-4500

- New York State Bar Association

Website Address: [www.findalawyernys.org](http://www.findalawyernys.org)

Toll-Free Phone Number: (866) 342-3661

- New York State Unified Court System

Website Address: <https://iapps.courts.state.ny.us/attorneyservices/>

Phone Number: (212) 428-2800

- The Attorney Selection Form will provide contact information for Legal Aid representation in the event a borrower needs help in obtaining legal counsel/representation for the reverse mortgage at the time of closing.
- Liberty and/or its Clients, cannot pay for, or credit attorney fees, charged to the Borrower for attorney representation at the time of closing. The borrower may choose to pay for these attorney fees through his or her loan proceeds.

### **Closing Requirements**

- Liberty will need at least 48 hours from the scheduled signing date/time to coordinate the attorney representation for closing.
- Liberty will not close any loans in which the Borrower has not chosen an attorney for representation at the time of closing.
- The Doc Draw Request (DDR) must be submitted identifying the Borrower's selected Attorney, prior to closing.

*The information provided in this communication is for real estate professionals only. This information is not intended for distribution to consumers, as defined by §226.2 of Regulation Z, which implements the Truth-In-Lending Act. Information is subject to change without notice. It is your responsibility to ensure your clients and or applicants understand the loan programs offered and consult appropriate government agencies for legal and compliance guidance. Affiliate partners and broker correspondents*

*are independent entities and do not form legal partnership or agency relationships with Liberty Reverse Mortgage.*