



***The SharperLending™
MLR – The Key to a Loan
in One Day!***

AT A GLANCE

- Mortgage Loan Report (MLR) identifies mortgage secured liens as currently reported on the borrower's credit report.
- MLR is a 30-second report vs. the traditional 3-4 day waiting period.
- MLR includes a place for borrowers to add any other lien holders not listed in the report.

Mortgage Loan Report (MLR)

• Frequently Asked Questions

What types of loans are appropriate for the Mortgage Loan Report (MLR)?

Home equity, seconds, refinance, and home improvement loans. This report should be used for Residential property only and the property must be a primary residence or second home. Also it should be a single family dwelling (1-4 units).

What loan amounts can the MLR be used for?

- \$500,000 maximum on Home Equity, Seconds and Home Improvement loans.
- \$1,000,000 maximum on Refinance loans.

What loan to value ratios are acceptable?

Not to exceed 95%.

What borrower credit scores are acceptable if used for underwriting?

Minimum of 620 credit score.

Is there a time-frame in which the loan must close?

Yes. The loan must close within 30 days of the report date. If the loan fails to close within 30 days, lender should contact the service provider requesting a credit for the product. The service provider will charge a \$5.00 administrative fee for cancellation of the MLR Home Equity product and a \$15.00 fee for a refinance MLR.

If the borrower desires to close the loan after 30 days from the original MLR date, the lender should report as a failed loan, and order another MLR.

• Frequently Asked Questions continued

Does the home equity loan have to be a second position loan?

No. The MLR simply gives the lender a view of existing secured loans, and the lender must recognize those loans.

What documents must be kept in the loan file?

A copy of the MLR with an executed Borrower Lien Affidavit.

Is a property foreclosure required for the third party (user of the MLR) to suffer a loss?

Not always. Once a claim has been filed with the E & O insurer, they will review the claim and make a decision on the best course of action. The insurer recognizes that sometimes foreclosure will not be the most cost efficient way to settle the claim.

What if there is a first mortgage reported by the borrower that is not on the MLR?

The MLR is a 2-part report. If the borrower reports an existing lien on the borrower lien affidavit portion of the report that is not on the generated portion of the report, lender must recognize the lien.

What if a loan is reported on the MLR that the borrower says is not the subject property?

Lender should request to see a copy of the deed in question, or contact the creditor to confirm collateral on the loan. If the borrower statement was correct, lender should make a note on the MLR that is kept in the loan file.

What if a HELOC loan is listed on the report with a zero balance and borrower indicates that it should have been released?

Lender must send a letter to the creditor to close the account and keep a copy of the letter in the loan file.

How do we obtain legal description and vesting information if the borrower cannot provide a copy of the deed?

Lender may order this product called a “legal and vesting report” and it typically is available for around \$50.00 from a service provider.

If the lender suffers a loss due to an error or omission on the report, are legal fees considered part of the loss?

Yes.

