

- **UPDATED** Correspondent FAQs Related to Covid-19



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Bayview Loans/Lakeview Loan Servicing is committed to providing our lending partners best in class customer service during this uncertain time. We have activated our business continuity plan and will continue to operate on a regular schedule and adapt to evolving situations. In an effort to address any questions you may have, we have developed a list of FAQs.

This document will be updated as needed with new information shown in **red** at the beginning of this document.

Does the new minimum government FICO scores apply to the HFA business as well?

*No, the change to the minimum FICO score requiring a minimum FICO of 660 for all locks and bids on or after March 30, 2020 does **NOT APPLY** to the HFA products or programs.*

Are there new procedures that must be followed prior to purchase as a result of COVID-19?

Yes, effectively immediately, Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance, or any loan that is in an "active" forbearance status prior to purchase by Lakeview Loan Servicing. To satisfy this new requirement, lenders must sign and provide an attestation that the loan is not in an "active" forbearance and that no forbearance requests have been received from the borrower(s).

When should we send the forbearance attestation?

The forbearance attestation should be sent after the Lakeview review has been completed and all suspense conditions are cleared. It should not be sent in with the initial submission.

Can we provide the forbearance attestation on a bulk basis?

No, the forbearance attestation must be completed specific to each loan transaction.

Is there a sample forbearance attestation that we can utilize as a template?

Yes, a sample forbearance attestation is posted in the MRN/Evolve Reference Library. The document is titled "Sample Forbearance Attestation". This is a template only; the actual attestation must be placed on official lender letterhead, completed, and signed for each individual loan transaction.

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Who should sign the forbearance attestation?

Either senior leaders (vice president, directors, etc.), department managers, servicing managers, or someone of leadership or management level within the organization needs to sign the forbearance attestation.

Can the forbearance attestation be electronically signed?

Yes, electronic signatures are permitted on the forbearance attestation.

Is Lakeview aligning with the Fannie Mae and Freddie Mac Updates?

Yes, effective March 23, 2020, Lakeview is aligning with the flexibilities outlined in Fannie Mae Lender Letter (LL-2020-03) and Freddie Mac Bulletin 2020-05 except as indicated below.

VVOEs: In those cases where a traditional VVOE is unable to be completed, Lakeview will only accept an email as an alternative VVOE. When an email is used as a VVOE alternative for a salaried, hourly or commissioned income borrower, it must:

- *be from the borrower's direct supervisor/manager or the employer's HR department; and*
- *be from the employer's email address, such as name@company.com; and*
- *contain all the standard information required on a verbal verification of employment, including the name, title, and phone number of the person providing the verification*

Paystubs and bank statements will not be eligible alternatives to VVOEs.

For all conventional loans, exclusive of Texas 50(a)(6) loans, Lakeview is also aligning with Fannie Mae and Freddie Mac appraisal flexibilities, as noted in [the Lakeview Announcement C2020-07](#), published March 26, 2020. The appraisal flexibilities will remain in effect for loan applications on or before May 17, 2020. Borrowers should be made aware that refusing to allow an appraiser in may delay the loan process.

What is the updated Verbal Verification of Employment (VVOE) Requirement?

Effective with all loans closed on or after March 30, 2020, Lakeview will require all VVOEs to be completed within three (3) business days of the note date for all salaried, hourly and commissioned income borrowers. For self-employed borrowers, the verification of self-employment must be completed within fifteen (15) calendar days of the note date. Fannie Mae loans with Day 1 Certainty for employment will not require a VVOE within 3 business days.

In light of the IRS temporarily suspending acceptance of new IVES work at this time, will there be changes to the tax transcript requirements?

Lakeview is providing the below guidance and temporary suspension of select tax transcript requirements:

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For Fannie Mae, Freddie Mac, FHA and VA loan programs, the requirement for tax transcripts as outlined in individual product matrices will be temporarily suspended. Transcripts are required for the USDA program however lenders unable to obtain transcripts from the IRS are responsible for complying with all USDA requirements to support the omission. An announcement will be released when the transcript requirement is re-instated. A signed 4506-T is required for all borrowers in accordance with current Lakeview guidelines.

As a reminder, lenders are responsible for data and documentation integrity ensuring that all borrower income is accurately represented, documented and that loans are fully qualified in accordance with Lakeview and investor guidelines. As borrowers are being impacted by temporary shutdowns, reduction in income and layoffs, loans should be given additional scrutiny to ensure income continuity at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing.

Is Gap Insurance permitted due to the closing of County Courthouses?

Yes, Gap endorsement title insurance is permitted in accordance with all agency and investor guidelines as long as it insures the first lien up to and including the date of recording. As always, federal, state and local laws must be adhered to as well.

Are there special loss mitigation program options available for borrowers who are impacted by Covid-19?

Lakeview and its subservicer, LoanCare, are very aware of the potential negative impact to our borrowers. We are working together to implement the following actions to address the effects of Covid-19:

- *Systematically track affected customers;*
- *Establish an experienced and dedicated response team to assist impacted customers, by providing available assistance options and next steps;*
- *Maintain close communication with applicable agencies with respect to possible special loss mitigation programs and relief efforts related to the pandemic;*
- *Prepare outreach efforts, if and when new options become available from the agencies;*
- *Update our VRU to include content related to COVID-19 and allow for routing to our dedicated response teams;*
- *Enhance our website to include a customer facing button linking to resources and steps to seek assistance and a dynamic FAQ page; and*
- *Develop additional daily reporting on impacted portfolios with related statuses.*

Bayview Loan Servicing has also implemented the following actions to address the effects of COVID-19:

- *Disaster procedures have been enacted.*

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- *As borrowers report that they are impacted by COVID-19 and need assistance with their payments, their loans will be coded as impacted. This will provide them with:*
 - *late charge protection*
 - *credit reporting protection*
 - *potential forbearance/payment options (based on investor guidelines).*

What are the requirements for VVOE in light of possible employer closures?

Continue to follow all guidance on the applicable Lakeview product matrix including adhering to the specific investor guidelines (i.e. Fannie Mae, Freddie Mac, FHA, VA, or USDA).

Can an exterior only Limited Appraisal (Form 2055) be utilized in lieu of a full appraisal?

No. Please continue to follow all applicable program and investor guidelines including AUS findings, as well as all federal, state, and local laws.

Will Lakeview/Bayview be adjusting or waiving the tax transcript policy during this period?

No. Please continue to follow all Lakeview program and product guidelines and overlays.

Does Lakeview anticipate delays in purchasing?

At this time, we do not expect any delays in our ability to purchase loans. However, as the situation evolves, we will keep our partners apprised of any changes.

Will Lakeview be adjusting the lock extension policy in anticipation of delays in processing times?

At this time, Lakeview will not be making any changes to current lock/extension policies. We are not anticipating delays in processing times.

As many employees are working remotely, will Lakeview permit eAllonge instead of a wet signature?

No, the agencies (Fannie Mae, Freddie Mac, Ginnie Mae) require that if an Allonge is used, the signature on the Allonge is an original ink signature.

Does Lakeview permit e-notary, virtual notary or electronic notarizations of any kind?

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No, E-notary, virtual notary and/or electronic notarizations are not permitted by Lakeview Loan Servicing at this time. We are working on bringing this to the market as soon as possible.

What are the Lakeview policies for electronically signed documents?

*Lakeview Loan Servicing, LLC accepts electronically signed closing documents with exceptions as noted below. We will accept hybrid closings, where key documents are printed to paper and wet-signed, while other documents throughout the process are signed electronically. This does not apply to eNotes or eMortgages (see below description). **

Unacceptable e-Signed closing documents are:

- Notes
- Security Instruments and applicable riders
- Documents that require notarization or witnesses
- Transactions utilizing a Power of Attorney

All electronic signatures by the borrower must be in compliance with the E-Sign Act and other applicable federal and state laws. Applicable agency guidelines related to e-closings must also be followed. The loan file must include a properly disclosed and executed E-Sign Disclosure and a Consent Form from each borrower.

** The term "eMortgage" generally refers to the use of electronic processes and signatures in the mortgage production process. More specifically, it refers to electronically-signed closing documents paired with an original electronic promissory note (eNote), signed on an eClosing platform and registered with the MERS eRegistry® upon execution. The term "eMortgage" is often used to indicate an eNote, even though eMortgage is the broader term for the electronic process that includes the eNote and the electronic security instrument.*

In light of multiple county office closures, will Lakeview accept loans that have been e-recorded?

Yes, we do permit final recorded documents to be e-recorded.

Does Lakeview/Bayview expect interruptions in service from either closure or remote access?

At this time, we do not expect any closures and Lakeview is equipped to handle our operation remotely if necessary. We will continue to update this document and issue announcements of any additional modifications as they arise.

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