

# PredProtect® Compliance Suite

## Mortgage Disclosure Improvement Act (MDIA) Test

REGULATORY COMPLIANCE

October 2009

**Easily perform MDIA calculations that automatically determine when new disclosures are required and whether the timing of the disclosures is in compliance.**

PredProtect® compares the APR at application to the most recently disclosed APR, applying a tolerance of one-eighth of one percent. The system then provides an "earliest closing date" calculation to ensure that the timing for initial or re-disclosure follows the new requirements. Users are automatically notified when a loan is out of compliance.

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**MDIA Analysis**

Item	Calculation	Law
Last Disclosed APR:	5.260%	No loan may close before 7 days have elapsed from the date the initial disclosures were issued.
Current APR:	5.226%	
Understated By:	0.034%	
Redislosure Required Now:	No	
Redislosure Date:	9/29/2009	If the APR changes by more than 0.125% from what was initially disclosed, redislosure is required.
Delivery Method:	Mail	
Delivery Days:	3	
Received by Borrower:	10/2/2009	If redislosure is required, a minimum of 3 days from receipt must elapse before this loan can close.
Initial Disclosure Date:	9/17/2009	
Earliest Closing Date:	10/6/2009	
Closing Date:	10/5/2009	

**Test Fail Example:**  
 MDIA failed because the scheduled closing date is before the earliest closing date allowed by law.  
 Redislosure had previously been made due to the APR changing by more than one-eighth of one percent.

#### Key Benefits:

- Redislosure Required and Earliest Closing Date warnings
- Clear and concise results
- Written proof of MDIA compliance that can be placed in the file

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### Enhancement Facts:

- Eliminates the need to manually calculate disclosure timing and “cooling off” period
- Provides accurate, written proof of compliance

### Enhancement Features:

- “3/7/3 Rule” Verification:  
Lenders must wait seven days before closing a loan and an additional period any time the APR changes by more than one-eighth of one percent and redisclosure is required.
- “Redisclosure Required” notification
- Earliest Closing Date calculation

### Enhancement Benefits:

- Provides lenders an easy way to comply with one of the most challenging sets of new requirements this year
- Streamlines processes, reduces cost
- No additional charge for PredProtect clients

### Frequently Asked Questions:

#### Q. What is the MDIA?

A. MDIA is the Mortgage Disclosure Improvement Act of 2008. It is a federal law and is part of the Housing and Economic Recovery Act of 2008 (HERA). MDIA requires, among other things, that lenders wait seven days before closing and re-disclosure of the TIL and time the APR changes by more than one-eighth of one percent.

#### Q. What is the deadline for compliance?

A. All lenders are required to comply with this new law which came into effective 7/31/09.

#### Q. Are there any additional charges for this feature?

A. No. The feature, although optional, is being provided at no additional cost to our clients.

For more information regarding MDIA Test within PredProtect, please contact your Sales Representative or Account Manager today.