

The Matchbox logo features the word "Matchbox" in a bold, dark blue sans-serif font. The letter "o" is highlighted in a bright orange color. The background of the slide is white with a large orange triangle in the top right corner and a dark blue triangle in the bottom right corner. A faint, grayscale city skyline is visible in the background.

# Matchbox

# 19.3 Release Notes

This is not intended as a substitution for Encompass Release Notes as provided by Encompass by Ellie Mae. Parties should use this as a summary of key components and not a replacement for Encompass Release Notes.





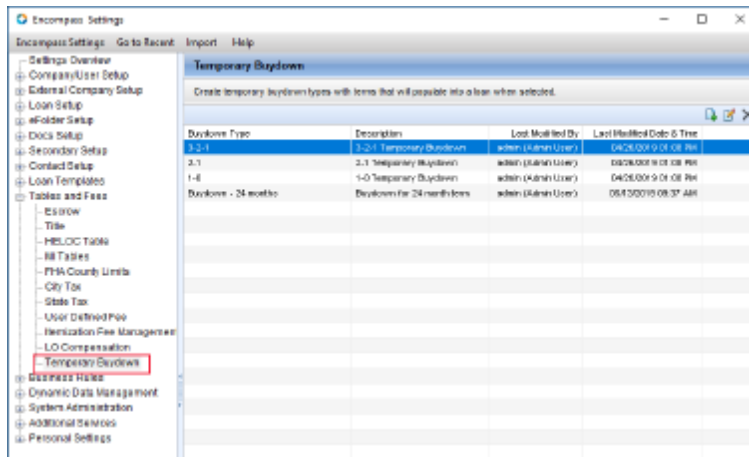




### Temporary Buydown Support Enhancements

## New Temporary Buydown Type Field and Settings Tool

A new Temporary Buydown settings tool is now provided in Encompass Settings that enables administrators and authorized users to create temporary buydown types (that contain specific rate percentages and terms (in months)). Authorized loan team members can then select from a list of these buydown types and apply one to the loan they are working on. The loan team members will select a buydown type from the new Buydown Type field that is now provided in the Buydown Mortgage section of the RegZ-LE and RegZ-CD input forms. The Buydown Type field includes a lookup ability that users can utilize to select a Temporary Buydown type that is created using this setting.

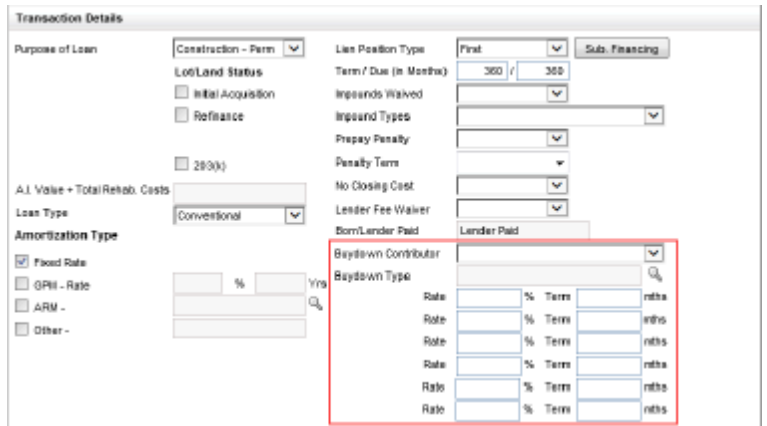


## Added New Temporary Buydown Fields to the Lock Request Form

In earlier versions of Encompass, temporary buydowns were not supported due to a lack of guidance from the Federal Reserve Board. With the Encompass 19.2 release, support for non-borrower temporary buydowns was enabled by default.

*Temporary buydowns are not supported when the borrower is indicated as the buydown mortgage contributor.*

With the Encompass 19.3 release, the ability to indicate the Buydown Contributor, Buydown Type, and Buydown Rate/Terms on a loan for a lock request is now supported.





**Update to Key Pricing Alert**

To capture changes to the buydown information after a loan is locked so that users are alerted of potential pricing impacts, the Key Pricing Alert has been updated to trigger when changes are made to the following fields after a lock or commitment is confirmed:

- **Contributor (field ID CASASRN.X141)**
- **Buydown Type (field ID 4645)**
- **Rate % or Term mths on the RegZ-LE/CD**

**4. Encompass Forms and Tools**

**New Section Added to the Ohio State-Specific Disclosure Information**

A new Pursuant to the Ohio Residential Mortgage Lending Act section has been added to the State-Specific Disclosure Information form for Ohio. The section includes two check boxes (field ID DISCLOSURE.X1208) to indicate whether the loan is solely or partially made under the Ohio Residential Mortgage Lending Act. This information is populated on the new dynamically generated HELOC Agreement form for HELOC loans on subject properties in Ohio. The partial option is selected by default.

 solely  partially under the RMLA in reliance on the provisions of the Ohio Residential Mortgage Lending Act (Ohio Rev. Code 1332.81 to 1332.99)."/>

**Freddie Mac Loan Product Advisor S2S (LPA) Fields Enabled on**

To help ensure Encompass Broker Edition users ordering underwriting from Freddie Mac’s Loan Product Advisor S2S (LPA) system can provide all of the required data, the following updates are now provided in Encompass 19.3:

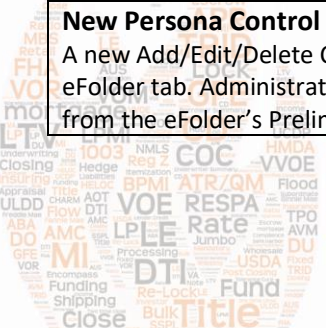
- On the Property Information input form, the Appraisal ID field (field ID ULDD.X31) is now provided
- The Gift Source field (field ID MCAWPUR.X9) is now available as an enabled field on the Freddie.

**Disable Fee Management / Request LE & Disclosures Setting Moved to the Organization Section of the Company Details Basic Info Tab**

In the Encompass 19.1 release, the Disable Fee Management/Request LE & Disclosures setting was added to control whether Encompass TPO Connect users could manage fees or request a Loan Estimate (LE) and initial disclosures. This setting was located under the Channel Type Broker check box in the External Company Setup > Company Details section of the Company Details Basic Info tab, which caused some users to believe it could only be used for Wholesale loans. In this release, the setting has been moved to the Organization section of the Basic Info tab to indicate that it can be used for all loan Channels.

**New Persona Control Options Added For the eFolder’s Preliminary Conditions Tab**

A new Add/Edit/Delete Conditions check box is now provided with the Preliminary Conditions Tab access options on the Personas tool’s eFolder tab. Administrators can select this new check box to enable users assigned with this persona to add, edit, and delete conditions from the eFolder’s Preliminary Conditions tab. If the persona had been granted access to the Preliminary Conditions Tab prior to upgrading





to Encompass 19.3, then the Add/Edit/Delete Conditions option will be selected in Encompass 19.3. (If the Preliminary Conditions Tab option was not selected prior to upgrading to Encompass 19.3, then the Add/Edit/Delete Conditions option will not be selected by default in Encompass 19.3.)

**Added New Fields to the Lock Request Form**

The URLA 2020 introduces new subject property information fields to the application. These new fields have been added to the Lock Request Form to ensure Encompass captures the data needed to complete the new URLA and remain consistent with its new format.

**5. Secondary Information**

**Added New Fields to Secondary Registration**

The new subject property information fields have been added to the Secondary Registration Current Loan Info tab, the Loan Snapshot, the Lock Request Snapshot, as well as the Lock Confirmation to enable Encompass to capture all the subject property information on the Second Registration tabs.

When the URLA 2020 form version is selected, the following fields are displayed on the tabs and Lock Confirmation.

**Added Mapping to and Defined the Behavior of the New Fields on the Lock Request Form, Secondary Registration, and Lock Confirmation**

The following mappings and behavior have been added when the URLA 2020 is selected to ensure the subject property information between the Loan Origination forms and the Lock Confirmation is correct.





### 6. URLA Release and Enhancements

#### Support for URLA

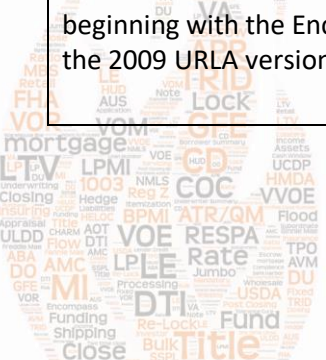
A new redesigned version of the Uniform Residential Loan Application (URLA), also known as the Fannie Mae 1003 or the Freddie Mac Form 65, is replacing the 2009 version of the URLA effective February 1, 2020. The redesigned URLA makes it easier for lenders to collect information required by the Home Mortgage Disclosure Act (HMDA) and to incorporate additional application information identified under the URLA/ULAD initiative. The redesigned URLA temporarily replaces the old FNMA 3.2 flat file data format with a new FNMA 3.4 MISMO XML data format.

**Optional Use Period for the Uniform Residential Loan Application Will Not Begin July 1, 2019**  
At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (the government-sponsored enterprises, or GSEs) are communicating that the optional use period for the redesigned Uniform Residential Loan Application (URLA) form and corresponding datasets will not begin on July 1, 2019 as previously scheduled.  
The effective date of the form will be revised and an updated version will be provided at a later date.  
Over the coming weeks, FHFA will engage with appropriate stakeholders and agencies to finalize issuance of an updated URLA form, corresponding datasets and a new implementation timeline.  
The GSEs appreciate the industry's work and feedback on the URLA project. We will continue to support our customer test environment and work with the lenders and technology software partners as a new timeline is determined.

The new URLA output form is dynamically generated based on the loan scenario and borrower financial situation. The length of the printed or electronically disclosed URLA output form can vary based on the number of borrowers, and the number of individual assets, liabilities, and income sources each borrower declares on their application. Information that does not apply to a borrower's situation can be excluded from the output form and additional entries for assets and liabilities can be added.

The dynamically generated content on the output form no longer has a one-to-one relationship with the 1003 URLA input forms. For example, with the URLA 2009 version of the form the 1003 Page 1 input form always printed on page 1 of the output form. With the URLA 2020 version of the input forms, the content entered on each of the input forms can spread across multiple pages of the output form depending on how much information has been entered. Some sections on the form are expandable to include as many as 99 distinct records for entries such as assets, liabilities, or employment records. Other sections can be excluded from the output form when the information does not contain relevant information for a borrower or co-borrower through

To accommodate the changes required by the redesigned URLA output form, the following six input forms are available to use beginning with the Encompass 19.3 release. Encompass will continue to support both the URLA 2020 version of the forms and the 2009 URLA versions used in previous Encompass versions.







The following list provides a high-level summary of features available in Encompass to support the new URLA.

- **New and retired fields** – New fields have been added to capture additional information. Fields from the existing input forms that are no longer required do not display on the new input forms. In some cases, these fields (most notably several of the totals fields) have been migrated to the Underwriter Summary tool for the underwriter’s reference.
- **Ability to exclude data from the output form** – Sections of the new URLA input forms can be excluded from the output form when information does not apply to a borrower or co-borrower. This is controlled through section-level and borrower-level Does not Apply check boxes.
- **Borrower information vs additional borrower information** – A print option now controls whether details about shared assets and liabilities are included on the output form for both the borrower and co-borrower, or only for the borrower. In both cases, the co-borrower will receive their own copy of the URLA, but the format of the Additional Borrower form will refer to the Borrower Information of the Primary borrower if this format is selected.
- **Loan Identifier Used on Output Form** – Lender can configure the URLA output form to use the Loan Number, a Universal Loan Identifier (or a Non-Universal Loan Identifier for loans Partially Exempt from HMDA reporting), or both.
- **Alternate Names** – A new pop-up window captures alternate names for each borrower for the vesting documents.
- **Marital Status** – A new Marital Status section captures detailed information about each borrower’s marital status. When a borrower is unmarried but in domestic relationships that may involve joint property rights, an Unmarried Addendum is included when the output form is generated.
- **Military Service** – Detailed information about military service, including active duty and expiration dates can now be captured for each borrower on all loan applications. This information is no longer limited only to VA loans only.
- **Language Preference** – Lenders can now indicate the language in which each borrower prefers to do business. Each borrower can provide their preferred language for doing business, however, this does not represent a guarantee that the lender will be able to honor their preferred language request.
- **Current Employment Income** – All borrower employment income is now captured via Verification of Employment entries. Check boxes now enable disclosure of a borrower relationship to parties within the transaction or an ownership share in a business if they are self-employed or a business owner.
- **Military Entitlements** – A pop-up window now captures detailed military pay statements for current employment records. Military base pay and other allowances are mapped appropriately to the Base and Other fields in the Verification of Employment record.
- **Loan Imports and Exports** – Encompass supports the creation of a new loan file by importing a Fannie Mae (FNMA) formatted MISMO 3.4 XML file. Encompass continues to support the creation of new loans by importing a FNMA 3.2 flat file. Encompass supports the export of loan files into either a FNMA 3.4 XML file or a FNMA 3.2 flat file. Encompass continues to support legacy exports used by partner integrations including MISMO 2.3.1 and 2.6 schemas.
- **property Address** – New fields have been added to capture Street Address, Unit Type, and Unit Number per ULAD data guidelines. for Subject Property, Current, Prior, Mailing, Employer and Loan Originator addresses.



- **Occupancy/Property Use** – Encompass continues to identify the property use type as either Primary, Second, or Investment. A new field determines the value to render on the new URLA output form. Support has been added to indicate that the occupancy for a transaction is FHA Secondary Residence.
- **Other Property Information** – New fields have been added to record whether the subject property is going to be used as a mixed-use property or if the subject property is a manufactured home.
- **Rental income on Property Being Purchased** – New fields have been added to store gross and net rental income the borrower intends to collect upon purchasing the subject property.
- **Declarations** – New explanation fields have been added to enable users to enter additional information for any declaration answered in the affirmative. Users can determine which explanations display on the new URLA continuation input form.
- **Demographic Information** – Encompass continues to support existing fields that were introduced to support HMDA data collection requirements in January 2018.
- **Continuation Sheet** – Encompass leverages a new continuation input form to display state-specific language, program specific language (e.g. balloon loans) or other information the originator may collect for purposes of including in the output form.
- **Title Information** – New fields have been added to store the names in which Title either will be held or is currently held. A combination of new and existing fields is used to store Estate Info, Manner in which Title will be held, Trust Information, and Indian Country Land Tenure.
- **Mortgage Loan information** – A combination of new and existing fields are used to store Mortgage Loan Information includes the type of mortgage, loan terms, loan features and proposed payments.
- **Qualifying the Borrower** – A combination of new and existing fields are used to store the costs and credits to determine cash to/from borrower at close.
- **Homeownership Education and Housing Counseling Information** – New fields have been added to store information about homeownership education and housing counseling that the consumer may have received.

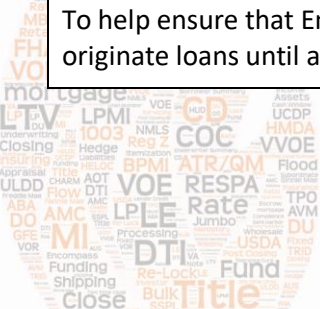
*\*Please Note: The values of fields 105 and 114 remain in the loan file but are not included in total income calculations directly in URLA 2020. The value is added to Other income and included in total income and DTI Calculations*

#### **Option to Print 1003 Forms From the Pipeline Tab Has Been Removed**

When viewing the Pipeline tab, authorized users can click the Print icon provided there to then locate and print the forms of their choice for all loans that are selected in the Pipeline. In Encompass 19.3, the Print window that displays when a user clicks the Print icon from the Pipeline does not list any of the old 1003 forms, nor any of the new 2020 URLA (1003/65) – All Pages, 2020 URLA (1003/65) – All Pages (Legal), etc. (i.e., new URLA) forms. This change will prevent users from attempting to print old and new URLA forms from the Pipeline. This has been implemented to ensure that users do not run into any issues with printing old URLA forms for loans that are using the new URLA forms and vice versa.

#### **"Under Review" Watermark Added to All New URLA Printed Output**

To help ensure that Encompass users are aware that the new URLA printed output forms are not permitted to be used to originate loans until an optional use date is announced by Fannie Mae and Freddie Mac (or until February 1, 2020 when the





new URLA forms are required on all new loans), a new UNDER REVIEW watermark is now applied to all new URLA printed output forms.

## 7. Admin Settings:

### Accessing the New URLA Input Forms in Encompass

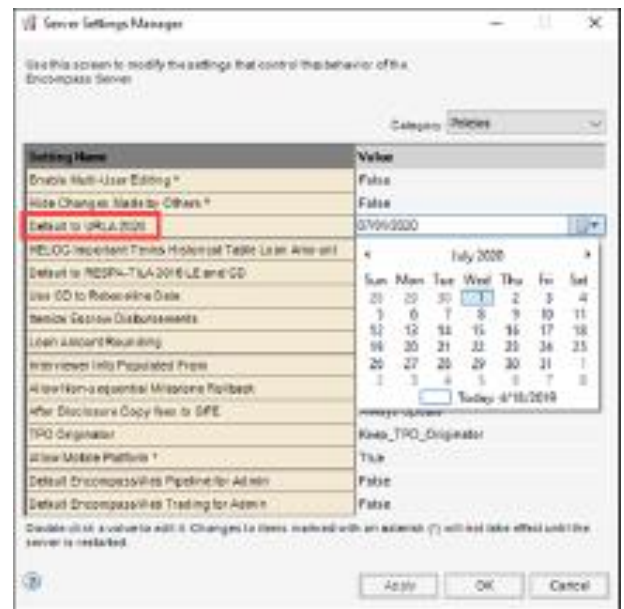
Encompass administrators can configure the personas who have access to the toggle option by selecting or clearing a new Change URLA Form Version check box that has been added to the Personas setting. By default, this check box will be cleared for all personas except those who have access to all features.

### Setting the Default Date for Using URLA 2020 on New Loans

When your company has completed the testing period and is ready to implement the new URLA, Encompass administrators can use a new Policies option in the Encompass Admin Tools to configure when the new URLA input forms will be applied to all new loans. By default, the option is configured to use the URLA 2020 forms on all loans created on or after February 1, 2020, but administrators can adjust the date based on your company's policies and practices and guidance from your investors.

To Select the Date When the URLA 2020 Input Forms Are Used by Default:

1. On your Windows task bar, click the Start menu or Start icon, navigate to the Ellie Mae Encompass program folder, and then click Admin Tools.
2. Double-click Settings Manager.
3. If you are prompted to log in to the server, type the User ID, Password, and Server that you use to log in to Encompass as the Admin user.
4. Select Policies from the Category list.
5. Double-click the date in the Value column for the Default to URLA 2020 option.
6. Type the date when you want the URLA 2020 forms to be used by default or click the Calendar icon to select a date.
7. Click Apply and then click OK.



*\*The setting does not affect loans started prior to the setting date, and a lender can still toggle between URLA versions as needed after the mandated implementation date based on company policies, for example with non-agency products.*

