

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: April 5, 2018
TO: All Originating Agents
FROM: Rhonda Ronnow, Director of Loan Operations
SUBJECT: **Tax Service Fee Change**

U.S. Bank sent out a Lender Operations Update on March 30, 2018 notifying all lenders of the change in the tax service fees charged to THDA lenders at the time of purchase. VMLS, THDA's servicing division, will also have a tax service fee change. Effective with loans purchased on April 30, 2018, the tax service fee will be increased to \$80 for all loans serviced by U.S. Bank and increased to \$75 for all loans serviced by VMLS.

THDA does not prohibit lenders from passing the tax service fee on to the consumer. If a lender imposes this fee directly on the consumer, THDA will accept the following methods of disclosing the tax service fee in either Section A or Section B on the Loan Estimate and Closing Disclosure.

Section A Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination charge or itemized separately. THDA acknowledges that lenders have some discretion in labeling and structuring their origination charges. For regulatory instruction, please see official commentary to Regulation Z section 1026.37(f)(1).

Section A fees should not be labeled or disclosed as paid to U.S. Bank or VMLS, but may be labeled as an investor charge, such as Investor Tax Service fee. We will not accept Section A fees disclosed as paid to U.S. Bank or VMLS.

Section B We will accept placement of the fee in Section B of the Loan Estimate and Closing Disclosure paid to a tax service provider of the lender's choice. U.S. Bank Home Mortgage or VMLS does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank or VMLS.

Furthermore, if the amount of an itemized tax service fee paid by the consumer at the time of closing is greater than the amount imposed on the lender by U.S. Bank or VMLS at the time the loan is purchased, a refund may be due to the consumer. Please consult your compliance staff for further advice.

Thank you for your continued participation in THDA's mortgage programs. If you have any questions, please contact SfASK@thda.org or call 615-815-2100.



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