



UNDERWRITING BULLETIN

From: Florida Underwriting Department
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Name: HUD Reminder – All Payments Must be Shown on HUD-1

The most recent edition of HUD's "RESPA Roundup" reminded us of something you already knew quite well – your HUD-1/1A must "conspicuously and clearly itemize all charges imposed" upon the borrower and the seller "in connection with the settlement..."¹

This time the question was raised in the context of short sale lenders objecting to payments being made to release subordinate liens and the all too frequent requests that a title agent "not show" the payment.

Giving in to this request would, of course, be a civil and criminal violation of RESPA, and perhaps even a fraud on the lender. It is only the latest variation on the improper pressure title agents have faced for years to "not show" payments which might violate lender standards and other transaction requirements.

The good news is that HUD has graciously provided us a very clear official statement that can be shared with lenders, Realtors®, and others who may not understand the laws governing our business. The "RESPA Roundup" can be accessed at: http://portal.hud.gov/portal/page/portal/ver-1/HUD/federal_housing_administration/docs/RESPARoundupv2.pdf

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¹ 12 USC § 2603