

### Title Alternative Product for Refinance & Home Equity Loans

The Mortgage Loan Report (MLR) is a credit-based, instantaneous product that lenders can utilize to protect themselves from the additional loss that unknown property liens can cause during foreclosure.

MLRs are not title insurance, but

rather they are an alternative available to lenders when title insurance is not required.



**Equiguard**

MLRs are priced lower than title reports and title insurance. In most cases, MLRs are half the cost.

This savings can be passed along to the borrower - making your lending institution even more competitive.

## Equiguard

### Why use MLR?

- Efficient
- Cost Effective
- Lower Risk

## Q & A on Mortgage Loan Reports

### 1. What loan amounts are acceptable for the MLR?

\$500,000 maximum on home equity and home improvement loans. \$1,000,000 maximum on Refinance loans.

### 2. What loan-to-value ratios are acceptable?

Not to exceed 100% LTV.

### 3. What borrower credit scores are acceptable if used for underwriting?

Minimum of 600 credit score. Only one borrower must meet this requirement, a second bor-

rower can be below the required score as long as the one that meets the score is on the mortgage.

### 4. Is there a specific time frame in which the loan must close?

Yes. The loan must close within 30 days of the MLR report date. If the borrower desires to close the loan after 30 days from the original MLR date, the lender should report a failed loan and order another MLR.

### 5. Does the home equity loan have to be a second position loan?

No. The MLR simply gives the lender a view of existing secured loans and the lender must recognize those loans.

### 6. Is a property foreclosure required for the third party (user of the MLR) to suffer a loss?

Not always. Once a claim has been filed with the E & O insurer, they will review the claim and make a decision on the best course of action. The insurer recognizes that sometimes foreclosure will not be the most cost efficient way to settle the claim.

*Continued on Page 2*



### Mortgage Loan Reports

Lower closing costs for the borrower and secure your loans quicker with the Mortgage Loan Report from Equiguard. The MLR is available on the OnePointCity multi-product platform.

[www.onepointcity.com](http://www.onepointcity.com)

1-866-764-6855

[info@OnePointCity.com](mailto:info@OnePointCity.com)



## **MLRs: Reliable, Quicker & Less Cost**

A MLR is a great alternative to Full Title Insurance. Although the title is not insured, there is an E&O policy that backs the MLR in the event of a loss due to undisclosed liens in the judgments, etc.

### ***MLR benefits include:***

- **MLR report is delivered in seconds for quick underwriting decision**
- **Gap coverage between report date and recordation**
- **Protection from fraud**
- **Life of Loan transferable**
- **Simple claims process**
- **Claim settlement within 30 days**
- **Available in all 50 states**
- **Equity loans can be in any position including first**
- **Foreclosure not required**

*Q&A Continued from Page 1*

### ***7. What documents must be kept in the loan file?***

A copy of the MLR with an executed Borrower Lien Affidavit and a credit report.

### ***8. If the lender suffers a loss due to an error or omission on the report are legal fees considered part of the loss?***

Yes.

### ***9. Can the MLR be used for a mobile home?***

Only if the borrower owns the land AND the home is permanently fixed. If either of these conditions is not met, the MLR can not be used.

### ***10. If the loan is secured by more than one property, can I use one MLR?***

There must be separate MLRs, one for each property address.

### ***11. If one of the borrowers on the MLR does not meet the credit score requirements do they have to sign the MLR?***

Yes, if their name is on the deed they need to sign. There are states where both spouses are required to sign the deed regardless of whose name the loan is in. In these cases the MLR must be for both and they must both sign it.

### ***12. Does the MLR insurance policy cover the property?***

The policy does not cover property-it provides the MLR provider with an E&O policy. If a lender uses the MLR for a loan closing and that loan defaults with a missing lien on the report, causing the lender to suffer a loss, the claim is filed with the E&O carrier to cover the loss.