Encompass Release Notes

18.4 Major Release

Version 18.4

(Banker Edition)

Last revised on September 13, 2018

Table of Contents

Encompass 18.4 Major Release

Encompass 18.4 Major Release (version 18.4)

These are the release notes for the Encompass 18.4 Major Release. They include a high-level overview of new features, feature and form enhancements, and fixed issues, followed by more detailed information and instructions where appropriate.

Refer to the online help and the Guides & Documents page for additional information and related documents.

What's in this Release

Here are some of the major updates and enhancements included in this release:

- **Enhancements to Support HELOC Loans** - Encompass 18.4 includes the first phase of a larger HELOC product expansion initiative aimed at streamlining the application and underwriting of HELOC loans. In order to support the unique investor requirements for calculating HELOC payments, both initial and qualifying, Encompass now includes a set of configuration options for both, including support to calculate interest-only and amortizing payments on the basis of a selected rate, a fraction of principal balance, or a percentage of principal balance.

- **Underwriting with Subordinate Financing** - To streamline data entry requirements for loans with new and existing financing, Encompass now identifies verification of liability (VOL) records associated with the subject property prior to creating the associated REO Asset record (VOM). Any Mortgage or HELOC liabilities are automatically factored into the related primary and subordinate mortgage totals (field IDs 427, 428, CASASRN.X167, and CASASRN.X168) without requiring additional data entry to synchronize the amounts. Also included in the calculations are any loans linked through the Piggyback Loans tool as well as new fields identifying net new financing (primary, subordinate, or HELOC) from another lender. New, more specific fields are replacing the Additional financing field (field ID 1732) in LTV/CLTV calculations. All this information is now available on a revised Subordinate Financing pop-up window, which serves as a dashboard that provides a comprehensive view of all financing associated with the subject property.

- **Dynamic Data Management (DDM) -** DDM is a scenarios-based rule engine that ensures that the values for any fee or field is automatically populated for various loan scenarios as defined by the Encompass administrator. Automating fee and field data is critical to automating disclosures as it increases productivity and enhances accuracy, thereby reducing the time and the cost to close a loan.

- **TPO Global Lender Contacts** - New setting which supports the generation of a Company Contacts page in Encompass TPO Connect. These contacts will be combined with a Third Party Originator's Sales Rep/AE contacts to build the list displayed on the Company Contacts page.
  - **Lender Contact Tab** - New tab which displays the contacts to be included on the Company Contacts page for Encompass TPO Connect.
  - **TPO Contacts and Sales Reps/AE Tabs** - These tabs have been modified to support the new Lender Key Contacts feature.

Encompass Release Naming and Timing Reminder

As a reminder, Ellie Mae has aligned our software updates with the appropriate tech nomenclature so we can be clear and consistent in our communication. The process in which you receive updates remains the same. To help you understand and prepare for releases and updates, please review the Encompass Product Release Naming Conventions page.

! Certain Service Pack and Critical Patch releases are always applied to your users' computers automatically and cannot be controlled manually via the Encompass Version Manager tool. Typically these are releases that include critical compliance or feature updates, or changes to the Encompass Server that result in a new Encompass version number.

⚠ This Encompass 18.4 Major Release will be applied to your users' computers automatically and cannot be controlled manually via the Encompass Version Manager tool. Users will receive the update upon their initial log in of Encompass following the release.

System Requirements & SDK Upgrade Requirement for Encompass

(i)   **Have you reviewed the latest System Requirements and upgraded the SDK?**

Before downloading or applying this new Encompass release, it is important to verify the latest system requirements for Encompass client machines. Please review the System Requirements for Encompass to ensure your environment meets the requirements needed to operate Encompass successfully.

For a major Encompass release like this one, the Encompass SDK (Encompass Software Development Kit) run time environment must be upgraded to match the newly updated Encompass Server. If you fail to upgrade the SDK your application will not be permitted to connect to the updated Encompass Server. If your SDK application utilizes the Encompass SmartClient, you can automate this process so the SDK is upgraded automatically every time you apply a major Encompass release. If your SDK application is installed on a computer at your location, you must manually upgrade the SDK for every major release. For instructions for automating the upgrade process or manually upgrading the SDK, refer to the Upgrading the Encompass SDK page or view the SDK Programmer's Guide.

Visit the Encompass SDK Install Files page to access the SDK install files for this release.

Install Files and Downloads

For a major Encompass release like this one, your Encompass installation should be upgraded to this latest release. The SDK (Encompass Software Development Kit) run time environment must also be upgraded to match the newly updated Encompass Server. If you fail to upgrade the SDK, your application will not be permitted to connect to the updated Encompass Server. The latest download links to the Encompass SDK will be provided on the Encompass SDK Install Files page closer to the time of the Encompass release.

Below you can access the latest download links to common tools.

Downloads	Links to Downloads
SDK Installation	Visit the Encompass SDK Install Files page for the latest SDK packages.
Encompass eFolder Print Driver	eFolderPrintDriver/2.0.2/EPDInstaller.zip eFolderPrintDriver/2.0.2/EPDInstaller.exe eFolderPrintDriver/2.0.2/EPDInstaller.msi
Encompass Document Converter	EncDocConverterInstaller/DocumentConverter.exe
Encompass EDM Scan Document Uploader Service Installation Utility:	EDMScanDoc/download.htm

New Features & Forms in Version 18.4

❗ Only those items that are "code complete" and have been fully integrated into this Encompass release are listed below. As new items are completed and fully integrated into the release they will be added to this list accordingly. Check back often to review the new items.

Why we made these updates: Dynamic Data Management is being introduced to assist lenders in writing rules that will automate conditional loan data population in loan files.

Introducing Dynamic Data Management (DDM)

Dynamic Data Management (DDM)

Dynamic Data Management (DDM) is a scenarios-based rule engine that ensures that the values for any fee or field is automatically populated for various loan scenarios as defined by the Encompass administrator. Automating fee and field data is critical to automating disclosures as it increases productivity and enhances accuracy, thereby reducing the time and the cost to close a loan.

DDM also offers other productivity gain opportunities – a more efficient way to automate fee data population rather than templates (especially when the number of templates grow) and a simpler way to set field values rather than field triggers. The look-up table option in DDM provides significant opportunities for simplifying advanced code and reducing change management time and overhead.

To access the Dynamic Data Management settings, go to **Encompass** > **Settings** > **Dynamic Data Management**.
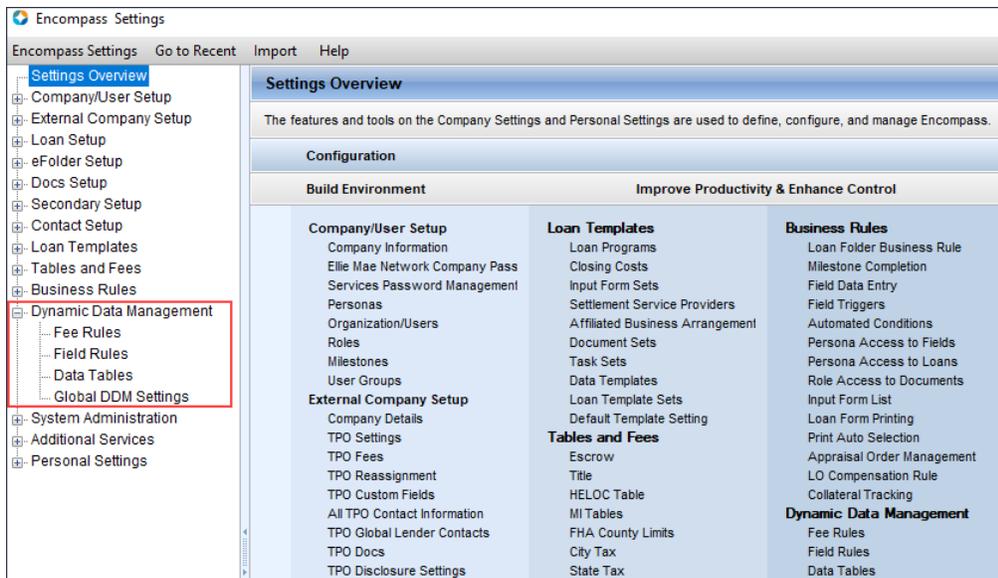
Fee Rules

Use Fee rules to create and manage fee data population to the 2015 Itemization input form. You can create fee rules for itemization lines under Section 800, 900, 1000, 1100, 1200 and 1300 to populate the fields that are not auto-calculated by Encompass. Within each fee rule you can create multiple fee scenario conditions that are unique and define how fee data should be populated when a loan file satisfies a unique fee scenario condition.

Creating a fee rule includes identifying the fee line and associating it with unique fee scenarios. You may create unique fee scenarios with conditions that a loan file must satisfy and accordingly define Value Types for how data needs to be populated for the user-entry fields in 2015 Itemization.

Add Fee Rules

Fee Rule Name * [   ]

Target Fee Line

Auto-populate fee in Line # * [   ]   [Select Fee Line]

Stop Automatically Populating Data

☐ After initial Loan Estimate is sent
☐ When the condition below is met

[🔍]

? Learn More...   [OK]   [Cancel]

Add/Edit Fee Scenario

Fee scenario order is important. The system applies the first fee scenario rule it finds in this list that best matches the data in the loan. Use the arrows to manage the list order.

Scenarios for Line 802b

Order	Fee Scenario Name	Effective Date	Condition	Stop Condition	Channel	Status	Last Modified By	Last Modified Date & Time
1	New Fee Scenario Name		No Condition	No Condition	All Channels	Inactive	admin (Admin User)	07/27/2018 05:19 AM

[Activate]   [Rule Settings]

New Fee Scenario Name Details

Details | Values

Fee Scenario Name
[New Fee Scenario Name]

Channels this fee scenario applies to
☑ No channel selected
☑ Banked – Retail
☑ Banked – Wholesale
☑ Brokered
☑ Correspondent

Conditions for the fee scenario
◉ No - Always apply this rule
○ Yes - Apply this rule only if
[   ] is [   ]

Effective Date for the fee scenario
Effective date: [Please select   ]
Criteria: [Please select   ]
Date: [   ] 📅

Notes/Comments
[   ]

? Learn more...   [Save]   [Close]

Field Rules

Use the Field Rules setting to manage auto-population of data for standard Encompass fields. Establishing a field rule is done in the same way that you would create a fee rule. The difference is that, while a fee rule is driven by a fee line from 2015 Itemization, a field rule is driven by a collection of fields that you choose to include. You can choose the fields you want for a field rule by entering the field IDs, or by importing from a Data template or a .csv file having field and field values. Once you add the list of fields for the field rule, you can create field scenarios to define unique conditions and what values needs to be populated to those fields in the loan file when the loan file satisfies one of the field scenarios.

Data Tables

A data table is a user-defined table structure from which you can look-up values for a field. You can define the table structure to include standard Encompass fields, custom fields, and virtual fields you need to validate in order to populate a value for a field in the loan file. Once you define the data table structure by adding the required fields, you can add rows to the table to define the data conditions. For each row you add, you have the ability to define what value should be derived as Output when a loan file satisfies the data row conditions. The derived Output value will then be assigned to the field that is using the respective data table in the Value tab of a fee scenario or field scenario. The data table has 3 Output columns. The value for these columns is determined by the administrator by using the Global DDM Settings tool to associate a field with a column.

Creating a data table includes defining the table structure and adding data rows to the table structure. The table is a set of a dependent fields and an output.

Data Tables

Create and manage data tables for defining values to fee scenario and field scenario rules.

Data Tables List (98)

Name	Description	Type	Last Modified By	Last Modified [
Escrow	Escrow Fees for purchase or refinance loans	System Table		
Title	Title Fees for purchase or refinance loans	System Table		
HELOC Table	Data maintained under the HELOC Table	System Table		
MI Tables	Get MI - Mortgage Insurance Tables	System Table		
City Tax	Calculate City tax on a loan	System Table		
State Tax	Calculate State tax on a loan	System Table		
User Defined Fee	User defined tables to calculate fees on a loan	System Table		

Add Data Table ✕

Name * `Sample User Defined Data Table`

Description `Description of a Sample User Defined Data Table`

Fields (28553)

Fields | Team Members | Milestones | Documents | Tasks ◀ ▶

[Find]

Field ID ▲	Description	Type
2	Trans Details Total Loan Amt (	Numeric
3	Trans Details Interest Rate	Numeric
4	Trans Details Term (Mos)	Numeric
5	Trans Details Mo Pymt (P&I)	Numeric
6	Fees Line 817 Seller	Numeric
8	Insurance PMI	String
9	Trans Details Loan Purpose ot	String
10	Loan Info Constr Loan Existing	Numeric
11	Subject Property Street	String
12	Subject Property City	String
13	Subject Property County	String
14	Subject Property State	String
15	Subject Property Zip	String
16	Subject Property # Units	Numeric
17	Subject Property Legal Desc1	String
18	Subject Property Yr Built	String
19	Trans Details Loan Purpose	String
20	Loan Info Constr Loan Yr Acqui	String
21	Loan Info Constr Loan Original	Numeric

[Add ➡]

[◀ Remove]

Selected Fields (0) ⬆ ⬇

Selected Fields

Field ID ▲	Pair	Description	Type

? Learn more...

[Next] [Cancel]

Global DDM Settings

Global DDM Settings includes default and user-defined settings to trigger the user defined DDM Fee rules and Field rules. Triggering DDM rules would mean the application of active fee rules and field rules to a loan file. When the fee rules and field rules are applied to a loan file, Encompass will consider only the scenarios that are active under each active rule at the time of DDM rule execution.

- By default, DDM rules will apply on a **Loan Save** or **Loan Create** event. User will not be able to modify this option.
- In addition to loan save, you may choose to trigger DDM rules on a **'Field Change'** event, specifically when a user modifies a field. You can use the Add icon in the Fields table to manage your list of impacted fields. Once you add a field, you will have reference to the number of active and inactive scenarios under which this field is being referenced.

! We strongly recommend thinking through what fields you provide here. The higher the number of fields you provide here, the bigger the impact on performance for the user. If the user can wait until the next loan save for the field updates to occur, then there is no need to add those fields here. However, if there are critical fields such as Subject Property State (field ID 14) or Loan Program (1401) that you want updated sooner than the next loan save or other trigger event, then add those fields here.

Global DDM Settings also enable administrators to define a default global condition on when DDM rules should stop auto-populating the data in a loan file. This default stop condition correlates to the advanced code you set up as part of the condition you configured for a fee rule or field rule. You may modify this default condition when you define the rule – the rule will be applied based on the stop condition that exists at the rule level.

Global DDM Settings

Configure when the DDM rules apply on a loan. Set the start condition and the stop condition.

Start applying Dynamic Data Management Rules

☑ **When the loan is created or saved**

☑ **When the user modifies any of the following fields.**

Fields

Field ID	Description	# Scenarios Referenced
4007	Co-Borrower Suffix Name	0

Stop applying Dynamic Data Management Rules

The settings below are default settings that apply when a new DDM Fee rule or Field rule is created. You may override these default settings with

☐ **After Initial Loan Estimate is sent**

The DDM Rules will stop firing after Initial Loan Estimate is sent and Field ID 3152 is set.

☐ **When the condition below is met**

NICE-8280

Lender Key Contacts

> **Why we made these updates:** To support the generation of a Lender Key Contacts widget for Encompass TPO Connect.

Added New *TPO Global Lender Contacts* Setting

A new **TPO Global Lender Contacts** setting has been added under External Company Setup to maintain a global list of contacts. These contacts will be included in the Lender Key Contacts widget for Encompass TPO Connect.

ⓘ These contacts will be combined with a Third Party Originator's Sales Rep/AE contacts to build the list displayed in the Lender Key Contacts widget.

Title/Department

Currently, the User Details setting does not have a field where a user's job title or department can be entered. Since the **Title/Department** field is required for every global lender contact and Sales Rep/AE contact to be included in the Lender Key Contacts widget for Encompass TPO Connect, you must enter the user's job title or department in the **Comments** field on the User Details setting. The first 30 characters from the **Comments** field will be extracted as the user's job title or department.

User Details

Account Information
☐ Disable Login ☐ Disable Account   Public Profile

* User ID	test123
* Password		
* Re-type Password	

☐ Force user to change password

* First Name	FN
Middle Name	
* Last Name	LN
Suffix	
Employee ID Number	
Phone Number	
Cell Phone Number	
Fax Number	
* Email	test@gmail.com
CHUM	
Working Folder	Zebra ▼
NMLS Loan Originator ID	
NMLS Expiration Date	▼

* Personas   View/Edit Rights
Loan Officer

Group Membership   View Rights
All Users
Reporting
test_usergroup23
Alpha1
Copy of Alpha1
Copy of (2) Alpha1
Copy of (4) Alpha1

Comments

To Add a New Contact:

1. On the menu bar, click **Encompass**, and then click **Settings**.

2. On the left panel, click **External Company Setup**, and then click **TPO Global Lender Contacts**.

3. Click on the **Add** icon ![icon].
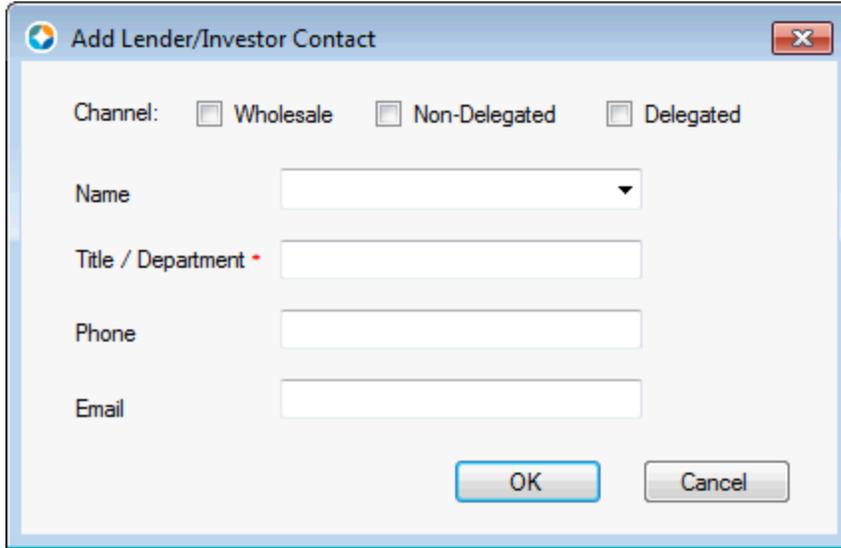
4. Select a channel/channels if you want the contact to be displayed under that channel/channels contact grouping in the Lender Key Contacts widget for Encompass TPO Connect. For example, if you select **Wholesale**, the contact will be grouped and displayed in a "Wholesale" section.

   ⓘ If If you do not select a **Channel**, the contact will be displayed in an "All Channels" section.

5. In the **Name** field, click on the arrow to select a user from the drop-down list or manually enter a name, up to 30 characters.

   - If you select a **Name**, the **Phone** and **Email** fields are automatically populated and cannot be edited. In addition, if the selected user's **Comments** field in their User Details setting is not blank, the first 30 characters will populate the **Title/Department** field.
   - If you clear the **Name**, the **Phone**, **Email**, and **Title/Department** fields are cleared.

6. In this *required* field, enter or change a **Title/Department** for the user, up to 30 characters.

7. In the **Phone** field, enter the user's phone number, up to 30 characters, if you manually entered a **Name**.

   - If you selected a **Name**, this field cannot be edited.
   - If you clear the **Name**, this field is cleared and you can edit it.
   - You must enter a **Phone**, **Email**, or both.

8. In the **Email** field, enter the user's email address, up to 40 characters, if you manually entered a **Name**.

   - If you selected a **Name**, this field cannot be edited.
   - If you clear the **Name**, this field is cleared and you can edit it.
   - You must enter a **Phone**, **Email**, or both.

9. Click **OK**.

   - If the **Title/Department** field is blank, an error message is generated: *"Title/Department is a required field."*
   - If both the **Phone** and **Email** fields are blank, an error message is generated: *"The Phone or Email field is required, they both cannot be blank."*
   - If the **Email** address format is not valid, an error message is generated: *"The Email address entered is not valid, please correct."*

10. A new contact entry is added to the bottom of the Lender/Investor Contacts grid.

To Edit a Contact:

1. On the menu bar, click **Encompass**, and then click **Settings**.
2. On the left panel, click **External Company Setup**, and then click **TPO Global Lender Contacts**.

3. Select the entry you want to edit, and then click on the **Edit** icon .
4. Make your changes.

   - If you select a **Name**, the **Phone** and **Email** fields are automatically populated and cannot be edited.
   - If you clear the **Name**, the **Phone**, **Email**, and **Title/Department** fields are cleared.
   - You must have a **Title/Department**.
   - You must have a **Phone**, **Email**, or both.

5. Click **OK**.

   - If the **Title/Department** field is blank, an error message is generated: *"Title/Department is a required field."*
   - If both the **Phone** and **Email** fields are blank, an error message is generated: *"The Phone or Email field is required, they both cannot be blank."*
   - If the **Email** address format is not valid, an error message is generated: *"The Email address entered is not valid, please correct."*

To Delete a Contact:

1. On the menu bar, click **Encompass**, and then click **Settings**.
2. On the left panel, click **External Company Setup**, and then click **TPO Global Lender Contacts**.

3. Select the entry you want to delete, and then click on the **Delete** icon ✕ .

4. A warning message is displayed: *"Deleting this contact will permanently remove the entry from the settings. Do you wish to continue?"*

5. Click **Yes**.

How sequencing affects the order of the Lender Key Contacts widget in Encompass TPO Connect

The sequence of the TPO Global Lender Contacts list directly affects the sequence of the TPO Company level Lender Contacts list and the subsequent rendering of the Lender Key Contacts widget in Encompass TPO Connect. The TPO Company level Lender Contacts list is ordered by "Primary" Sales Reps followed by other Sales Reps (alphabetical by name), and then the TPO Global Contacts in the order in which they have been sequenced.

The Lender Key Contacts widget in Encompass TPO Connect follows the same order as above, except that the entries are grouped by channel as follows: All Channels (where no channel has been selected), Wholesale, Non-Delegated, and then Delegated. If a specific contact has more than one Channel selected, it is displayed in each selected section.

To Sequence Contacts in the Grid:

1. On the menu bar, click **Encompass**, and then click **Settings**.

2. On the left panel, click **External Company Setup**, and then click **TPO Global Lender Contacts**.

3. Select the entry you want to move, and then click the **Up** 🔼 and **Down** 🔽 arrows.

SEC-13650

Added New *Lender Contacts* Tab to the Company Details Setting

A new **Lender Contacts** tab has been added to the Company Details setting to display the contacts that will be listed in the Lender Key Contacts widget for Encompass TPO Connect. This tab cannot be edited except for the Hide column.

🛈 These contacts will be combined with a Third Party Originator's Sales Rep/AE contacts to build the list displayed in the Lender Key Contacts widget.

- The contacts displayed on this tab are populated from the new TPO Global Lender Contacts setting and the Sales Reps/AE tab.
- A **Primary** check box is displayed (and selected) if the contact was populated from the Sales Reps/AE tab and that contact was **Set As Primary** on that tab.

  🛈 For information on how to set a primary contact, refer to the Sales Reps/AE tab section of the Company Details setting in the Encompass online help.

- To hide a contact from the Lender Key Contacts widget for Encompass TPO Connect, select the **Hide** check box on that contact's row.

  🛈 This is the only data column that can be edited on this tab.

SEC-13669, SEC-13391

Feature Enhancements in Version 18.4

Why we made these updates: The objectives for enhancing support for HELOC loans in Encompass include increasing client satisfaction with the HELOC solution by providing configurable, out-of-the-box accurate calculations, delivering improved accuracy and workflow for subordinate financing calculations while also reducing the need for manual work by Encompass users, and maintaining Ellie Mae's position as leader in market compliance.

Enhancements to Support HELOC Loans

Encompass 18.4 includes the first phase of a larger HELOC product expansion initiative aimed at streamlining the application and underwriting of HELOC loans. In order to support the unique investor requirements for calculating HELOC payments, both initial and qualifying, Encompass now includes a set of configuration options for both, including support to calculate interest-only and amortizing payments on the basis of a selected rate, a fraction of principal balance, or a percentage of principal balance.

Encompass users can now set up unique HELOC product configurations to qualify loan payments according to lender or investor-specific guidelines. New sections have been added to the RegZ-CD, RegZ-LE, Closing RegZ, and RegZ-TIL input forms where users can define separate bases for both the qualifying payment and the initial payment disclosed to the borrower. Encompass administrators can also configure Loan Program Templates for each of the HELOC loan scenarios that your company supports. Applying a template populates the loan with most of the data needed to calculate HELOC payments. The only additional data required is the initial note rate, initial draw and total line amount.

! Beginning with Encompass 18.4, the calculations used for HELOC loans are now configurable. Administrators need to review their existing HELOC loan programs in preparation for these changes to ensure that HELOC loan programs have been configured correctly. In particular, create a Loan Template Set for each significantly different HELOC loan scenario that your company is likely to support. Ideally these templates should be tied to your rate sheets.

HELOC Qualifying Payment

New HELOC Qualifying Payment Basis and HELOC Qualifying Payment sections have been added directly below the existing HELOC section on the RegZ-CD, RegZ-LE, Closing RegZ, and RegZ-TIL input forms. The fields in these sections are enabled for editing only when the Loan Type (field 1172) is **HELOC**.

HELOC Qualifying Payment Basis Section

Use this section to configure the qualifying payment basis for a HELOC loan by selecting one of the following three check boxes. When you select a check box, the fields associated with the check box are enabled for editing to select the options for the qualifying payment basis. When you select a check box, the fields for the other two options are disabled and cannot be edited:

- **Rate** - Select **Note Rate** (taken from field ID 3) or **Index** (taken from field ID 688), select any additional positive or negative percentage adjustment to the rate, and then indicate whether the payment is interest only. For example, Prime Rate + 2%. By default, the qualifying HELOC payment is calculated as an amortizing payment using the qualifying term and days. If an interest-only qualifying payment is desired, select the **Interest Only** check box to calculate an I/O payment using the qualifying rate, qualifying term, and interest days selected.

- **Fraction of Balance** - Enter whole numbers to set the fractional amount of the selected balance (draw or full line amount). For example, 1/120 of the total line amount.

- **Percentage of Balance** - Enter the percentage (to 3 decimal points) of the selected balance (draw or full amount). For example, 2% of the initial draw.

The qualifying payment will be calculated based on the option chosen, using the rate option and the selected balance (either maximum balance or initial draw) to calculate the payment. For fraction and percentage of balance, the estimated payment does not include any projected finance charges.

After selecting a qualifying payment basis, complete the following fields:

- **Minimum Payment** – The existing Minimum Payment field (field ID 1483) indicates whether or not the payment is forced. If the **Force Minimum Payment** check box is selected, the minimum payment is factored into the qualifying payment calculation. If the check box is cleared, the value is available for printing on documents, but does not factor into the qualifying payment calculation.

  Example: With a minimum payment of $100, if the calculated payment is $75 and **Force Minimum Payment** is selected, Encompass uses a qualifying payment of $100, otherwise $75 is used.

- **Qualifying Balance** – Select **Initial Draw** (from field ID 1888), **Maximum Balance** (from field ID 2), or leave the field blank.

- **Qualifying Term** – This new field can be populated only with a whole number of three or fewer digits. This field is disabled when the **Rate** check box is selected.

- **Number of Days** – This new drop-down list is enabled only when the **Interest Only** check box is selected. It has the following options, including 365/365 simple interest:

  - 360/360

  - 365/360

  - 365/365

❗ Support for simple interest (365/365) has been added for HELOC calculations to improve the ability to transfer HELOC loans to servicing platforms and for credit union loans.

HELOC Qualifying Payment Section

Use the HELOC Qualifying Payment section to review and adjust the amounts for the HELOC initial draw and the first and subordinate qualifying payments.

- **HELOC Initial Draw** – Enter of edit the HELOC Initial Draw amount.

- **Total Loan Amount** – The loan amount (field ID 2) is populated from other forms and is not editable.

- **First Qualifying Payment** – This amount is populated from the proposed First Mtg P&I (field ID 1724) on forms such as the ATR/QM Management, HUD-92900LT FHA Loan Transmittal, and Transmittal Summary input forms and the Prequalification tool. Click the **Lock** icon as needed to adjust the amount. If the HELOC scenario is a first lien HELOC, this payment is calculated using the qualifying payment configuration.

- **Subordinate Qualifying Payment** – This amount is populated from the proposed Second Mtg. P & I (field ID 1725) on forms such as the ATR/QM Management, HUD-92900LT FHA Loan Transmittal, and Transmittal Summary input forms and the Prequalification tool. Click the **Lock** icon as needed to adjust the amount. If the HELOC scenario is a subordinate lien HELOC, this payment is calculated using the qualifying payment configuration.

Calculating New HELOC Qualifying Payment

The following calculations are used to populate the Qualifying P&I Payments for HELOC loans based on the selections made in the new HELOC field on the RegZ-LE, RegZ-CD and RegZ-TIL. If the Lien Position Type (field ID 420) is **First**, the amount is populated to the First Qualifying Payment (field ID 1724). If the Lien Position Type is **Subordinate**, the amount is populated to the Subordinate Qualifying Payment (field ID 1725). This is the payment used to calculate Debt to Income ratios on the Transmittal Summary.

When the **Rate** check box is selected and the new **Interest Only** check box is not selected:

- An amortizing payment is calculated using the rate (plus or minus any offset defined) selected in the drop-down (field ID 4473), the Qualifying Balance (field ID 4473), and the Qualifying Term (field ID 4474).

  ! The rate value increases or decreases by the amount entered in the percentage field (field ID 4467), but only if the **+** or **–** option (field ID 4466) is selected.

When the **Rate** check box is selected and the new **Interest Only** check box is selected:

1. An interest only qualifying payment will be calculated based on the rate selected in the drop-down (field ID 4473) plus or minus any additional amount entered in the percentage drop-down (field ID 4467)

2. The HELOC interest per day is calculated based on the **Number of Days** drop-down (field ID 4491).

   - When the **Number of Days** option is **365/365**, the HELOC interest per day is the HELOC Interest Rate divided by 100, then divided by 365, and then multiplied by the Qualifying Balance (field ID 4473) amount.

   - When the **Number of Days** option is not **365/365**, the HELOC interest per day is the HELOC Interest Rate divided by 100, then divided by 360, and then multiplied by the Qualifying Balance (field ID 4473) amount.

3. The HELOC interest only payment is then calculated based on the **Number of Days**.

   - When the **Number of Days** is **365/365** or **365/360**, the HELOC interest per day is multiplied by the number of days in the month indicated in the 1st Payment Date (field ID 682). If the 1st Payment Date is blank, the HELOC interest per day is multiplied by 30.

   - When the **Number of Days** option is **360/360**, the HELOC interest per day is multiplied by 30.

When the **Fraction of Balance** check box is selected:

■ The fraction amount is multiplied by the Qualifying Balance. Example – a program which qualifies at 1/120 of credit limit would be configured as **Fraction of Balance** with a **Qualifying Balance** of **Maximum Balance**. On a $50,000 line of credit, this would result in a qualifying payment of $416.67.

When the **Percentage of Balance** check box is selected:

■ The percent amount is multiplied by the Qualifying Balance.

When the **Force Minimum** check box is selected:

■ If the Minimum Payment (field ID 1483) is less than the calculated qualifying payment the calculated qualifying payment is populated to the First Qualifying Payment (field ID 1724) or the Subordinate Qualifying Payment (field ID 1725), based on the lien position.

■ If the Minimum Payment (field ID 1483) is larger than the calculated qualifying payment, the minimum payment amount is populated to the First Qualifying Payment (field ID 1724) or the Subordinate Qualifying Payment, based on the lien position.

HELOC Qualifying Payment Basis

☑ Rate   Note Rate ▼   ▼   % ☐ Interest Only
☐ Fraction of Balance   [ ] / [ ]
☐ Percentage of Balance   [ ] %
Minimum Payment   50.00   ☑ Force Minimum Payment
Qualifying Balance   Maximum Balance ▼
Qualifying Term   [ ] mths
Number Of Days   [▼]

HELOC Qualifying Payment

HELOC Intial Draw   10,000.00
Total Loan Amount   50,000.00
First Qualifying Payment 🔓   50.00
Subordinate Qualifying Payment 🔓   [ ]

❗ When upgrading to Encompass 18.4, when the Loan Type (field ID 1172) is **HELOC**, and the Lien Position (field 420) is **1st**, the First Mortgage P&I amount (field ID 1724) is retained. Click the **Lock** icon to recalculate the value. When the Loan Type (field ID 1172) is **HELOC**, and the Lien Position (field 420) is **2nd**, the Second P&I (field ID 1725) value is retained. Click the **Lock** icon to recalculate the value.

CBIZ-17227, CBIZ-17646, CBIZ-17760

HELOC Initial Payment

A new HELOC Initial Payment section has been added below the new HELOC Qualifying Payment section on the RegZ-CD, RegZ-LE, Closing RegZ, and RegZ-TIL input forms. Use this section to configure the initial payments for a HELOC loan by selecting one of the following three check boxes. When you select a check box, the fields associated with the check box are enabled for editing. The fields associate with the other two check boxes are disabled and cannot be edited.

- **Rate** - Select **Note Rate** (taken from field ID 3), **Index** (taken from field ID 688), **Margin + Index** (taken from field ID 1827), or **Teaser Rate** (taken from field ID 1482). Select any additional positive or negative percentage adjustment to the payment, and then indicate whether the payment is Principal and Interest. For example, Prime Rate + 2%. By default, the initial HELOC payment is calculated as an interest only payment. If an amortizing payment is desired, select the **P&I** check box (field ID 4479) to calculate a payment using the initial rate, initial term, and interest days selected.
- **Fraction of Balance** - Enter whole numbers to set the fractional amount of the selected balance (draw or full line amount). For example, 1/180 of the total line amount.
- **Percentage of Balance** - Enter the percentage (to 3 decimal points) of the selected balance (draw or full line amount). For example, 2% of the initial draw.

The initial payment is calculated based on the option chosen, using the rate option and the selected balance (either maximum balance or initial draw) to calculate the payment. For fraction and percentage of balance, the estimated payment does not include any projected finance charges.

After selecting a qualifying payment basis, complete the following fields:

- **Minimum Payment** – This field is the existing Minimum Payment field (field ID 1483) from pre-18.4 versions of Encompass. Select the **Force Minimum Payment** check box to indicate whether the payment is forced. If the check box is cleared, the value is available for printing on documents, but does not factor into the initial payment calculation. Example: With a minimum payment of $100, if the calculated payment is $75, and the force minimum payment is selected, Encompass uses an initial payment of $100, otherwise $75 is used. The **Force Minimum Payment** check box in this section can be selected independently of the **Force Minimum Payment** check box in the HELOC Qualifying Payment Basis section.

- **Balance Used** – Select **Initial Draw** (from field ID 1888), **Maximum Balance** (from field ID 2), or leave the field blank.

- **Initial Term** – This new field can be populated only with a whole number of three or fewer digits. This field enabled only when the **P&I** check box (field ID 4479) is selected.

- **HELOC Initial Payment** – This field is populated with the Monthly Pmt (field ID 5). Click the **Lock** icon to edit the value.

- **Number of Days** – This new drop-down list is enabled only when the **Interest Only** check box is selected. It has the following options, including 365/365 simple interest:

    - 360/360

    - 365/360

    - 365/365

New calculations have been implemented to populate the initial payment amount based on the selections made in the **Rate**, **Fraction of Balance**, and **Percentage of Balance** check boxes and their associated fields.

! When upgrading to Encompass 18.4, when the Loan Type (field ID 1172) is **HELOC**, the **Monthly Pmt** amount (field ID 5) is not editable for previously existing loans. Click the **Lock** icon to edit the field. Additionally, Encompass verifies that the proposed First Mtg (field ID 228) amount for a first lien and the proposed **Other Fin.** amount (field ID 229) for a second lien have the same value as the **Monthly Pmt** amount (field ID 5).

Calculating New HELOC Initial Payment

The following calculations are used to populate the HELOC Initial Payment (field ID 5) for HELOC loans based on the selections made in the new HELOC fields on the RegZ-LE and RegZ-CD (or RegZ-TIL (if using RESPA 2010 to capture closing costs).

When the **Rate** check box is selected and the new **P&I** check box is not selected, an interest only payment is calculated based on the selected rate and offset values:

1. The HELOC initial interest rate is calculated based on the rate selected in the drop-down (field ID 4476) plus or minus any additional amount entered in the percentage drop-down (field ID 4477).

2. The HELOC initial interest per day is calculated based on the **Number of Days** drop-down (field ID 1962).

   - When the **Number of Days** option is **365/365**, the HELOC interest rate is divided by 100, then divided by 365, and then multiplied by the Balance Used (field ID 4484) amount.

   - When the **Number of Days** option is not **365/365**, the HELOC interest rate is divided by 100, then divided by 360, and then multiplied by the Balance Used (field ID 4484) amount.

3. The HELOC interest only payment is then calculated based on the **Number of Days**:

   - When the **Number of Days** is **365/365** or **365/360**, the HELOC initial monthly payment is the HELOC initial interest per day multiplied by the number of days in the span of days from the Closing Date (field ID 748) to the 1st Payment Date (field ID 682). If one of these fields is blank, but the other field is populated, 30 days are used.

   - When the **Number of Days** option is **360/360**, the HELOC interest per day is multiplied by 30.

When the **Rate** check box and the **P&I** check box are both selected:

   - An amortizing payment is calculated using the rate selected in the drop-down (field ID 4476) plus or minus any offset indicated in fields 4466 and 4467, the Balance Used (field ID 4484), and the Initial Term (field ID 4485).

> ❗ The rate value increases or decreases by the amount entered in the percentage field (field ID 4467), but only if the **+** or **–** option (field ID 4466) is selected.

When the **Fraction of Balance** check box is selected:

- The fraction amount is multiplied by the Balance Used. (Example: a program which uses a payment of 1/120 of principal balance would be coded as Fraction of Balance 1/120 with a Balance Used of Initial Draw

When the **Percentage of Balance** check box is selected:

- The percent amount is multiplied by the Balance Used. (Example: a program which uses 2% of the full HELOC line is coded as **Percent of Balance** with 2% (no offset) and a **Selected Balance** of **Maximum Balance**.

When the **Force Minimum** check box is selected:

- If the Minimum Payment (field ID 1483) is less than the calculated initial payment, the calculated qualifying payment is populated to the HELOC Initial Payment (field ID 5).

- If the Minimum Payment (field ID 1483) is larger than the calculated qualifying payment, the minimum payment amount is populated to the HELOC Initial Payment (field ID 5).

> ! When upgrading to Encompass 18.4, when the Loan Type (field ID 1172) is **HELOC**, the Monthly Pmt (field ID 5) amount is retained. Click the **Lock** icon to recalculate the value. Because Encompass has existing logic to copy the Monthly Pmt to the Proposed First Mtg. (field ID 228) or Proposed Other Fin. (field ID 229) based on the lien position, these fields also retained their values (based on the lien position).

CBIZ-17610, CBIZ-17646, CBIZ-17986

Updates to the Piggyback Loan Tool for HELOC Loans

The Piggyback Loan tool has new and updated fields, a **New HELOC** button, and new calculation triggers that are tied to the creation of a piggyback HELOC loan. These updates enable the accurate calculation of LTV and CLTV related to the HELOC amount and the HELOC draw amount, and provide additional flexibility in the synchronization of the HELOC loan amount to the down payment amount on the original loan in the event that only a portion of the loan proceeds are used for this purpose.

A New HELOC button has been added to the top of the tool. Users can click the button and select **Yes** or **No** on the confirmation window to confirm whether or not data is synchronized across the two loans. In order to accurately set up your new loan file, the user should elect to synchronize date across the two loans. A new piggyback HELOC loan is created with the following characteristics:

- The Down Payment amount is populated with the Loan Amount from the first lien.

- Users can increase or reduce the Down Payment amount to reflect the loan scenario (for example, an 80/15 scenario where the First loan is 80% LTV, would have a down payment amount of 85% on the second loan, representing net 5% down from the borrower).

- The Down Payment % is based on the defaulted down payment amount.

- The Loan Amount is calculated as the Purchase Price minus the Down Payment amount.

- Initial Draw Amount is blank. It can be modified by the user.

New and updated fields:

- **Amount to Apply to Downpaymen**t (field ID 4493). Data entered in this field on a piggyback HELOC copies to the Subordinate Financing (Field 140) on the primary loan file.

- **Lien Position** (field ID 4494) – Up to four lien positions are supported.

- **Lien Position Type** (field ID 420) – This field was formerly labeled **Lien Position** in earlier versions of Encompass, and the **First** and **Second** options on the drop-down list have been changed to **First** and **Subordinate**.

CBIZ-11230

New HELOC Teaser Rate Period Field and Updated Introductory Rate Period Calculation for HELOC Loans

A new HELOC Teaser Rate Period field (field ID 4492) has been added to the REGZ-LE, RegZ-CD, and RegZ-TIL input forms (and is also available in the HELOC sections on Loan Program Templates), and updates have been made to the calculations for the Intro Rate Period calculation (field ID HMDA.X84) for HELOC loans to comply with HMDA Final Rule Section 1003.4(a)(26), which requires a financial institution to report the number of months from closing or account opening until the first date the interest rate may change. A Financial Institution reports the number of months based on when the first interest rate adjustment may occur, even if an interest rate adjustment is not required to occur at that time and even if the rates or rate periods are not known at loan closing or account opening. Previously, the Intro Rate Period was populated with the value from the 1st Change (field ID 696), which is the number of months from the 1st Payment Date to the 1st Adjustment Date.

Beginning with Encompass 18.4, the HELOC Teaser Rate Period is used as the Introductory Rate Period for HELOC loans that have a teaser rate. For HELOC loans that don't have a teaser rate, but have an ARM adjustment, the 1st Change (field ID 696) value is used to calculate the Introductory Rate Period.

> **!** After upgrading to Encompass 18.4, the new calculations will be applied on access to all existing loans that meet the criteria described above.

CBIZ-15969, CBIZ-17646

HELOC Initial Advance Field Added to Borrower Summary Input Forms

The new Initial Advance field (field ID 1888) has been added to the Borrower Summary - Origination and Borrower Summary - Processing input forms to record the initial advance for HELOC loans. The field display beneath the Loan Amount field on the Transaction Details section of both input form. The field is edit able only when the Loan Type (field ID 1172) is **HELOC**.

CBIZ-18864

Subordinate Financing

To streamline data entry requirements for loans with new and existing financing, Encompass now identifies verification of liability (VOL) records associated with the subject property prior to creating the associated REO Asset record (VOM). Any Mortgage or HELOC liabilities are automatically factored into the related primary and subordinate mortgage totals (field IDs 427, 428, CASASRN.X167, and CASASRN.X168) without requiring additional data entry to synchronize the amounts. Also included in the calculations are any loans linked through the Piggyback Loans tool as well as new fields identifying net new financing (primary, subordinate, or HELOC) from another lender. New, more specific fields are replacing the Additional financing field (field ID 1732) in LTV/CLTV calculations. All this information is now available on the revised Subordinate Mortgage Loan Amounts pop-up window , which serves as a dashboard that provides a comprehensive view of all financing associated with the subject property.

CBIZ-9778

Updates to the Subordinate Mortgage Loan Amounts Pop-up Window

The Subordinate Mortgage Loan Amounts pop-up window, which is accessible by clicking the **Sub. Financing** button on input forms such as the Borrower summary-Origination, Borrower summary-Processing, 1003 Page 1, RegZ-LE, and RegZ-TIL, has been updated to provide a centralized dashboard that provides easy access to the component subordinate financing fields for loans with subordinate financing.

To originate loans that have subordinate financing (including HELOCs), lenders must consider the entire financing picture of the loan, including liabilities that remain attached to the subject property after the origination of the current loan, as well as any concurrent financing either through another lender or as a linked piggyback loan being closed with the current transaction. The Subordinate Mortgage Loan Amounts window provides a consolidated and functional view for loan officers and underwriters to access and update the related items from a central location.

Prior to the Encompass 18.4 release, the Subordinate Mortgage Loan Amounts window contained three fields: a first mortgage field that was populated with the Loan Amount (field ID 2), and two manual entry fields for tracking the amounts of a second mortgage and any additional subordinate financing.
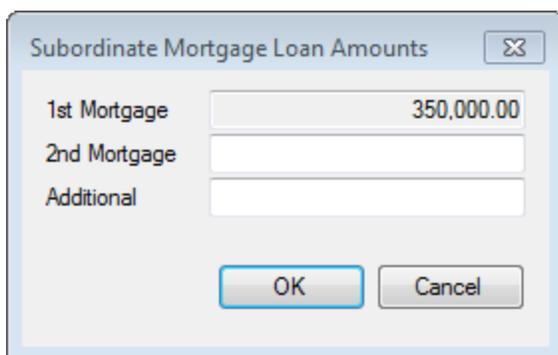
Beginning with Encompass 18.4, the expanded Subordinate Mortgage Loan Amounts window contains the following sections, which enable loan officers, underwriters and other loan team members to track subordinate financing data related to the current loan:

- Mortgage and HELOC Liabilities

- Loan linked to current transaction

- New Financing not Linked to Current Transaction

- Total Financing for Subject Property

- Total Ratios for Subject Property
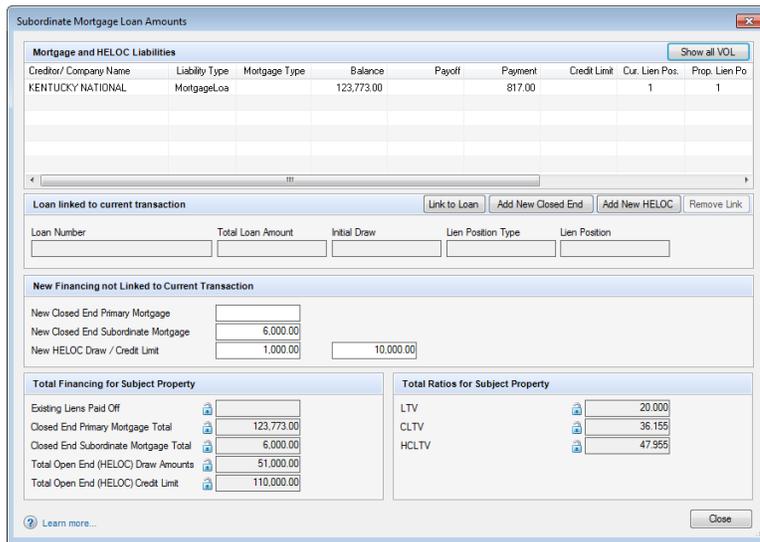
Mortgage and HELOC Liabilities

This section displays existing mortgages and liabilities associated with the subject property. The columns in the table provide quick access to detailed information from the VOL records. Click the **Show all VOL** button on the upper right to open a Quick Entry pop-up window where you can view and edit the VOLs for the loan.

VOLs display in this section when they have an Account Type of **Mortgage** or **HELOC** and when the **Subject Property** check box is selected in the VOL record.

Loan Linked to Current Transaction

This section enables Encompass user to click buttons on the upper right to link an existing loan to the current transaction or to create a new closed end or HELOC loan that is linked to the current transaction.

The section lists the loan's Encompass Loan Number, the Total Loan Amount (field ID 2), the Initial Draw (field ID 1888) if the loan is a HELOC loan, The Lien Position Type (field ID 420) and the Lien Position (field ID 4494). These fields are read-only and are populated from the linked loan file.

To Link to an Existing Loan:

1. Click the **Link to Loan** button.
2. On the Link to Loan window, select a Loan Folder.
3. Select a loan from the list, and then click the **Link** button.
4. On the confirmation window, select an option for synchronizing data between the two loans.
5. Data from the linked loan displays in read-only format in the **Loan linked to current transaction** section.

To Add and Link a New Closed End Loan:

1. Click the **Add New Closed End** button.
2. On the confirmation window, select an option for synchronizing data between the two loans.
3. The Piggyback Loans tool opens with the new loan information displaying in the 2nd Loan Position column with a blank selection for the Loan Type.

To Add and Link a New HELOC Loan:

1. Click the **Add New HELOC** button.
2. On the confirmation window, select an option for synchronizing data between the two loans.
3. The Piggyback Loans tool opens with the new loan information displaying in the 2nd Loan Position column with the HELOC option selected by default for the Loan Type.

To Remove a Link:

1. Click the **Remove Link** button.
2. A confirmation message states that both loans will be saved after the link is removed. Click **Yes** to continue.

New Financing Not Linked to Current Transaction

This section enables manual entry of loans that are in process with another lender during the origination of the current loan, including new closed end primary and subordinate mortgage amounts, and new HELOC draw and limit amounts.

New Financing not Linked to Current Transaction		
New Closed End Primary Mortgage		
New Closed End Subordinate Mortgage	6,000.00	
New HELOC Draw / Credit Limit	1,000.00	10,000.00

- Record first lien mortgages in the New Closed End Primary Mortgage amount (field ID 4487). These amounts are included in the Closed End Primary Mortgage amount (field ID 427) listed in the Total Financing for Subject Property section. An example of this use case would be a lender who is issuing a simultaneous second to be closed with a first lien from another lender. The other lender's first lien, which is not yet a liability, is documented in New Closed End Primary Mortgage.
- Record second through fourth lien mortgages in the New Closed End Primary Mortgage. These amounts are included in the Closed End Subordinate Mortgage amount (field ID 428) listed in the Total Financing for Subject Property section. An example of this use case would be a lender who is issuing a first lien with a simultaneous second to be closed from another lender. The other lender's lien, which is not yet a liability, is documented in New Closed End Subordinate Mortgage.

- Record HELOC draws and credit limits in the New HELOC Draw / Credit Limit amounts (field IDs 4489 and 4490). The draw amount should be entered in the first box, and the total credit line should be entered in the credit limit box. These amounts are included in the appropriate Total Open End (HELOC) Draw Amount (field ID CASASRN.X167) and Total Open End (HELOC) Credit Limit (field ID CASASRN.X168) fields in the Total Financing for Subject Property section.

Total Financing for Subject Property

This section includes the following calculated totals for subject property financing:

Total Financing for Subject Property		
Existing Liens Paid Off	🔓	
Closed End Primary Mortgage Total	🔓	123,773.00
Closed End Subordinate Mortgage Total	🔓	6,000.00
Total Open End (HELOC) Draw Amounts	🔓	51,000.00
Total Open End (HELOC) Credit Limit	🔓	110,000.00

- Existing Liens Paid Off (field ID 26) – Refer to Calculating Existing Liens to Be Paid Off for calculation details.

- First Mortgage Total (field ID 427) – Refer to Calculating the Closed End Primary Mortgage Total for calculation details.

- Closed End Second Mortgage Total (field ID 428) – Refer to Calculating the Closed End Subordinate Mortgage Total for calculation details.

- Total Open End (HELOC) Drawn Amounts (field ID CASASRSN.X167) – Refer to Calculating Total Open End (HELOC) Drawn Amounts for calculation details.

- Total Open End (HELOC) Credit Limit (field ID CASASRSN.X168) – The total of the credit limit from liabilities, the HELOC Credit Limit for loans not linked (field ID 4490), and the loan amount for any Piggyback loans. Refer to Calculating Total Open End (HELOC) Credit Line for calculation details.

Total Ratios for Subject Property

This section displays the total LTV, CLTV, and HCLTV ratios for the subject property.

Total Ratios for Subject Property		
LTV	🔓	20.000
CLTV	🔓	36.155
HCLTV	🔓	47.955

- LTV (field ID 353) -With the exception of USDA or refinance loans, the LTV (Loan-To-Value) ratio is calculated by dividing the total loan amount (field ID 2) by the purchase price (field ID 136) or appraised value (field ID 356), whichever is lower. For USDA or refinance loans, the LTV (Loan-To-Value) ratio is calculated by dividing the loan amount by the appraised value (field ID 356). For 203(K) loans, the LTV (Loan-To-Value) ratio is representative of the Case LTV. See the FHA 203 (K) worksheet for details.

- CLTV (field ID 976) – Refer to Calculating Combined Loan-to-Value Ratios (CLTV, HCLTV) with Subordinate Financing for calculation details.

  > **!** For clients using the Encompass Product and Pricing Service (EPPS) to price HELOC loans, Ellie Mae recommends that the loan be priced within EPPS, but manually locked in Encompass due to a potential conflict with CLTV on HELOC loans imported into Encompass from EPPS. This issue is scheduled to be addressed in the Encompass Product and Pricing Service 19.1 release.

- HCLTV (field ID 1540) – Refer to Calculating Combined Loan-to-Value Ratios (CLTV, HCLTV) with Subordinate Financing for calculation details.

To support the new Subordinate Mortgage Loan Amounts window, the following updates have been made to the Lien Position fields on the RegZ-LE, RegZ-CD, Borrower Summary - Origination, Borrower Summary - Processing, and 1003 Page 1:

- The name of field ID 420 has changed from **Lien Position** to **Lien Position Type**

- The name of the second check box option for the **Lien Position Type** (field ID 420) has changed from **Second** to **Subordinate**.

- Selecting **First** for the **Lien Position Type** sets the **Lien Position** to **1.**

- Selecting **Subordinate** for the **Lien Position Type** sets the **Lien Position** to **2,** but the drop-down selection can be changed to **3** or **4** by the user to document 3rd or 4th lien loans. The field is

not recalculated unless the **Lien Position Type** is set back to **First**.

- Business rules and templates created with the existing options for field 420 (First, Second) continue to function as expected after upgrading to Encompass 18.4.

CBIZ-10179

Calculating Combined Loan-to-Value Ratios (CLTV, HCLTV) with Subordinate Financing

The following calculations are now being used for CLTV (field IDs 976, MORNET.X76) and HCLTV (field IDs 1540, MORNET.X77) ratios with subordinate financing to enable accurate underwriting for these loan scenarios.

> ! The MORNET fields for CLTV (field ID MORNET.X76) and HCLTV (field ID MORNET.X77) use the same calculation as CLTV (field ID 976) and HCLTV (field ID 1540), but are rounded per Fannie Mae policy, with the ratios first truncated to two decimal points and then rounded up to a whole number.

Conventional Loans

For loans where the Loan Type (field ID 1172) is Conventional, HELOC, or Other:

- **CLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Draw Amounts (field ID CASASRN.X167) and the Financed MIP (1045) divided by the valuation used.

- **HCLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Credit Limit (field ID CASASRN.X168) and the Financed MIP (1045) divided by the valuation used.

Government (FHA, VA, or USDA)

For loans where the Loan Type (field ID 1172) is **FHA**, **VA**, or **USDA**, the following calculations are being used per the FHA Single Family Housing Policy Handbook and VA guidelines:

- **CLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Credit Limit (field ID CASASRN.X168) divided by the valuation used.

- **HCLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Credit Limit (field ID CASASRN.X168) divided by the valuation used.

> ! The CLTV and HCLTV calculations are the same for government loans. This is in contrast to conventional loans, which provide a distinction between the credit accessed vs the credit limit between these two calculations.

! To protect the integrity of the LTV ratios in loan files created prior to upgrading to Encompass 18.4, a **Lock** icon has been added to the HCLTV ratio (field ID 1540) and the ratios for CLTV (field IDs 976, MORNET.X76) and HCLTV (field IDs 1540, MORNET.X77) are grayed out and are not recalculated after the upgrade. To adjust a ratio after the upgrade, click the **Lock** icon for the ratio.

CBIZ-16966

Calculating the Closed End Primary Mortgage Total

The following calculation is now being used to populate the Closed End Primary Mortgage Total (field ID 427) with the first lien loan amount. This field was formerly named **1st Mortgage** on the pre-18.4 version of the Subordinate Mortgage Loan Amounts pop-up window. The amount is determined by adding the three sums listed below.

! Although the calculation involves adding a series of sums, it is actually used to identify a single first-lien loan and populate the loan amount as the Closed End Primary Mortgage Total.

- The sum of the Borrower Requested Loan Amount (1109) for all linked loans (including the current loan, but excluding any construction loans linked via the Construction Management Tool) with a Lien Position Type (field ID 420) of **First** and a Loan Type (1172) that is not **HELOC**.

- The sum of the Balance (field ID FL0113) of VOL entries with a Proposed Lien Position (field ID FL0129) of **1**, an Account Type of **Mortgage**, a To Be Paid Off value of **N**, and the **Subject Property** check box (field ID FL0127) selected.

  ! An alert notifies the Encompass user when multiple loans are assigned to any given lien position.

- The New Closed End Primary Mortgage (field ID 4487) loan amount.

Example: A first lien can be an existing liability which is being retained (captured in the VOL), the current loan file, a linked loan file (if the loan is part of a piggyback transaction and the current loan file is a subordinate lien) or a piggyback loan file being originated with another lender where the other lender is the first lien holder.

! To preserve the integrity of data in existing loans, a **Lock** icon has been added to the Closed End Primary Mortgage Total field. For loans created prior to updating to Encompass 18.4, the existing value is maintain and is not recalculated. To edit the amount, click the **Lock** icon.

CBIZ-11113

Calculating the Closed End Subordinate Mortgage Total

The following calculation is used to populate the Closed End Subordinate Mortgage Total field (field ID 428) with the sum of all lender-originated subordinate liens. This field was formerly named **2nd Mortgage** on the pre-18.4 version of the Subordinate Mortgage Loan Amounts pop-up window.

Loans Types of **Conventional**, **FHA**, **VA** or **Other** are all considered to be closed end transactions in order to correctly calculate CLTV and DTI values associated with the transaction. Additionally, the calculation takes into account any second mortgage amounts against the subject property that are being retained with the transaction.

The amount is determined by adding the sums listed below:

- The sum of the Borrower Requested Loan Amount (1109) for all linked loans (including the current loan, but excluding any construction loans linked via the Construction Management Tool) with a Lien Position Type (field ID 420) of **Subordinate** and a Loan Type (1172) that is not **HELOC**.

- The sum of the Balance (field ID FL*xx*13) of VOL entries with a Proposed Lien Position (field ID FL*xx*29) greater than **1**, an Account Type of **Mortgage**, a To Be Paid Off value of **N**, and the **Subject Property** check box (field ID FL*xx*27) selected.

- The New Closed End Subordinate Mortgage (field ID 4487) loan amount.

Examples: A subordinate closed end lien can be an existing liability against the subject property that is being retained and resubordinated (captured in the VOL), the current loan file where the lien is identified as subordinate and the loan type is not a HELOC, a linked loan file (if the loan is part of a piggyback transaction and the current loan file is a first lien), or a piggyback subordinate loan file being originated with another lender where the other lender is the subordinate lien holder or a provider of a down payment assistance loan. Because a borrower can have multiple subordinate liens against the subject property, this is supported as a sum.

CBIZ-10463

Calculating Total Open End (HELOC) Drawn Amounts

The following calculation is used to determine the Total Open End (HELOC) Drawn Amounts (field ID CASASRN.X167). This field was formerly named **Additional** (field ID 1732) on the pre-18.4 version of the Subordinate Mortgage Loan Amounts pop-up window.

! With the Encompass 18.4 release, the **Additional** field (field ID 1732) is being excluded from all LTV, CLTV, and HCLTV calculations and is no longer accessible on input forms in Encompass. To include the value from field 1732 in CLTV ratios, copy the value to one of the new fields in the financing that best represents the value contained in field 1732. Options are located on the Subordinate Mortgage Loan Amounts pop-up window in the New Financing Not Linked to the Current Transaction section and include New Closed End Primary, New Closed End Subordinate, or New HELOC Draw and New HELOC Credit Limit). To view the value in field 1732 after upgrading to Encompass 18.4, add the field to a custom report or create a custom input form and then add the field to the form.

To facilitate synchronization of piggyback loans, including open end (HELOC) mortgages, Encompass considers the type of loan prior to synchronizing the loan amount or line amount to the second mortgage value on the loan in order to correctly calculate the combined loan to value amounts (CLTV and TLTV). Previously, Encompass only considered the total loan amount. Beginning with Encompass 18.4, the current balances for HELOC loans that are paid off and resubordinated are not included in the drawn total. Additionally, if there are HELOC lines against the subject property that are being resubordinated with the transaction, this calculation takes those amounts into account.

The amount is determined by adding the sums listed below:

- The sum of the Initial Advance (field ID 1888) of all linked loans (including the current loan) where the Loan Type (field ID 1172) is **HELOC**.

- The sum of the Balance (FL0113) of any VOL where the **Resubordinated Indicator** check box (field ID FL0126) is selected, the **Will be paid off** check box (field ID FL0118) is not selected, the Account Type (field ID FL0108) is **HELOC**, the **Subject Property** check box (FL0127) is selected, and the loan is not a construction loan linked via the Construction Management input form.

- The New HELOC Draw amount (field ID 4489) from the new Subordinate Mortgage Loan Amounts window.

Examples: The amount of HELOC credit line(s) that have been accessed can be found in an existing liability against the subject property that is being retained and resubordinated (captured in the VOL), the current loan file where the loan type is a HELOC (regardless of lien type or position), a linked HELOC loan file, or a piggyback HELOC being originated with another lender. Because a borrower can have multiple HELOC lines against the subject property, this is supported as a sum.

CBIZ-10479

Calculating Total Open End (HELOC) Credit Limit

The following calculation is used to determine the Total Open End (HELOC) Credit Limit (field ID CASASRN.X168). To facilitate synchronization of piggyback loans that include HELOC mortgages, Encompass now considers the type of loan prior to synchronizing the loan amount or line amount to the second mortgage value on the loan. This enable the correct calculation of combined loan-to-value ratios. Previously, the synchronization process considered only the total loan amount. Additionally, the calculations also considers any existing HELOC lines against the subject property that are being resubordinated with the transaction.

The amount is determined by adding the sums listed below:

- The sum of the Borrower Requested Loan Amount (1109) of all linked piggyback loans where the Loan Type (field ID 1172) is **HELOC**.

- The sum of Credit Limit (field ID FL*xx*31) of VOLs where the **Will be paid off** check box (field ID FL*xx*18) is not selected and the Account Type is **HELOC** and the **Subject Property** check box field ID (FL*xx*27) is selected.
- The New HELOC Credit Limit (field ID 4490) from the Subordinate Mortgage Loan Amounts window.

Examples: The amount of HELOC credit line(s) that have been obtained can be found in an existing liability against the subject property that is being retained and resubordinated (captured in the VOL), the current loan file where the loan type is a HELOC (regardless of lien type or position), a linked HELOC loan file, or a piggyback HELOC being originated with another lender. Because a borrower can have multiple HELOC lines against the subject property, this is supported as a sum.

> **!** When upgrading to Encompass 18.4, **Lock** icons are being added to the Additional (field ID 1732) and Total Open End (HELOC) Draw Amounts (field ID CASASRN.X167) and the value used in existing loans is being preserved. Click the **Lock** icons to adjust these amounts.

CBIZ-10484

Calculating Existing Liens to Be Paid Off

To facilitate calculations for loans with subordinate financing, Encompass now calculates the amount of existing liens to be paid off as the total of all payoffs for mortgage and HELOC liabilities associated with the subject property. The following updates have been made to the calculation, triggers, and user interface for the Existing Liens field (field ID 26) to support these changes:

Calculation

The field is populated with the sum of the Payoff Amount (FL*xx*16) from VOLs that have all of the following criteria:

- The **Will be Paid off** check box (field ID FL*xx*18) is selected.

- The **Include** check box (FL*xx*63) is selected in the Payoffs and Payments pop-up window.

- The **Subject Property** check box (FL*xx*27) is selected.

- The Account Type (FL*xx*08) is **Mortgage** or **HELOC**.

Calculation Trigger Updates

The calculation for Existing Liens is triggered when the following fields are modified on a VOL:

- Payoff Amount (field ID FL*xx*16)

- **Will be Paid off** (field ID FL*xx*18)

- **Subject Property** check box (field ID FL*xx*27)

- Account Type (field ID FL*xx*08) – Only when the selection changes to **Mortgage** or **HELOC** or is changed from **Mortgage** or **HELOC** to another account type.

- **Include** check box (field ID FL*xx*63) – This field is located on the pop-up window that opens when you click the **Payoffs & Payments** button on the Loan Estimate Page 2.

User Interface

A **Lock** icon has been added to the field on the 1003 Page 1, Streamline 1003, Rural Assistance URLA, and VA 26-8923 input forms. When upgrading to Encompass 18.4, the existing value for the field is not recalculated when the Purpose of Loan (field ID 19) is **Construction**, **Construction – Perm**, **Cashout Refi**, or **No Cashout Refi**. Click the **Lock** icon to update the value using the new calculation.

CBIZ-10458

Fields Added to Verification of Liability

To accurately calculate the financing totals and total bank exposure for a loan with subordinate financing, the following fields have been added to the Verification of Liability window to identify the credit limit, lien position, and mortgage type of linked liabilities. These fields support HELOC calculations for linked liabilities attached to the subject property.

- Credit Limit (field ID FL*xx*31)

- Subject Property (field ID FL*xx*27) – When a liability is linked to a VOM identified as Subject Property, this check box is selected by default. The check box can also be selected prior to linking the liability to a VOM, for example, when establishing the subject property during an interview with the borrower before a VOW has been created.

- Current Lien Position (field ID FL*xx*28) – Up to four lien positions are allowed.

- Proposed Lien Position (field ID FL*xx*29) – Up to four lien positions are allowed. A pop-up window notifies users when another VOL already occupies the selected lien position.

- Bank Liability (field ID FL*xx*30)

- Mortgage Type (field ID FL*xx*32) – Options include **Conventional**, **FHA**, **VA**, and **Other**.

Calculation Triggers

HELOC-related calculations are triggered when the following changes are made on a VOL that is associated to the subject property when the Will be paid off check box is not selected, the Include check box (on the Payoff and Payments pop-up window) is not selected, or if the Resubordinated Indicator check box is selected.

- An update to the Credit Limit recalculates the Total Open End Credit Limit if the liability is a HELOC.

- Update to the Balance amount:

  - Recalculates the Total Open End (HELOC) Draw Amount (field ID CASASRN.X167) if the liability is a HELOC.

  - Recalculates the Closed End Mortgage Total (field ID 427) if the liability is a Mortgage and the Proposed Lien Position (field ID FL*xx*28) is **1**.

  - Recalculates the Closed End Subordinate Mortgage Total (field ID 428) if the liability is Mortgage and Proposed Lien Position (field ID FL*xx*28) is greater than **1**.

  - Recalculates the Existing Liens Paid Off (field ID 26) if the liability type is HELOC or Mortgage and the **Will be paid off** check box (field ID FL*xx*18) is selected.

CBIZ-17843

Additional Fields Added to VOLs to Support Subordinate Financing

To limit redundant data entry, improve consistency in processing, and support the revised Subordinate Mortgage Loan Amounts pop-up window, Encompass is now automating the links between liabilities and linked loans with fields used to calculation LTV.

The following new fields have been added to VOL records to support these calculation:

- Current Lien Position (field ID FL*xx*28) - Up to 4 lien positions are supported.

- Proposed Lien Position (field ID FL*xx*29) - Up to 4 lien positions are supported, with only one loan permitted in each position.

  ❗ Both the Current Lien Position and Proposed Lien Position fields are required fields if the **Resubordinated Indicator** check box (field ID FL*xx*26) is selected. Both fields are required fields if the **Subject Property** check box (field ID FL*xx*26) is selected and the **Will be paid off** check box (field ID FL*xx*18) is not selected (independent of the Resubordinated Indicator selection).

- Credit Limit (field ID FLxx31)

  ❗ This is a required field if the **Will be paid off** check box is not selected and the Account Type (field ID FL*xx*08) is **HELOC**. The amount is included in HCLTV calculations as an outstanding lien against the property. Based on lien position, the loan may or may not be subject to resubordination, so this field is not tied to the **Resubordinated Indicator** check box.

- Subject Property (field ID FL*xx*27) – This field is selected if the Subject Property Indicator is selected on a linked VOM. The field is not editable if there is a linked VOM.

- Bank Liability Considered in Exposure

- Mortgage Type - Options Null, Conventional, FHA, VA, USDA-RHS, Other

The following new alerts have been added to the Alerts setting in Encompass to support subordinate financing:

- **Credit Limit Required** – This alert is triggered when the Credit Limit (field ID FL*xx*31) is blank, the Account Type (field ID FL*xx*08) is **HELOC** and the **Will be Paid Off** check box is not selected.

- **Current and Proposed Lien position required if Resubordinated** – This alert is triggered when the Current Lien Position or Proposed Lien Position are blank, but the **Resubordinated Indicator** check box is selected.

- **Current and Proposed Lien position required if Subject Property** – This alert is triggered when the Current Lien Position or Proposed Lien Position are blank, the **Subject Property** check box is selected, and the **Will be Paid Off** check box is not selected (regardless of resubordinated).

CBIZ-16880

Non-Occupant Co-Borrower Housing Expenses

Updated Workflow for Entering Non-Occupant Co-Borrower Housing Expenses

Updates have been made to the way housing expenses are treated for non-occupant co-borrowers (co-mortgagors added as an additional borrower pair who are not using the property as a primary residence). Prior to Encompass 18.4, Encompass users had to complete additional workarounds for the non-occupant co-borrowers to ensure that their present housing expenses were included in the loan ratios used for underwriting. The property would be recorded as an investment property for the non-occupant co-borrowers, which would cause discrepancies in the ATR/QM total debt ratio calculations.

Beginning with Encompass 18.4, the present housing expenses for a non-occupant co-borrower are now included in the calculation for the co-mortgagor's present housing expenses (field ID 1379) when the following options are selected for a non-occupant co-borrower:

- The **Primary** option is selected for **Property will be** field (field ID 1811).

- AND one of the following options is also selected:

    - **No** is selected for the borrower **Do you intend to occupy the property as your primary residence?** declaration (field ID 418) on the 1003 Page 3.

    - **No** is selected for the co-borrower **Do you intend to occupy the property as your primary residence?** declaration (field ID 1343) on the 1003 Page 3.

Additionally, the co-mortgagor's present housing expense is now being properly included in the following ATR/QM Total Debt Ratio calculations for the primary residence:

- Initial Rate Total Debt Ratio (field ID QM.X376)

- Fully Indexed Rate Total Debt Ratio (field ID QM.X116)

- Max Rate During First 5 Years Total Debt Ratio (field ID QM.X119)

▌ A **Lock** icon has been added to the Co-Mortgagors combined housing expenses (field ID 1379). When upgrading to Encompass 18.4, when an existing loan has multiple borrower pairs and the Property Will Be option (field ID 1811) does not match for all pairs, the existing value in field 1379 is retained and the field is locked.

Workaround Information:

The following three workarounds were provided for this issue and are no longer required for Encompass version 18.4 and later.

The **Investment** option would be selected for the Property Will Be field (field ID 1811) for the co-mortgagor and:

- If the non-occupying co-borrower owned a home and was paying off a mortgage on the home, the lender created an REO with a VOM to document the mortgage plus VOLs to document monthly housing expenses plus taxes and insurance.

- If the non-occupying co-borrower was renting, the lender created a VOL for the rent.

- If the non-occupying co-borrower owned their home free and clear, the lender included the co-mortgagor housing expenses as a liability (VOM with taxes and insurance).

CBIZ-16828

HMDA Updates

Updated Logic for Populating the HMDA Reporting Year and Demographic Information

Updates have been made to the logic used to populate the HMDA Reporting Year (field ID HMDA.X27) and the demographic information that displays in the Information for Government Monitoring section on the HMDA Information and 1003 Page 3 forms.

Previously, the HMDA Information input form used the following logic:

- For loans dispositioned in 2017 or earlier, **2017** displayed for the HMDA Reporting Year.

- For loans dispositioned in 2018 and later, **2018** displayed for the HMDA Reporting Year.

This logic is being updated to enable the actual reporting year to display for loans dispositioned after 2018.

- When **Active Loan** is selected on the **Action Taken** drop-down list (field ID 1393), the HMDA Reporting Year is set to the current year.

- When **Active Loan** is not selected on the **Action Taken** drop-down list (field ID 1393), the HMDA Reporting Year is set to the year in the Action Taken Date (field ID 749).

Additionally, the following logic is being used to display the appropriate demographic information in the Information for Government Monitoring section on the HMDA Information and 1003 Page 3 forms:

- The pre-2017 information displays when the HMDA Reporting Year is earlier than 2017 and the **Print 2003 Application** option (field ID 1825) is selected.

- The 2017 information displays when the HMDA Reporting Year (HMDA.X27) is earlier than 2017 and the **Print 2003 Application** option (field ID 1825) is not selected.

- The 2017 information displays when the HMDA Reporting Year is 2017.

- The 2018 information displays when the HMDA Reporting Year is 2018 or later.

CBIZ-11388

New HMDA Census Tract and HMDA County Code Fields

Two new fields have been added to the Property Information section on the Originated/Adverse Action and Repurchased tabs on the HMDA Information input form to display the HMDA Census Tract (field ID HMDA.X112) and HMDA County Code (field ID HMDA.X111) in HMDA format. For purposes of the LAR, the CFPB has mandated that HMDA Census Tract be formatted as a combination of the six-digit Census Tract (field ID 700), three-digit County Code (field ID 1396), and two-digit State Code (field ID 48). The resulting 11-digit code is reported in the LAR. Additionally, the HMDA County Code reported on the LAR is a combination of the State Code and County Code. The two new fields are read-only. Because the County Code, State Code, and Census Tract fields are used by multiple services, those fields are being retained in their existing formats.

CBIZ-17296

Additional Calculation Updates

Updated Income Calculation for Borrower Pairs on USDA Loans

When there are two borrower pairs for a loan with a Loan Type (field ID 1172) of **USDA-RHS** and one of the borrower pairs is selected from the **Borrowers** drop-down list at the top of the loan file, the income amounts for the selected borrower pair are now used to calculate the following amounts on the Rural Assistance URLA Income Worksheet in the USDA Management input form:

- Lines 1 and 6 in the Annual Income Calculation section (field IDs USDA.X164, USDA.X165, USDA.X167, USDA.X168, USDA.X170, and USDA.X16)

- Line 13 in the Adjusted Income Calculation section (field ID SDA.X17)

Previously, the income amounts for the first borrower pair were used to calculate these fields, regardless of the borrower pair selected.

CBIZ-6891

Updates to the Introductory Rate Period Calculation for ARM and Construction-to-Permanent Loans

Updates were made to the Intro Rate Period calculation (field ID HMDA.X84) to comply with HMDA Final Rule Section 1003.4(a)(26), which requires a financial institution to report the number of months from closing or account opening until the first date the interest rate may change. A Financial Institution reports the number of months based on when the first interest rate adjustment may occur, even if an interest rate adjustment is not required to occur at that time and even if the rates or rate periods are not known at loan closing or account opening. Previously, the Intro Rate Period was populated with the value from the 1st Change (field ID 696), which is the number of months from the 1st Payment Date to the 1st Adjustment Date.

New Calculation for Standard ARM Loans and Construction-to-Permanent Loans

For standard ARM loans (not construction-to-permanent), the Disbursement Date (field ID 2553) is subtracted from the 1st Payment Date (field ID 682) and the resulting number is divided by 30. For construction-to-permanent loans, the Disbursement Date (field ID 2553) is subtracted from the 1st Amortizing Payment Date (field ID 1963) and the resulting number is divided by 30.

- If the result is less than 1, the Intro Rate Period is populated with **1**.

- If the result is greater than 1, the Intro Rate Period is populated with the resulting number of whole months, discarding any partial months.

New Calculation for Purchased or Fixed-Rate Loans (Including Construction-to-Permanent Fixed Loans)

- If the Loan Status (field ID 1393) is **Loan purchased by your institution** or the Amortization Type (field ID 608) is **Fixed**, then the Intro Rate Period is set to **NA**.

! After upgrading to Encompass 18.4, the new calculations are applied to all existing loans that meet the criteria described above.

CBIZ-15717

Encompass Forms and Tools

Updated the *Loan Amount* Field Used by ONRP

The **Loan Amount** field used when requesting Overnight Rate Protection (ONRP) has been updated from the **Loan Amount** (field ID 2) field on the 1003 Page 3 to the **Total Loan Amount** (field ID 2965) field on the Lock Request Form. This change has been made because the **Total Loan Amount** may be different from the **Loan Amount**, which can cause ONRP to calculate an incorrect loan amount for the lock transaction.

SEC-13677

Updates to the FMNA Streamlined 1003 Input Form

In the Fannie Mae Additional Data section on the FNMA Streamlined 1003 input form, new check boxes have been added and the introductory paragraph for the section has been updated to enable Encompass user to identify erroneous bankruptcy, foreclosure, and mortgage delinquency information from the borrower's credit report to be disregarded by DU.

New introductory paragraph:

Bankruptcy, Foreclosure and Mortgage Delinquency Messages for DU

If there is prior bankruptcy, foreclosure or mortgage delinquency information on the credit report and you would like to instruct DU to disregard the same, please enter the appropriate DU explanation code. DU seeks this in the context of questions 'b', 'c' and 'f' respectively in the Declarations section. For additional information, refer to DU guidelines.

The following check boxes have been added to the Fannie Mae Additional Data section on the FNMA Streamlined 1003 form for the borrower and co-borrower.

- Inaccurate Bankruptcy Information ("Confirmed CR BK Incorrect") (field ID MORNET.X151 and MORNET.X155)

- Bankruptcy Due to Extenuating Circumstances ("Confirmed CR BK EC") (field ID MORNET.X152 and MORNET.X156)

- Confirmed Mortgage Delinquency Incorrect ("Confirmed Mtg Del Incorrect") (field ID MORNET.X154 and MORNET.X153)

CBIZ-17799

Electronic Document Management

Configurable eSigning Order for eDisclosures

A new option is being added to the eDisclosure Packages setting in Encompass (**Encompass** > **Settings** > **Docs Setup** > **eDisclosure Packages**) to enable administrators to configure the signing order for initial disclosures. If the option is enabled, email notifications are sent to borrowers only after the Loan Officer completes eSigning (if required) for the eDisclosure package. Administrators can select the states in which this workflow applies. By default, no states are selected.

To Configure the eSigning Order:

1. On the menu bar, click **Encompass**, and then click **Settings**.

2. On the left panel, click **Docs Setup**, and then click **eDisclosure Packages**.

3. In the Borrower Signing section, select the **Configure signing order with initial disclosures** check box.

4. Click the **Select States** button, select the states where you want the loan officer to eSign before initial disclosure are sent to other parties, and then click **OK**.

5. When finished, click the **Save** icon for the eDisclosure Packages setting.

EDM-18254

Updates to eConsent Process to Check for External eConsent via Encompass Developer Connect

When users open loans in Encompass, the system checks the status of the borrowers' eConsent acceptance. Previously, the system checked only within Encompass for the eConsent. In Encompass 18.4, updates have been made so that the system now checks for external eConsent data located in Encompass Developer Connect first. If the system detects external eConsent is available, it will then retrieve the external eConsent data from Encompass Developer Connect and provide it within Encompass when the loan file is opened. For example, when viewing the eConsent Status window in a loan, users can click the **View Form** link to view the eConsent Agreement PDF file. If the loan has external eConsent data available, Encompass will display the eConsent Agreement PDF that is stored in Encompass Developer Connect. If external eConsent data other than the eConsent PDF is available from Encompass Developer Connect, but the PDF is not available, and the user selects the **View Form** link to view the PDF, the system will display a message that states that the form is not available at this time. Otherwise, the message will not display. With these updates, developers using Encompass Developer Connect can also update the eConsent details and these updates will be provided in Encompass when the loan file is opened. Note that Encompass Developer Connect support loan level eConsent only. It does not support eDisclosure package level eConsent.

If there is no external eConsent data available, the system will check within Encompass for the eConsent status just as it did in previous versions of Encompass.

Encompass and Encompass Developer Connect rely on field 4499 to determine if external eConsent data is available. This field is not visible on any forms or within the Encompass user interface, but it can be added to Encompass reports as required. This check box field will be selected if external eConsent data is available for the loan.

NICE-11531, NICE-12186, NICE-12164, NICE-12169

Encompass Settings

Added New Persona Settings for *TPO Global Lender Contacts* Setting and *Lender Contacts* Tab

To control which users have access to the new **TPO Global Lender Contacts** setting (under External Company Setup) and the new **Lender Contacts** tab (under Company Details), new Persona settings have been added to the External Settings tab.

- For the TPO Global Lender Contacts setting, a new **TPO Global Lender Contacts** setting has been added.
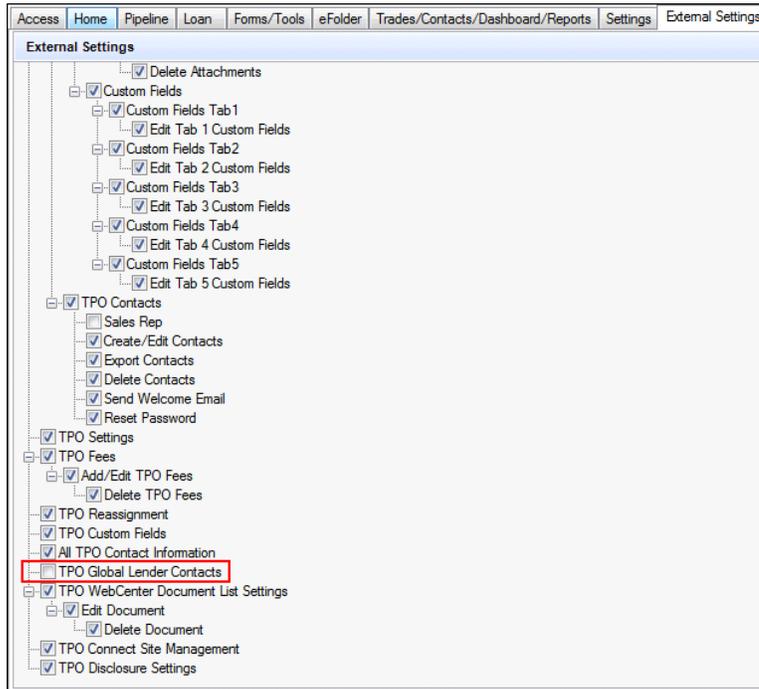
- For the Lender Contacts tab, a new Lender Contacts setting and a new Edit Lender Contacts setting have been added.
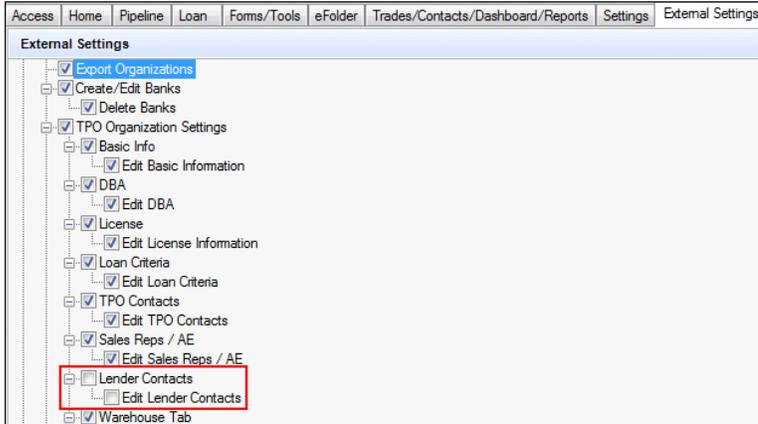
In addition, the following changes have been made:

- The Key Contacts settings have been renamed to **TPO Contacts** and **Edit TPO Contacts**.
- The Sales Reps/AE settings have been moved to between the TPO Contacts and Lender Contacts settings.
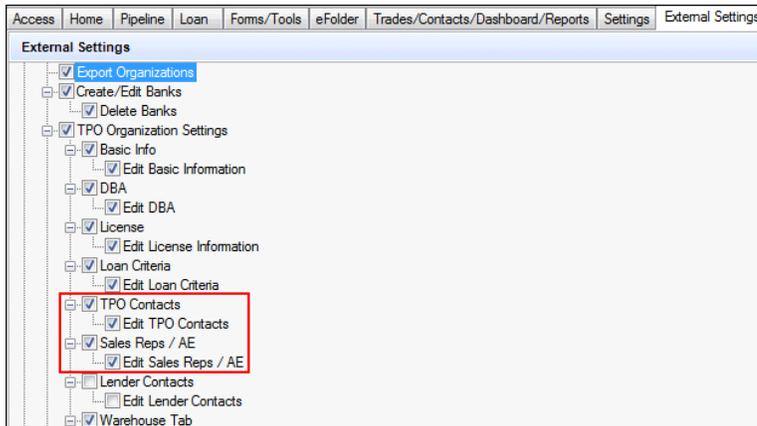
SEC-13746

Updated the *Sales Reps/AE* Tab under Company Details

To indicate which channel/channels a Sales Rep/AE is assigned to, channel indicators (Wholesale, Non-Delegated, and Delegated) have been added to the Sales Reps/AE tab.

ⓘ The channel indicators are only available for the Current Org TPO Sales Reps View.

In addition, the tab has been moved from the far right to between the TPO Contacts and Lender Contacts tabs.

SEC-13733, SEC-13734

Renamed *Key Contacts* Tab to *TPO Contacts* under Company Details

The **Key Contacts** tab under Company Details has been renamed to **TPO Contacts**. In addition, all references to "Key Contacts" (tab header and the on-screen instructions above the grid) have been changed to "TPO Contacts".

SEC-13669, SEC-13982

Change of Circumstance Options Added to User Groups Settings

The User Groups setting has been updated with a new *Change of Circumstance Options* section where administrators can set up and control user access to different Change of Circumstance options accessible from the Alerts page, LE Page 1, and CD Page 1 based on User Groups. When a user selects the Changed Circumstance check box (field ID 3168 on the LE, CD1.X61 on the CD) on one of these forms, and then clicks the **Lookup** icon to pick from a list of options to populate the Changed Circumstance description field (field ID 3169 on the LE, CD1.X64 on the CD), only the options selected by the administrator in this User Groups setting will be available for the user to select.
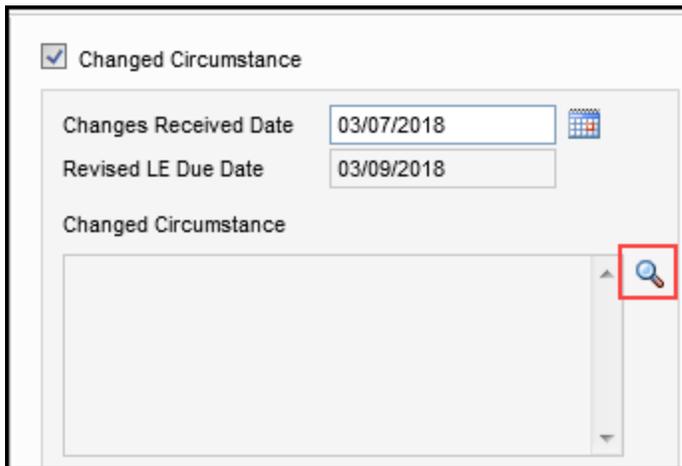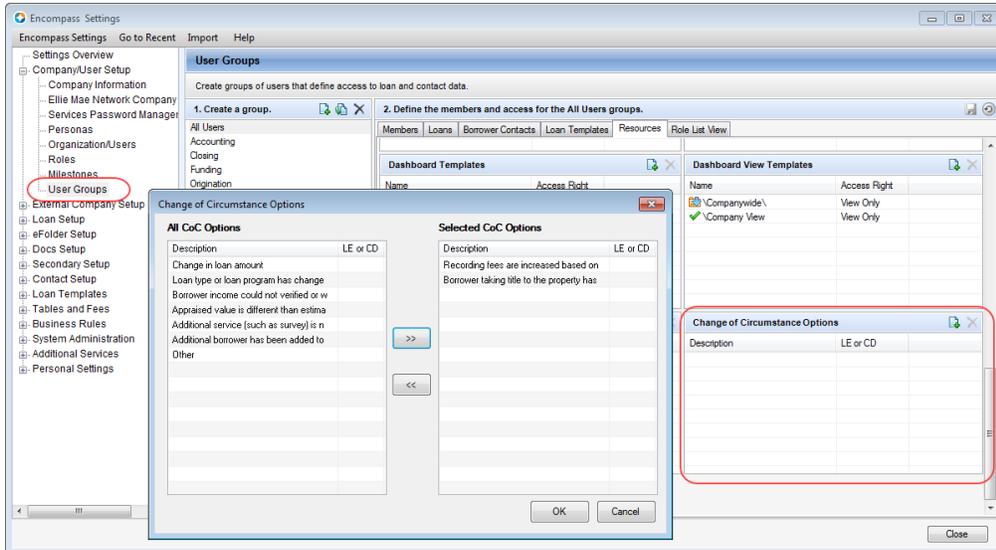
To Define Group Member Access to Change of Circumstance Options:

1. On the menu bar, click **Encompass**, and then click **Settings**.

2. On the left panel, click **Company/User Setup**, and then click **User Groups**.

3. In the left panel of the User Groups screen, click to select a User Group.

4. Click the **Resources** tab.

5. Scroll down to the *Change of Circumstance Options* section of the tab.

6. Click the **New** icon.

7. In the Change of Circumstance Options window, click to select an option (or options) in the All CoC Options list, and then click the **right arrow** to move the selected options to the Selected CoC options. The selected options will be the only Change of Circumstance options available for the user to select on the LE Page 1 or CD Page 1 when they click the **Lookup** icon to select a Change of Circumstance option to populate into the Changed Circumstance field (field ID 3169 on the LE, CD1.X64 on the CD).

8. Click **OK**.

9. Click the **Save** icon to save these changes to the User Groups screen.

NICE-5506, NICE-9807

Additional Button Access Options Added to the Persona Access to Loan Actions Business Rule Setting

Administrators can use the Persona Access to Loan Actions business rules setting to define persona-based access level for Encompass TPO Connect site loan actions. For example, rules can be set up to enable the **Submit Loan** loan action only after the **Order/Reissue Credit** loan action is complete. Or they can set up a rule that allows the persona to access the button to submit a new rate lock after the rate has already been locked.

The following loan action items have been added to the TPO Actions list that is provided when setting up conditions for the rule. These items have also been added to the Add Loan Actions pop-up list that is provided when setting up a persona's access for the condition.

- Withdrawal
- Cancel
- Float Lock
- Cancel Lock
- RePrice Lock
- ReLock Lock
- Change Request - OB

Persona Access to Loan Actions

1. Create a Rule Name

Notes/Comments

2. Select all Channels this rule applies to
- ☑ No channel selected
- ☑ Banked – Retail
- ☑ Banked – Wholesale
- ☑ Brokered
- ☑ Correspondent

3. Select a condition for this rule
- ○ No - Always apply this rule
- ● Yes - Apply this rule only if

[TPO Actions ▼] is [Any of ▼]

- ☐ Register Loan
- ☐ Import Additional Data
- ☐ Order/Reissue Credit
- ☐ Disclosures
- ☐ Submit Loan
- ☐ Change of Circumstance
- ☐ Lock Request

- ☐ Run DU Underwriting
- ☐ Run LP Underwriting
- ☐ Re-submit Loan
- ☐ Lock Extension
- ☐ Withdrawal
- ☐ Cancel
- ☐ Float Lock

- ☐ Cancel Lock
- ☐ RePrice Lock
- ☐ ReLock Lock
- ☐ Change Request - OB

4. Define a persona's Loan Action access for the condition

Add an Action

Loan Action

[Add]
[Remove]

Assign Right

Persona	Rights
Persona_AuditTrail	

? Learn more...

[Save] [Cancel]
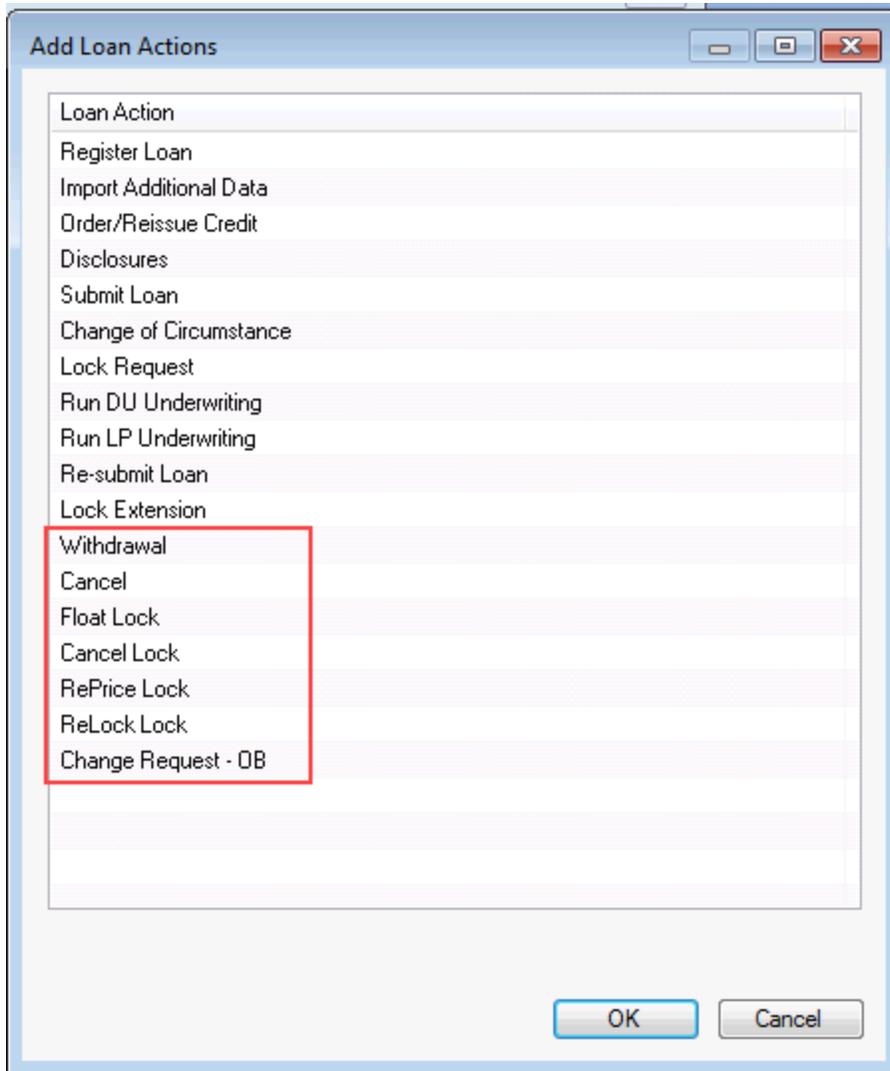
In addition, the **Withdrawal** and **Cancel** options have also been added to the following business rules:

- Loan Action Completion
- Field Data Entry
- Field Triggers
- Persona Access to Fields
- Persona Access to Loans

ⓘ When setting up Advanced Conditions for a business rule, the *LoanActions.IsComplete("TPO_WithdrawalLoan")* and *LoanActions.IsComplete("TPO_CancelLoan")* syntax is supported for Persona Access to Loan Actions business rules only.

Select these options in the business rule settings accordingly to set up rules that enable administrators to better control the flow of data and loan actions that users can access and perform in Encompass TPO Connect. If your company has established business practices and procedures based on your business model and preferences you can activate these rules to support them.

NICE-10952, NICE-11781

Encompass Admin Tools

The *Allow access from certain IPs* Option in Encompass Admin Tools Can Now Be Applied to Additional Products

Using the *Allow access from certain IPs* option in the Encompass Admin Tools, administrators can indicate specific IP addresses from which users are allowed to access Encompass. Starting in Encompass 18.4, this option has been enhanced to enable administrators to apply this setting to Encompass Loan Officer Connect and Encompass Developer Connect as well. Please review these steps below for more information about this enhancement.

To Configure Access Based on IP Addresses:

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. Select **Policies** from the Category list.
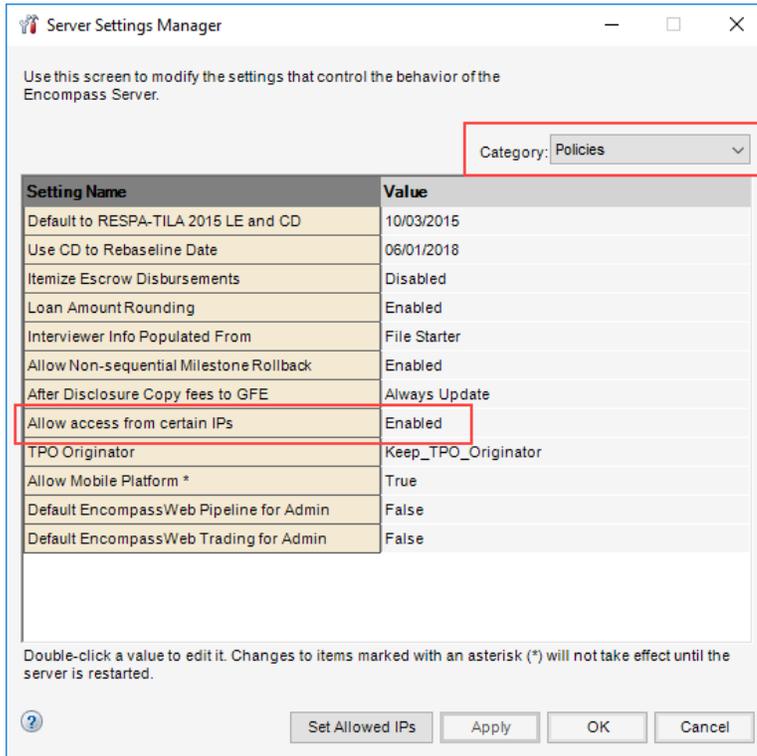
4. For the *Allow access from certain IPs* option, double-click the current Value that is displayed, and then select Enabled from the drop-down list.

5. Click **Apply**.

6. In the Remote Access IP Restriction pop-up window, click the **Add** icon, and then select a user from the User list

   (i) Select **Everyone** to apply the same IP settings for all users.

7. Select the options for IP Address Range or IP Address.

8. Enter the address or range of addresses, and then click **Save**.

9. Repeat steps 6-8 until all your users are added.

10. Starting in Encompass 18.4, select the **Apply to Encompass Connect products…** check box at the top of the window to enable users to access Encompass Loan Officer Connect and Encompass Developer Connect if their systems use any of the IP ranges or IP addresses you have specified. Note that you only need to select this check box if you want to provide access to these Connect products. This setting will still be applied to Encompass even if this check box is not selected. Users on systems using the specified IP ranges or IP addresses will still be able to access Encompass accordingly, just as they were prior to this enhancement.

NICE-10934

Encompass System Requirements and Performance Enhancements

Support for Microsoft Windows 10 April 2018 Version

Encompass now supports the Microsoft Windows 10 April 2018 (version 1803) operating system. Organizations can now upgrade to Windows 10 April 2018 on their client systems (workstations) where Encompass is installed and use Encompass successfully.

Review the *Encompass Compatibility Matrix and System Requirements* for additional information.

NICE-10880

System Performance Enhancements

The following updates have been applied to Encompass to help ensure improved system performance on users' client workstations:

- Repetitive API and SQL calls related to business custom fields, borrower contacts, loan snapshots, milestones, that were being performed by the Encompass system were identified and addressed to reduce the number of these API and SQL calls. In addition, the order of the calls that the system makes when a user opens a loan file have been updated to help reduce the time it takes for the loan file to open.

  NICE-11283, NICE-11287, NICE-11035, NICE-11029, NICE-9673

- The Encompass installation package and the Encompass SmartClient Application Manager have been updated so that the system automatically delete the contents of the *Temp* folder that is stored in each user's Windows profile when the user exists Encompass or when there is no active instance of an Encompass session running. This update is also in effect for the Encompass SDK. The SDK application now deletes the contents of the *Temp* file upon termination of the Encompass SDK session. Both of these updates are being implemented to mitigate cases where Encompass (or the SDK) may crash, but leave the contents of the *Temp* folder intact.

  NICE-12067, NICE-12498

Fixed Issues for Version 18.4

Why we fixed these issues: These issues were fixed to improve usability and to help ensure Encompass is operating as expected. The issues that are chosen to be fixed are based on the severity of their impact to clients and client feedback.

HMDA Updates

Lock Icon Added to *Initially Payable to Your Institution* Field

An update has been made to the behavior of the **Initially Payable to Your Institution** drop-down list (field ID HMDA.X43) on the HMDA Information input form for the benefit of institutions that service their own loans. Previously, when the Loan Status (field ID 1393) was **Application denied**, **Application withdrawn by applicant**, or **File closed for incompleteness**, the **Initially Payable to Your Institution** selection was set to **3. Not Applicable** and was not editable. Now, when one of the three Loan Status options described above has been selected, a **Lock** icon displays next to the Initially Payable to Your Institution drop-down list. Encompass users can click the **Lock** icon to select another option from the list.

CBIZ-17143

Calculation Updates

Total Interest Percentage (TIP) Now Rounding Up for Four-Decimal Values Ending in 5

To resolve a conflict with the rounding method used for the Total Interest Percentage by Encompass and the rounding method used by the Encompass Compliance Service (ECS), Encompass is now rounding up the calculation when the percentage value calculates out to four decimal points and ends in a **5**. Previously Encompass rounded down the value to three decimal points while ECS rounded up the value to three decimal points, which would periodically result in a warning when running ECS reports.

CBIZ-12493

Estimated Prepaid Items Now Excluded from the Refinance Cash Out Amount

The Estimated prepaid items amount (field ID 138) from the Details of Transaction is now excluded from the Refinance Cash Out Amount (field ID CASASRN.X79) when the Purpose of Loan (field ID 19) is **Cash Out Refi.** per the Freddie Mac Single-Family Seller/Servicer Guide.

Workaround Information:

The following workaround was provided for this production issue and is no longer required for Encompass version 18.4 and later:

- Click the **Lock** icon for the Refinance Cash Out Amount (field ID CASASRN.X79) to adjust the amount.

CBIZ-13791

Late Fee Rounding

Adjustments have been made to the rounding methods used for the Late Fee (field ID 3876) to avoid situations where the late fee could exceed 4% of the overdue payment of principal and interest, in violation of FHA guidelines (HUD Handbook 4000.1 III.A.2.d.ii). Previously the fee was rounded up to the nearest second decimal. Beginning with Encompass 18.4, the Late Fee is not rounded, but is truncated after the second decimal.

> ❗ The Late Fee amount is not updated for existing loans created prior to the upgrade to Encompass 18.4. To update the amount, Encompass users must click the Get Late Fee button on the Loan Estimate Page 3 or Closing Disclosure Page 4.

CBIZ-15856

Total Pay Calculating Correctly on the VA 26-6393 Loan Analysis Input Form for Decisioned Loans

An issue was resolved that caused incorrect amounts to be populated on line 40 on the VA 26-6393 Loan Analysis input form when a loan status (field ID 1393) was changed to any option other than **Active**. Changing the status locked the fields on this line, as expected, but it would also replace the borrower pay (field ID 1320) with an amount that was double the spouse's pay (field ID 1319). This issue has been resolved and the correct amounts are now showing on line 40.

CBIZ-18501

Encompass Forms and Tools

PMI Coverage Field on Fannie Mae ULDD/PDD Tab No Longer Cleared When Loan Locked

An issue occurred where the **PMI Coverage** (field ID ULDD.FNM.430) field was cleared when the loan was locked. If a value was entered in the **PMI Coverage** field, the loan was locked (**Get Pricing** or manual lock), and then the lock was confirmed, the value in the **PMI Coverage** field was cleared. This issue has been resolved and the value in the **PMI Coverage** field now remains when the loan is locked.

SEC-11885

Current Finance Charge No Longer Clears When Synced with the Piggyback Loans Tool

An issue was resolved that caused the Current Finance Charge (field ID 1206) to be cleared when a loan was synced using the Piggyback Loans tool. This happened when a loan was opened in the Piggyback Loans tool and one of the following events occurred:

- A new 2nd loan was created and the loans were synchronized.

- The loan was linked to another loan and the data was synced between the loans.

The next time an Encompass user accesses the first loan file, the Current Finance Charge is blank on forms such as the ATR/QM Management form or the Closing Disclosure Page 5. When the user opened the RegZ-LE, the Encompass performs an automatic recalculation and populates the Current Finance Charge.

CBIZ-15265

Updated Behavior for Total Payoffs and Payments on the Alternate Closing Disclosure Page 3

An issue was resolved that caused the *Did this change?* column for the Total Payoffs and Payments (K) on the alternate version of the Closing Disclosure Page 3 to display an incorrect result. This occurred when a payoff was added in the **Payoffs & Payments** pop-up window and the Loan Estimate was then disclosed. The *Did this change*? column displayed **YES** when it should have displayed **NO**. This issue has been resolved and the column now displays **NO** under the conditions described above.

Workaround Information:

The following workaround was provided for this production issue and is no longer required for Encompass version 18.4 and later:

- Use the Lock icon to edit the Total Payoffs and Payments (K) (field ID CD3.X90).

CBIZ-16444

Custom Forms

203H Option Now Functions Properly When Selected from the SOA Drop-Down List on a Custom Form

The **203H** option now functions properly when selected from the **SOA** drop-down list (Field ID 1039) on a custom form. Previously, when an Encompass user selected 203H from the drop-down list on a custom form, the selection displayed as 203 on the FHA Management, FNMA Streamlined 1003, HUD 1003 Addendum, HUD-928005b Conditional Commitment, HUD-92900LT FHA Loan Transmittal, and VA 26-1806 Reasonable Value input forms. Additionally, when 203H was selected on a standard input form, the selection was cleared from the SOA drop-down list on any custom forms. This issue has been resolved and 203H now display correctly on all SOA drop-down lists in Encompass when selected on a standard or custom input form.

Workaround Information:

The following workaround was provided for this production issue and is no longer required for Encompass version 18.4 and later:

- Open the custom form in the Input Form Builder and complete the following tasks:

  1. Select the drop-down box for the SOA field.

  2. In the Properties window, under **Data**, click **Options**.

  3. Click the button on the right to open the Dropdown Options Editor window.

  4. Double-click the entry in the Value column for 203H, and change the value to **203H**.

  5. Click **OK**.

CBIZ-14338

Electronic Document Management

Able to Send Consent Requests to Co-Borrowers with No Email Address

When sending an eConsent request to borrowers, Encompass user can now enter an email address for a co-borrower in the Send Consent window if the co-borrower does not already have an email address entered in the loan file. When the user clicks the Send button on the Send Consent window, a pop-up message displays to prompt the user to enter an email address for the co-borrower. The email field for the co-borrower is now editable on the Send Consent window, enabling users to manually enter an email address.

EDM-20569

Updates to the Wording on the eDisclosure Agreement

The following updates have been made to the wording in the eDisclosure Agreement that borrowers sign when consenting to receive documents electronically. The updates affect the text in the *Your Consent*, *Withdrawal of Consent*, and *System Requirements* sections of the agreement.

Your Consent Section

<u>Previous text:</u>

> If You do not consent to receive these Loan Documents electronically, You will be provided with copies of the Loan Documents in paper form."

<u>Updated text:</u>

> If You do not consent to receive these Loan Documents electronically, or if You subsequently withdraw consent, You will be provided with paper copies of the Loan Documents for which You did not consent to receive electronically.

Withdrawal of Consent Section

Previous text:

If You originally consent to receive eDisclosures, but later withdraw Your consent:

Updated text:

If You originally consent to receive eDisclosures, but later withdraw Your consent, You will be provided with paper copies of the Loan Documents for which You did not consent to receive electronically.

System Requirements Section

Previous text:

If the software or hardware requirements change in the future, We will use commercially reasonable efforts to notify You of the change. If You choose to withdraw Your consent upon notification of the change, You will be able to do so without penalty. Paper copies of such Loan Documents will be mailed to You if You choose to withdraw Your consent.

Updated text:

If the software or hardware requirements change in the future, We will notify You of the change. If You choose to withdraw Your consent upon notification of the change, You will be able to do so without penalty. Paper copies of such Loan Documents will be mailed to You if You choose to withdraw Your consent.

EDM-19937

eSigning Supports Hyphenated Names

When a borrower's legal name includes a hyphen, the eSigning process now inserts the hyphen in the electronic signatures that are applied to loan documents. Previously the hyphen was not displaying in the electronic signature. **Example:** *Ramos-Estevez* would display as *RamosEstevez* on the applied eSignature.

EDM-5170

Application Error Triggered After Tying eFolder Documents to ATR/QM Data Has Been Addressed

When working in the eFolder's Document Details window, you can click the ATR/QM button to tie an eFolder document to ATR/QM data and indicate different types of verifications you will record. An issue occurred for users trying to complete this process. If the user had opened the Verification and Document Tracking tool in Encompass, and then navigated to a Verification screen (such as VOE (Verification of Employment)), and then navigated to the eFolder, added a new attachment to a document in the Document Details window, and then tied the document to ATR/QM data, they received the following Application Error after minimizing the Document Details window and the eFolder window:

An error occurred. Please contact your administrator with the following information:

Object reference not set to an instance of an object.

Though this is a very specific scenario, the same error was triggered for users following similar steps (opening the eFolder from a Verification screen, tying a document to ATR/QM data, and then minimizing the Document Details and eFolder windows).

These issues have been resolved. This error message is no longer triggered for users working with Verification screens, the eFolder, and ATR/QM data as described here.
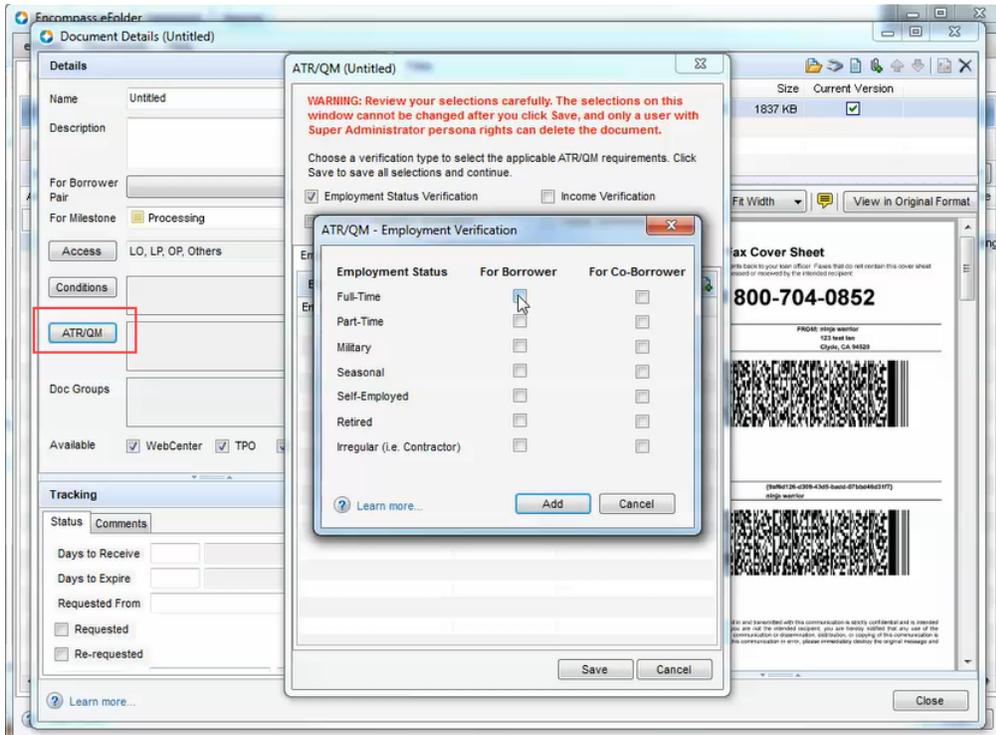
NICE-11363

Trade Management

Updated the Lock Status Logic for Loans Removed from Correspondent Trades

Prior to this release, when a loan was removed from a correspondent trade (AOT, Direct Trade, or Forwards) on or after the **Trade Expiration Date**, the system updated that loan's lock status to "Cancelled". With this release, when a loan is removed from a correspondent trade, that loan's lock status is updated to "Cancelled" only after the **Trade Expiration Date**. If the loan is removed on the **Trade Expiration Date**, the loan's lock status reverts back to "Not Locked".

ⓘ The loan is still considered "Not Locked" even if the loan has been **Submitted for Review** when removed on the **Trade Expiration Date**.

SEC-13917

Improved the Save Time for Trades and MBS Pools

An issue occurred where trades (loan or correspondent) and MBS pools with a number of loans (150 – 200) assigned to them took several minutes to save. This issue has been resolved and the save time has improved.

SEC-13676

Encompass Settings

Issues With Settings Reports and Microsoft Office 365 Have Been Resolved

Issues occurred with Encompass Settings reports for users on systems where users had upgraded from Microsoft Office 2013 or Microsoft Office 2016 to Microsoft Office 365. After using the Settings Reports tool to generate and export an organizational or persona-based report containing users' level of access within Encompass, the report, which is typically an Excel spreadsheet, was not displaying the field names at the top of each column as expected. Instead each column header was displayed as *Field1*, *Field2*, *Field3*, and so on. In addition, some users received an error when attempting to generate a Settings report. These issues have been resolved and the reports are now properly formatted and are generating as expected. With this fix in Encompass 18.4, clients can upgrade from older versions of Microsoft Office to Office 365 and they will no longer experience these issues with the Settings reports.

Workaround Information:

The following workaround provided for this issue and is no longer required for Encompass 18.4 and later:

- Double click on the field within a report, open field properties, and then change summary type for this field to none. It allows you to run the report with heads but you lose the grouping aspect of the report.

CFUN-9363, NICE-8550

Personalized User Security Settings Set up by Administrators for Moving Loans to Loan Folders are now Retained

In order to determine what features and tools a user will have access to, the administrator can assign the appropriate persona to the user, and then they can also specify personalized security settings for the user which enables the administrator to customize the default persona rights. An issue occurred where administrators would customize the user's rights for the **Move Loans** feature, but then discover that the new rights they assigned were not being retained by Encompass. As shown below, administrators can select the loan folders that the user has permission to move loans from and move loans to. However, the selections made by the administrator in the Select Loan Folders windows were not being saved or enforced by Encompass. This issue has been resolved and the selections made by the administrator here are now retained as expected.
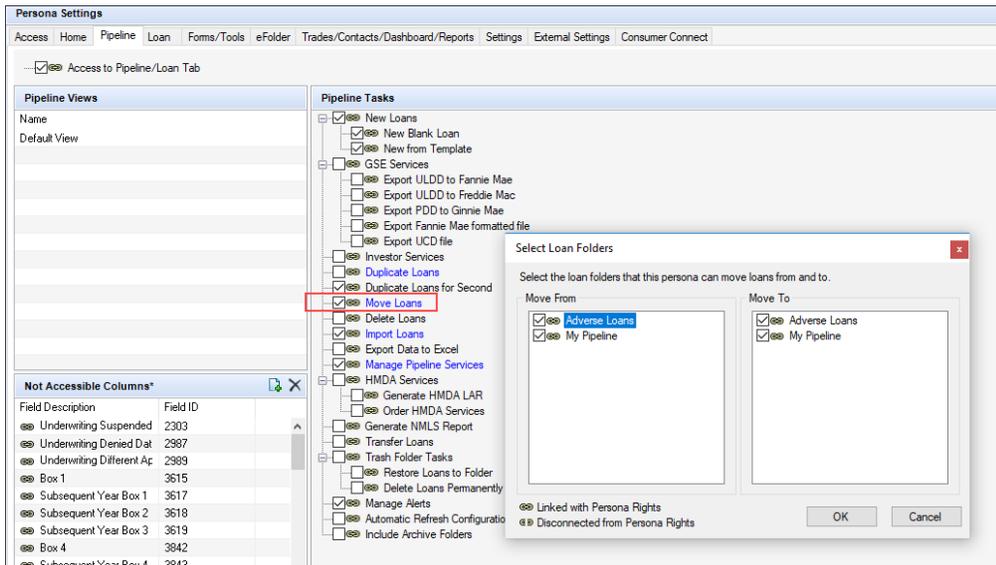
Workaround Information:

The following workaround provided for this issue and is no longer required for Encompass 18.4 and later:

1. Create a new Persona
2. Assign appropriate "Move" rights to the new Persona
3. Assign new persona to impacted users

Admins can also attempt to save the modified Persona settings a second time to try and retain the updated rights.

NICE-7279

"Not Reportable" Fields Can Now Be Configured in Certain Business Rules

When configuring business rules, administrators can specify Encompass fields that will trigger the rule and specify fields as conditions for the rule. An issue occurred where fields that are "not reportable", which are fields that are not visible on input forms or tools, and cannot be included in Encompass reports, but are necessary components of certain internal system calculations and functionality, were being added to business rules but they were not being saved and retained in the setting. For example, if an administrator added field DENIAL.X64 to a Field Triggers business rule setting and then saved this update to the setting, the field would not be indicated as part of the rule the next time the administrator accessed this setting because the system was not retaining this settings update. Starting in Encompass 18.4, fields that are "not reportable" can be added to the Field Triggers, Print Auto Selection, and Loan Form Printing business rule settings and they will be retained in the settings as expected.

NICE-7762

Access to All Loans in the Same Level Setting Now Functions Correctly

An issue occurred where the **Access to all loans in the same level** setting in the User Details setting was not functioning correctly. If an internal Encompass user was listed as a "TPO Sales Rep" or "Account Executive" on an External Organization, that user had access to all loans associated with that TPO company. If another Encompass user account was placed within the same internal company Organization folder, the second user had access to the same TPO company loans even though that user was not a "TPO Sales Rep" or "Account Executive" with any TPO company and the **Access to all loans in the same level** setting was disabled. This issue has been resolved and if the **Access to all loan in the same level setting** is disabled, a user cannot access TPO company loans associated with the other Encompass user accounts within the same Organization folder.

SEC-13490

Encompass Software Development Kit (SDK)

Update to Address Race Condition Issue That Occurs Between Loan Open and Loan Lock Operations

The Encompass system and the Encompass Software Development Kit (SDK) perform the Loan Open and Loan Lock operations in two separate API calls. Prior to the update being introduced in this release, when a user opened a loan file through the Encompass SmartClient or the Encompass SDK, the loan would be opened and then "locked" to prevent modifications from other users. However, it is possible for another user, say User A, to have modified and closed the loan in between the time the same loan is opened and locked for another user, say User B. The effect of this would be that User B would unknowingly be working with a stale copy of the loan. When User B went to save the loan, Encompass would reject the save, saying that there is a newer version of the loan file available, namely the one that User A saved, and therefore they could not overwrite it.

To resolve this issue, the Encompass system and the Encompass SDK have been updated to ensure that the Loan Open and Loan Lock operations are performed in the proper sequence. When a user opens a loan, the Loan Lock operation is now performed prior to the Loan Open operation. This ensures that when a user successfully opens a loan, they will be working the latest copy and will have their saves succeed.

Please note – there are two different Open methods that can be used in the Encompass SDK:

- Open (string guid)
- Open (string guid, bool loanlock, bool exclusive)

In order to get this new fix in your Encompass SDK instance, the following method should be used: **Open (string guid, bool loanlock, bool exclusive)**

NICE-7734

New DLL Files Added to Encompass SDK Installer Package

The following DLL files are now included in the Encompass SDK Installer package:

- GdPicture.NET.10.dll
- GdPicture.NET.10.filters.dll
- GdPicture.NET.10.image.gdimgplug.dll
- GdPicture.NET.10.PDF.dll
- itextsharp.dll

The addition of these files will help prevent Unhandled Exception errors that some users encountered when attempting to attach PDF files (and other file types) to the eFolder via the Encompass SDK.

NICE-9365

Release Notes Change Log for Version 18.4

This Change Log lists each release notes entry that has been added, deleted, or modified since the initial preview version was first published.

Change Type: New entry

Change Date: 8/21/2018

Details: The following entry was added to the Fixed Issues page.

Access to All Loans in the Same Level Setting Now Functions Correctly

An issue occurred where the **Access to all loans in the same level** setting in the User Details setting was not functioning correctly. If an internal Encompass user was listed as a "TPO Sales Rep" or "Account Executive" on an External Organization, that user had access to all loans associated with that TPO company. If another Encompass user account was placed within the same internal company Organization folder, the second user had access to the same TPO company loans even though that user was not a "TPO Sales Rep" or "Account Executive" with any TPO company and the **Access to all loans in the same level** setting was disabled. This issue has been resolved and if the **Access to all loan in the same level setting** is disabled, a user cannot access TPO company loans associated with the other Encompass user accounts within the same Organization folder.

SEC-13490

Change Type: Entry updated

Change Date: 8/21/2018

Details: More detailed information has been added to the *Enhancements to Support HELOC Loans* section on the Feature Enhancements page.

Change Type: Entry updated

Change Date: 8/29/2018

Details: The Added New *TPO Global Lender Contacts* Setting entry was updated on the New Features and Forms page.

All references to "Company Contacts page" has been updated to "Lender Key Contacts widget".

Change Type: Entry updated

Change Date: 8/29/2018

Details: The Added New *Lender Contacts* Tab to the Company Details Setting entry was updated on the New Features and Forms page.

All references to "Company Contacts page" has been updated to "Lender Key Contacts widget".

Change Type: The *Encompass 18.4 Release Preview* has been converted to the *Encompass 18.4 Release Notes*. These release notes are subject to change prior to the official Encompass 18.4 major release which is currently scheduled to start in October 2018.

Change Date: 9/7/18

Change Type: Entries added and updated

Change Date: 9/7/2018

Details: The following entries were added or updated.

The following new entries were added to the Feature Enhancements page:

- Calculating New HELOC Qualifying Payment

- Calculating New HELOC Initial Payment

- Updates to the Piggyback Loan Tool for HELOC Loans

- New HELOC Teaser Rate Period Field and Updated Introductory Rate Period Calculation for HELOC Loans

- HELOC Initial Advance Field Added to Borrower Summary Input Forms

- Updates to the Subordinate Financing Pop-up Window

- Calculating Combined Loan-to-Value Ratios (CLTV, HCLTV) with Subordinate Financing

- Calculating Closed End Primary Mortgage Total

- Calculating the Closed End Subordinate Mortgage Total

- Calculating Total Open End (HELOC) Drawn Amounts

- Calculating HELOC Line Total

- Calculating Existing Liens to Be Paid Off

- Fields Added to Verification of Liability

- Additional Fields Added to VOLs to Support Subordinate Financing

- Updated Workflow for Entering Non-Occupant Co-Borrower Housing Expenses

- Updated Logic for Populating the HMDA Reporting Year and Demographic Information

- New HMDA Census Tract and HMDA County Code Fields

- Updated Income Calculation for Borrower Pairs on USDA Loans

- Updates to the Introductory Rate Period Calculation for ARM and Construction-to-Permanent Loans

- Updates to the FMNA Streamlined 1003 Input Form

- Updates to eConsent Process to Check for External eConsent via Encompass Developer Connect

- Change of Circumstance Options Added to User Groups Settings

- Additional Button Access Options Added to the Persona Access to Loan Actions Business Rule Setting

- System Performance Enhancements

The following entries were updated on the Feature Enhancements page:

- The Electronic Document Management entry for *Configurable eSigning Order for eDisclosures* was updated with a procedure section, In addition, the words "and Louisiana" were removed from the entry.

By default, the option is now enabled for South Carolina only.

The following new entries were added to the Fixed Issues page:

- Able to Send Consent Requests to Co-Borrowers with No Email Address

- Updates to the Wording on the eDisclosure Agreement

- eSigning Supports Hyphenated Names

- Application Error Triggered After Tying eFolder Documents to ATR/QM Data Has Been Addressed

- Current Finance Charge No Longer Clears When Synced with the Piggyback Loans Tool

- 203H Option Now Functions Properly When Selected from the SOA Drop-Down List on a Custom Form

- Updated Behavior for Total Payoffs and Payments on the Alternate Closing Disclosure Page 3

- Lock Icon Added to Initially Payable to Your Institution Field

- Total Interest Percentage (TIP) Now Rounding Up for Four-Decimal Values Ending in 5

- Estimated Prepaid Items Now Excluded from the Refinance Cash Out Amount

- Late Fee Rounding

- Total Pay Calculating Correctly on the VA 26-6393 Loan Analysis Input Form for Decisioned Loans

- Update to Address Race Condition Issue That Occurs Between Loan Open and Loan Lock Operations

- New DLL Files Added to Encompass SDK Installer Package

Change Type: Entry updated

Change Date: 9/11/2018

Details: The following update was made to the wording in the last sentence in the first paragraph of the Electronic Document Management entry for *Configurable eSigning Order for eDisclosures* :

Previous wording:

- By default, the option is enabled for South Carolina only.

Current wording:

- By default, no states are selected.

Change Type: Entry updated

Change Date: 9/11/2018

Details: The following update was made to the description of the HCLTV calculation in the *Government (FHA, VA, or USDA)* section in the Calculating Combined Loan-to-Value Ratios (CLTV, HCLTV) with Subordinate Financing entry on the Feature Enhancements page.

Previous entry:

- **HCLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Draw Amounts (field ID CASASRN.X167) divided by the valuation used.

Current entry

- **HCLTV** – The sum of the Closed End Primary Mortgage Total (field ID 427), the Closed End Subordinate Mortgage Total (field ID 428), and the Total Open End (HELOC) Credit Limit (field ID CASASRN.X168) divided by the valuation used.

Change Type: Entry updated

Change Date: 9/11/2018

Details: The following note was added to the *Total Ratios for Subject Property* section in the Updates to the *Subordinate Mortgage Loan Amounts Pop-up Window* entry on the Feature Enhancements page.

> ❗ For clients using the Encompass Product and Pricing Service (EPPS) to price HELOC loans, Ellie Mae recommends that the loan be priced within EPPS, but manually locked in Encompass due to a potential conflict with CLTV on HELOC loans imported into Encompass from EPPS. This issue is scheduled to be addressed in the Encompass Product and Pricing Service 19.1 release.

Change Type: Entry removed

Change Date: 9/13/2018

Details: The following entry was removed from the Feature Enhancements page in these release notes. This feature enhancement will not be included in the Encompass 18.4 major release.

System Performance Enhancements

The following updates have been applied to Encompass to help ensure improved system performance on users' client workstations:

- **Filter Archived Loans:** Authorized users can now filter archive loan folders within the Pipeline. By excluding loans stored in folders indicated as *Archive*, the Pipeline can load faster since fewer loan files are being included. By default, loans located in archive loan folders are not included in your Pipeline views and the *<Archive>* option will not be listed in the Loan Folder drop-down list at the top of the Pipeline. Even if the user selects *<All Folders>* from the Loan Folder drop-down list, loans stored in archive folders will not be listed in the Pipeline. To include loans from archive loan folders, select the new **Include Archive Folders** check box at the top of the Pipeline. When this check box is selected, the *<Archive>* option is listed in the Loan Folder drop-down list.
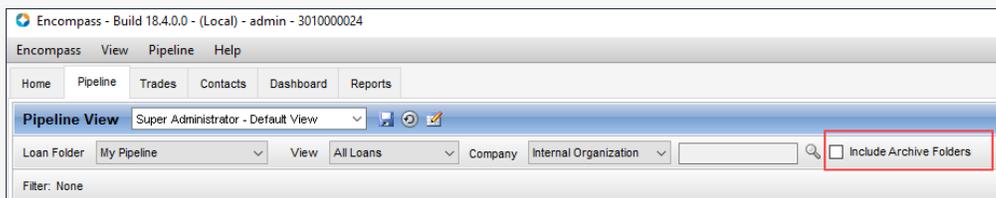
  The Persona settings have been updated to include a new Include **Archive Folders** option that administrators can select to grant user access to this check box on the Pipeline. To access this option, navigate to **Encompass** > **Settings** > **Company User/Setup** > **Personas**, and then select the **Pipeline** tab. The **Include Archive Folders** option is listed at the bottom the Pipeline Tasks option list.

  NICE-11278