

Changes in Home Equity

In Brief:

- **Home Equity Loan Changes. 1st lien Home Equity Loan discontinued**
- **BBVA Compass Home Value Estimator-update**

Home Equity Loan Changes

Effective January 1, 2014, BBVA Compass will discontinue origination of 1st lien Home Equity Loans. Only certain Retail Branch job families will be able to continue originating 2nd lien Home Equity Loans AND 1st and 2nd lien Home Improvement Loans (see link to grid below). **The Home Equity Line of Credit origination guidelines will not change.**

Every Retail Branch job family that previously could will continue to be able to originate 1st or 2nd lien Home Equity Lines of Credit (BRE, ASM, RRM, FSA, SSA). Given the changes going on in January, including the regulatory changes, these will be the products available for the different Retail Branch job families: [see grid](#).

(Link above will take you to this grid)

Under the new rules, only the following Retail Branch Job Families are allowed to originate Mortgage and HE products						
Retail Branch Job Family	Can be an MCE?	Products allowed to originate				
		Mortgages (Only if PMCE, MCE)	PM2 (Only if PMCE, MCE)	Home Equity Loan (2 nd lien only)	Home Improvement Loans (1 st lien or 2 nd lien)	Home Equity Line of Credit
FSA	Yes	Yes	Yes	Yes	Yes	Yes
SSA	Yes	Yes	Yes	Yes	Yes	Yes
RRM	Yes	Yes	Yes	Yes	Yes	Yes
BRE	No	No	No	No	No	Yes
ASM	No	No	No	No	No	Yes

MBOs will not be able to originate 1st lien Home Equity Loans (discontinued product) and 1st lien Home Equity Lines of Credit. However, they will be able to originate PM2 2nd lien Home Equity Lines of Credit and PM2 2nd lien Loans. PM2 Home Equity Lines of Credit Optimizers are not available in Texas.

Any 1st lien Home Equity Loan (discontinued product) application in progress or submitted in ALNOVA by end of day December 31st, 2013 will be processed as usual. Originators will be responsible for the submission of all required documentation in a timely manner. If the application is withdrawn or declined after January 1st, it will not be possible to submit another 1st lien Home Equity Loan (discontinued product) application.

The only collateral material that you should have in your branch that references Home Equity Loans should be your current Sales Magazines (also known as the Consumer Catalog). If you have any outdated marketing collateral material in your branch referencing Home Equity Loans, please dispose of this material appropriately.

As a reminder, there are several changes that CLC has implemented or is planning to implement in the next few days to address the CFPB Regulatory and Policy changes. These changes, including a Quick Reference Guide (QRG), were covered in the Blue Bulletin published on 12.18.13. [QRG Grid](#)

BBVA Compass Home Value Estimator-update

The BBVA Compass Home Value Estimator was removed from the bbvacompass.com website on January 2, 2014. As a reminder, the BBVA Compass Home Value Estimator was removed from the bbvacompass.com website to address the CFPB changes to Equal Credit Opportunity Act (ECOA) Valuations Rule. All bank employees involved in originating loans secured by dwellings will not be able to access any Property Value Estimation tool such as the BBVA Compass Home Value Estimator, Zillow.com, or Trulia.com. Please do not try to access another online tool of this kind.

Bank employees will be able to access the County Tax Assessor's websites to look up the Tax Assessed Values. This information is public record. It is very important that you take advantage of your County Tax Assessor's/Appraisal District website (when available) to obtain the Tax Assessed Value if your client does not have an accurate value regarding their residence.

Violation of these policies can result in significant fines for both the Bank and the Loan Originator under the new regulations.

Questions?

Please contact Guillermo Martinez (joseg.martinez@bbvacompass) if you have any questions regarding the above announcements.

Equity and Mortgage Retail Branch Job Family Originator Grid

Under the new rules, only the following Retail Branch Job Families are allowed to originate Mortgage and HE products						
Retail Branch Job Family	Can be an MCE?	Products allowed to originate				
		Mortgages (Only if PMCE, MCE)	PM2 (Only if PMCE, MCE)	Home Equity Loan (2 nd lien only)	Home Improvement Loans (1 st lien or 2 nd lien)	Home Equity Line of Credit
FSA	Yes	Yes	Yes	Yes	Yes	Yes
SSA	Yes	Yes	Yes	Yes	Yes	Yes
RRM	Yes	Yes	Yes	Yes	Yes	Yes
BRE	No	No	No	No	No	Yes
ASM	No	No	No	No	No	Yes

Violation of these policies can result in significant fines for both the Bank and the Loan Originator under the new regulations.

Equity and Mortgage Lending Retail Branch Job Family Activity Grid

Generic Activity Examples	BRE	ASM	RRM	FSA	SSA	BA
Must maintain an Active NMLS# Registered with BBVA Compass	Yes	Yes	Yes	Yes	Yes	No
Advertises oneself as a Loan Originator to the General Public	No	No	Yes	Yes	Yes	No
Looks up an Estimated Property Value Online from a third-party website like Zillow or Trulia	No	No	No	No	No	No
Looks up the Tax Assessed Value using the County Tax Assessor's (Appraisal District) public record website	Yes	Yes	Yes	Yes	Yes	No
Home Equity Activity Examples	BRE	ASM	RRM	FSA	SSA	BA
Take a Home Equity Line of Credit (HELOC) Application in ALNOVA	Yes	Yes	Yes	Yes	Yes	No
Collects Supporting Income & Asset Documents for a HELOC Applicant	Yes	Yes	Yes	Yes	Yes	No
Take a 2nd lien Home Equity Loan Application in ALNOVA	No	No	Yes	Yes	Yes	No
Collects Supporting Income & Asset Documents for a 2nd lien Home Equity Loan Applicant	No	No	Yes	Yes	Yes	No
Offers, discusses, or negotiates Credit / Loan Terms for a 2nd lien Home Equity Loan Prospect	No	No	Yes	Yes	Yes	No
Take a Home Improvement Loan (HIMP) Application in ALNOVA	No	No	Yes	Yes	Yes	No
Collects Supporting Income & Asset Documents for a HIMP Applicant	No	No	Yes	Yes	Yes	No
Offers, discusses, or negotiates Credit / Loan Terms for a HIMP Prospect	No	No	Yes	Yes	Yes	No
Refers a Home Equity Loan or Home Improvement Prospect to a RRM, FSA, or SSA	Branch referral	Branch referral	No	No	No	Branch referral
Solicit General Contractors for HIMP Loan Referrals	No	No	Yes	Yes	Yes	No
Mortgage Activity Examples	BRE	ASM	RRM	FSA	SSA	BA
Solicit Realtors for Purchase Mortgage Referrals	No	No	PMCEs Only	PMCEs Only	PMCEs Only	No
Solicit Builders / Developers for Mortgage Referrals	No	No	PMCEs Only	PMCEs Only	PMCEs Only	No
Offers, discusses, or negotiates Credit / Loan Terms for a Mortgage Prospect	No	No	MCE or PMCE	MCE or PMCE	MCE or PMCE	No
Works up and / or Advises on Loan Options for a Mortgage Prospect	No	No	MCE or PMCE	MCE or PMCE	MCE or PMCE	No
Quotes Pricing (Interest Rate & Discount Points) to a Mortgage Prospect	No	No	MCE or PMCE	MCE or PMCE	MCE or PMCE	No
Refers a Mortgage Prospect to an In-Branch MCE / PMCE or to a local MBO	through URS	through URS	through URS	through URS	through URS	through URS
Prepare a Pre-Qualification for a Purchase Mortgage Prospect	No	No	RESL Support	RESL Support	RESL Support	No
Prepare a Pre-Approval for a Purchase Mortgage Prospect	No	No	Refer to MBO	Refer to MBO	Refer to MBO	No
Take a Mortgage Application in Mortgagebot (MBOT)	No	No	MCE or PMCE	MCE or PMCE	MCE or PMCE	No
Collects Supporting Income & Asset Documents for a Mortgage Applicant	No	No	MCE or PMCE	MCE or PMCE	MCE or PMCE	No