



**Presentation for Sales & Operations**

# **Quorum FCU HELOC Broker Outlet**

**Training & Rollout Date:  
July 18, 2024**

Information within this presentation is current as of the date of this rollout. Please contact Vincent Buongiovanni at [Vincent.Buongiovanni@quorumfcu.org](mailto:Vincent.Buongiovanni@quorumfcu.org) or 914-641-3866 for the most recent information or visit [www.partners.quorumfcu.org](http://www.partners.quorumfcu.org).

# Who is Quorum FCU?

This is a broker outlet for loans not eligible to be done through the PMC Retail Channel.

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- Quorum Federal Credit Union was established over 90 years ago and is based in Harrison, New York and presently operates as an online credit union. It was named by Bankrate as one of the Best Credit Unions of 2024 and has over 65,000 members. On the lending front, Quorum specializes in home equity lines of credit.

# Who is eligible to participate at PMC

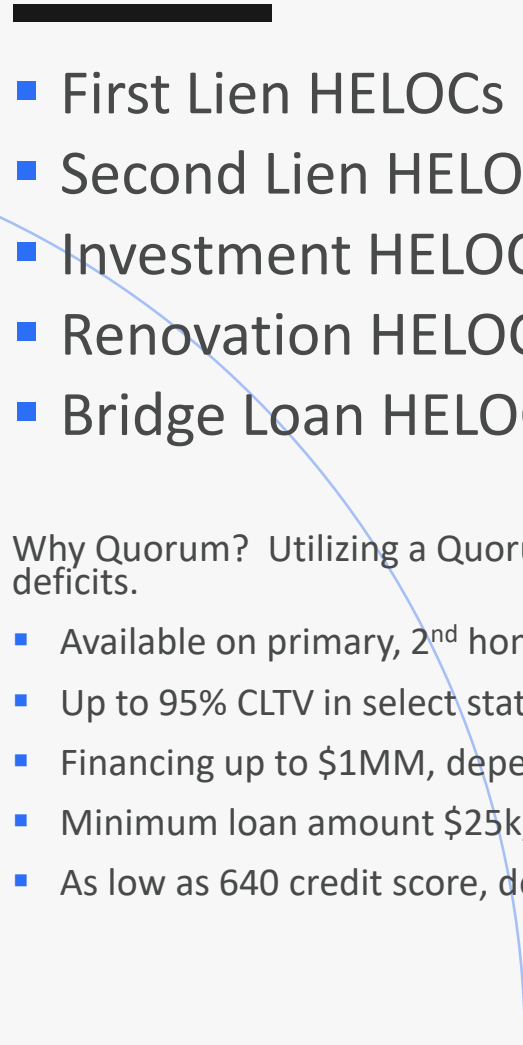
This is a broker outlet for loans not eligible to be done through the  
PMC Retail Channel.

All PMC licensed loan officers are eligible in the states in  
which Princeton is licensed\*.

\*Except for Texas, as Quorum does not lend in Texas.

# Available Programs

## Understanding the Offerings

- 
- First Lien HELOCs
  - Second Lien HELOCs
  - Investment HELOCs
  - Renovation HELOCs
  - Bridge Loan HELOCs (1<sup>st</sup> lien)

Why Quorum? Utilizing a Quorum HELOC helps clients avoid PMI, jumbo financing, cash shortfalls, and down-payment deficits.

- Available on primary, 2<sup>nd</sup> homes, and investment properties.
- Up to 95% CLTV in select states
- Financing up to \$1MM, depending on the program.
- Minimum loan amount \$25k, depending on the program.
- As low as 640 credit score, depending on the program.

# Product Snapshot

## Overview of the different HELOC products

Loan Product	Second Lien HELOC	HELOC Express (2 <sup>nd</sup> Lien)	First Lien HELOC	Investment HELOC	Bridge Loan (1 <sup>st</sup> Lien)	Renovation HELOC
Draw/Repayment Period	10 years/20 years	10 years/20 years	10 years/20 years	5 years/10 years	10 years/20 years	10 years/20 years
Index	Prime Rate	Prime Rate	Prime Rate	Prime Rate	Prime Rate	Prime Rate
Margin	Risk Based	Risk Based	Risk Based	Risk Based	Risk Based	Risk Based
Interest Rate	Index + Margin	Index + Margin	Index + Margin	Index + Margin	Index + Margin	Index + Margin
Qualifying Payment	P & I payments amortized over twenty (20) years	P & I payments amortized over twenty (20) years	P & I payments amortized over twenty (20) years	P & I payments amortized over ten (10) years	P & I payments amortized over twenty (20) years	P & I payments amortized over twenty (20) years
Borrower Payment	Interest Only payments are due during the draw period.	Interest only payments are due during the draw period.	Interest only payments are due during the draw period.	Interest only payments are due during the draw period.	Interest only payments are due during the draw period.	Interest only payments are due during the draw period.
Floor Rate	6.95%	6.95%	6.95%	6.95%	6.95%	6.95%
Annual Rate Caps	2% increase or decrease	2% increase or decrease.	2% increase or decrease.	2% increase or decrease	2% increase or decrease.	2% increase or decrease.
Lifetime Cap	18%	18%	18%	18%	18%	18%
Prepayment Penalty	No prepayment penalty.	No prepayment penalty.	No prepayment penalty.	No prepayment penalty.	No prepayment penalty.	No prepayment penalty.
Eligible Borrowers	US Citizens Permanent Resident Alien	US Citizens Permanent Resident Alien	US Citizens Permanent Resident Alien	US Citizens Permanent Resident Alien	US Citizens Permanent Resident Alien	US Citizens Permanent Resident Alien
Minimum Loan Amount	\$25,000	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000
Maximum Loan Amount	\$500,000	\$350,000	\$750,000	\$250,000	\$1,000,000	\$500,000

# Product Snapshot, Continued

Loan Product	Second Lien HELOC	HELOC Express (2 <sup>nd</sup> Lien)	First Lien HELOC	Investment HELOC	Bridge Loan (1 <sup>st</sup> Lien)	Renovation HELOC
FICO	640	680	640	680	680	640
Max CLTV	90% (95% available in CT, ME, MA, NH, RI, VT)	90% (95% available in CT, ME, MA, NH, RI, VT)	90%	80%	80%	90% (ARV) (95% available in CT, ME, MA, NH, RI, VT)
Eligible Occupancy Types	Primary & Second Home	Primary & Second Home	Primary & Second Home	Investment	Primary	Primary & Second Home
Units	1-2 Units	1-2 Units	1-2 Units	1-4 Units	1 Unit	1-2 Units
State Eligibility	All 50 except TX	All 50 except TX	All 50 except TX	All 50 except TX	All 50 except TX	All 50 except TX
Lien Position	2 <sup>nd</sup> Lien Only	2 <sup>nd</sup> Lien Only	1st Lien Only	1st & 2nd	1st Lien only	1st & 2nd
Maximum Housing Ratio	38% (FICO <720) 43% (FICO ≥720)	38% (FICO <720) 43% (FICO ≥720)	45%	38%	38%	38% (FICO <720) 43% (FICO ≥720)
Maximum Debt Ratio	43% (FICO <720) 45% (FICO ≥720)	43% (FICO <720) 45% (FICO ≥720)	45%	43%	43%	43% (FICO <720) 45% (FICO ≥720)
Self Employed	Eligible	Not Permitted	Eligible	Eligible	Eligible	Eligible
Quorum Origination Fee	\$495	\$495	\$495	\$695	\$995	\$495
Quorum Processing Fee	\$100	\$100	\$100	\$100	\$100	\$100
Servicing: Monthly Supervision Fee	N/A	N/A	N/A	N/A	N/A	\$149
Annual Servicing Fee	N/A	N/A	N/A	\$100	N/A	N/A

# Renovation HELOC

## Understanding the Offerings

### ■ Product Highlights:

- 10-year draw
- 20-year repayment
- Minimum Loan Amount \$50k
- Max Loan Amount \$500k
- Minimum FICO 640
- Max LTV 90% After Renovated Value (ARV); [95% available in select states]
- Max 150% Current “as is” value
- All states in which LO, PMC, and Quorum are licensed except Texas (Quorum restriction)
- No prepayment penalties and no early termination fees
- Eligible property types: 1-2-unit, PUD, agency warrantable condos, townhomes, ADU (max of 2 ADU’s permitted on a primary residence, 1-unit dwelling)

# Bridge Loan HELOC (1<sup>st</sup> Lien)

## Understanding the Offerings

### ■ Product Highlights:

- Minimum Loan Amount \$50k
- Max Loan Amount \$1MM
- Minimum FICO 680
- Max LTV 80%
- Occupancy: Primary Residence—1 unit
- All states in which LO, PMC, and Quorum are licensed except Texas (Quorum restriction)
- Available on 1<sup>st</sup> lien position only
- Property may be listed on MLS (not required)
- Quorum does not indebt the future purchase
- Eligible property types: 1-unit, PUD, agency warrantable condos, townhomes



# Broker Paid Compensation

## Understanding the Offerings

**Up to 2% (based on entire line amount) up to \$5000.**

- Compensation amount must be selected when submitting the application.

• 0.00%    • 0.50%    • 1.00%    • 1.50%    • 2.00%

- Note: Once the application is submitted, the compensation amount cannot be changed.

# Program Code

- 
- Create file in Encompass with the applicable Quorum Program code to the right.
  - Terms may vary depending on the program.



- Quorum 1<sup>st</sup> Lien HELOC
- Quorum Non-QM 2<sup>nd</sup> Lien HELOC
- Quorum 1<sup>st</sup> Lien Bridge HELOC
- Quorum 1<sup>st</sup> Lien Reno HELOC

# File Submission

- Loan Officer must first start the file in Encompass and submit file through Encompass to the Disclosure Team the same day the file is uploaded in the Quorum Portal.
- Note: For access to the Quorum Portal, visit <https://partners.quorumfcu.org> and select “Partner Portal” to request credentials and access the Quorum Partner Portal. (Note that at the time of this rollout, we have already requested credentials for our existing loan officers and applicable operations personnel, which you should be receiving directly from Quorum.)

# File Submission

Submitting the file to Quorum: Use a FNMA 3.4 File to upload the file including the following:

Upload the required documents listed below to complete the initial underwriting of your loan file:

- Executed Home Equity Acknowledgment Form
- Completed Loan File Submission Form
- 1003/1008- URLA Lender page included
- Mortgage Statements, Taxes, and Insurance for all REO's owned
- Income Documents: Salaried Borrower: Two most recent consecutive paystub & Last 2 years W2's
- Income Documents: Variable Pay: Two most recent consecutive paystub & Last two years W2's & last two years year-end paystubs
- Income Documents: Self-Employed: Most recent two years filed tax returns (personal & business), Proof of Extension (if applicable)
- Income Documents: Rental Income: Most recent year filed tax returns

# Locking the Loan/Secondary

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- Loan Officer:

For this broker outlet, given that the products are all HELOCs, there really is no “lock” process, as the rates are as specified on the product overview. The loan must be submitted to Quorum, via uploading a FNMA 3.4 file, but there is no separate registration/lock.

# Website & Acct Exec Contact

[www.partners.quorumfcu.org](http://www.partners.quorumfcu.org)

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Account Executive

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# Ops Responsibilities

## Disclosure Team

1

The Disclosure Desk is responsible for issuing the mini-pack of disclosures to include the following:

- Borrower Certification and Authorization
- USA Patriot Act Information Disclosure
- Privacy Policy
- CHARM Booklet (if ARM)
- Your Home Loan Toolkit (purchases)
- State Specific Disclosures

2

The Disclosure Desk **DOES NOT** issue a Loan Estimate (LE). The Disclosure Desk must issue the mini-pack on Day 1 of the TRID time period AND must notify the PMC Team Processor via email that the loan is ready to for input into the Quorum FCU portal. **Processor must do this the same Day**, so it registers into the Quorum website as the same application date. Quorum Mortgage will fully disclose the loan, as applicable. (Note that for consistency in how we handled Brokered Out loans, we are following the TRID process. Contact Compliance with any questions.)



# Ops Responsibilities

## Processing Team

Series1

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1

The Processor is responsible for the upload of all required documents, the PMC mini-pack of disclosures, and the borrower minimum required documents to Quorum via the Quorum Portal the SAME DAY as the Loan Application Date (TRID Day 1) in order to allow Quorum to register the loan application date as the same date and disclose, as applicable.

2

The Processor is to obtain and upload any additional documentation specified by Quorum Mortgage during the loan flow process.

3

The Processor is responsible for ensuring a copy of any documents received from the borrower or obtained by PMC (such as a VOE) is in Encompass and also uploaded to Quorum FCU.

4

The Processor will move the loan through the milestones (underwriting and closing) to be consistent with the current loan status with Quorum FCU. **The Processor is responsible for making sure after loan closing that a copy of the entire file with Quorum (including their disclosures, their approval, all credit file loan documents, borrower provided documents, appraisal, and signed closing package) is in the PMC file.**

The Processor is responsible for sending an email notification to Post-Closing ([postclosing@princetonmortgage.com](mailto:postclosing@princetonmortgage.com)) and Accounting ([accounting@princetonmortgage.com](mailto:accounting@princetonmortgage.com)) once the loan has closed and funded with Quorum.



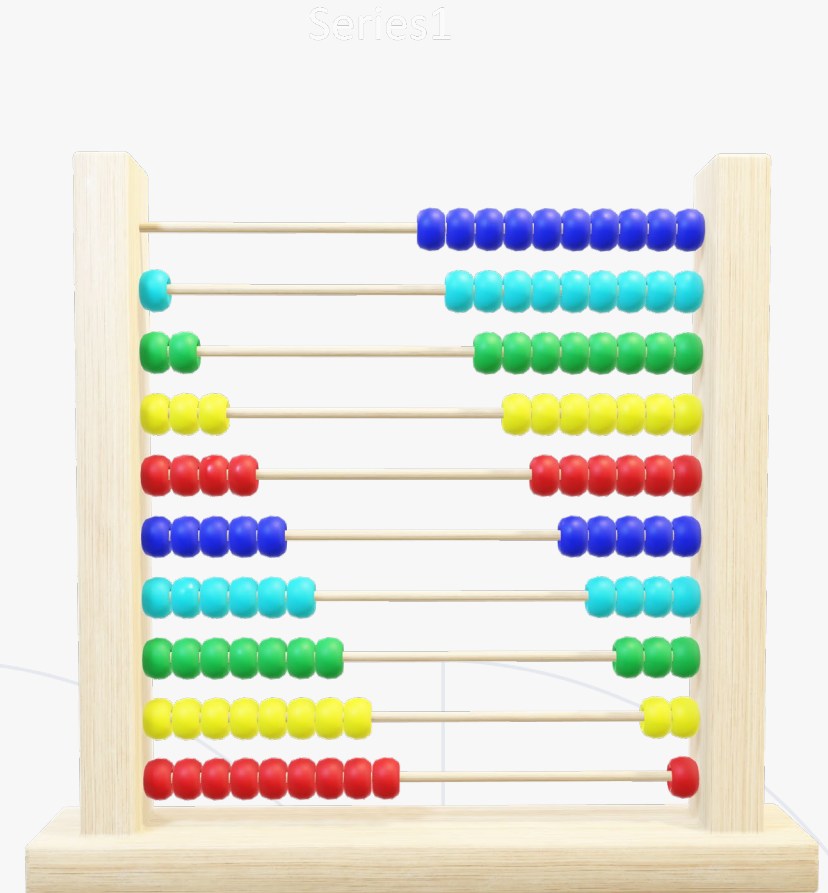


# Appraisal Ordering

## Processing & Appraisal Desk

1

Appraisal (if applicable) gets ordered with Quorum FCU. The PMC Appraisal Desk is not involved.



# Ops Responsibilities

## Underwriting Team

1

Underwriting is performed by Quorum FCU.



# Ops Responsibilities

## Closing Team

1

Closing is performed by Quorum FCU.



# Ops Responsibilities

## Post-Closing Team

- 1** Post Closing check the file to ensure that we have a full copy of the complete broker file, borrower documentation, LE, CD, and the signed closing package.
- 2** Post-Closing will move the loan through the remaining Post Close milestones.



# Ops Responsibilities

## Accounting Team



- 1** Accounting will be notified by Processing that the loan has closed with Quorum and Accounting will receive a copy of the Settlement Statement from the Processor.
- 2** Upon receipt of the loan proceeds, Accounting will ensure the Loan Officer is paid in the next commission cycle for any commission due.



# Delivering Results

Every loan, every day...through an Effortless customer experience!

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Please use this program to help more homeowners to meet their home mortgage needs!





**Thank you!**