



Entering REO



M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.



1003 URLA Part 3 - REO

To insure the REO section is accurately completed, open 1003 URLA Part 3, Property You Own.

Section 3: Financial Information - Real Estate

Borrower I do not own any real estate
Co-Borrower I do not own any real estate

Property You Own - Borrower and Co-Borrower Show all VOM

Owned by Borrower

Foreign Address

Street Address 4430 Douglas Ave East

Unit Type **Unit #**

City Higley

State AZ

Zip 85236

Country US

Subject Property

Property is used as Primary Residence

Property will be used as Investment

Other Description

Property Value 200,000.00

Property Status R

Ins, Taxes, Association Dues

For Investment Property Only

Monthly Rental Income

Net Monthly Rental Income -892.00

Mortgage Loans on this Property Does not apply

[Link Liabilities](#)

Additional Property - Borrower and Co-Borrower

1003 URLA Part 3 - REO

Section 3: Financial Information - Real Estate

Borrower I do not own any real estate

Co-Borrower I do not own any real estate

Property You Own - Borrower and Co-Borrower Show all VOM

In Section 3 of the URLA you will want to press the Show All VOM button. – VOM, review the property information for accuracy.

Quick Entry - VOM

Property Is	Address	Source
Primary Residence	4430 Douglas Ave East, Higley, AZ 85236	Encompass

Fax:

Property Information

Foreign Address

Street Address: 4430 Douglas Ave East

Unit Type:

Unit #:

City: Higley

State: AZ

Zip: 85236

Country: US

Subject Property

Property is used as: Primary Residence

Property will be used as: Investment

Other Description:

Include in Export (deselect if this is duplicated asset)

Number of Units:

Attach/Show Liens Does Not Apply

Mortgage Balance: 92,000.00

Present Market Value: 200,000.00

Mortgage Payment: 892.00

1003 URLA Part 3 - REO

Using the Attach/Show Liens button, you can select the mortgage that needs to be attached to the property.

Attach/Show Liens Does Not Apply

Present Market Value Mortgage Balance
Mortgage Payment

Property Status Gross Rental Income
Type of Property Taxes, Ins, Expenses
Purchase Price Percentage of Rental
Date Acquired Participation %
Pending Sale Date Net Income / Loss
Year Built

Comments

Borrower Total
Co-Borrower Total

Section 3: Financial Information - Real

Borrower I do not own any real
Co-Borrower I do not own any real

Property You Own - Borrower and Co

Owned by
Foreign Address
Street Address
Unit Type
City
State
Zip
Country

Mortgage Loans on this Property

Net Monthly Rental Income

Additional Property - Borrower and Co-Borrower

Import Mortgage From Liability

Lien Holder /	Balance	Payment	Type
<input type="checkbox"/> AMERICAN BANK	15,443.00	296.00	Installment
<input type="checkbox"/> NISSAN MOTOR	11,025.00	282.00	Installment
<input checked="" type="checkbox"/> WESTAR LOAN SERV	92,000.00	892.00	Mortgage

If you do not see the liability for this mortgage, add the liability to the VOL worksheet first. Or, if this property is owned free and clear, click OK without selecting a liability.

1003 URLA Part 3 - REO

If you discover there is another property that needs to be entered, use the Plus to add the information as needed.

The screenshot displays the M/I Financial software interface for entering a 1003 URLA Part 3 - REO. The main window is titled "Quick Entry - VOM" and contains the following sections:

- Borrower Total** and **Co-Borrower Total** input fields.
- Section 3: Financial Information - Real Estate**
 - Borrower** and **Co-Borrower** checkboxes, both with "I do not own any real estate" options.
 - Property You Own - Borrower and Co-Borrower**
 - Owned by:** Borrower (dropdown)
 - Foreign Address:**
 - Street Address:** 4430 Douglas Ave East
 - Unit Type:** (dropdown) **Unit #:** (input)
 - City:** Higley
 - State:** AZ
 - Zip:** 85236
 - Country:** US
 - Mortgage Loans on this Property:** Does not apply
 - Link Liabilities** button
 - Additional Property - Borrower and Co-Borrower**
 - Owned by:** (dropdown)
 - Foreign Address:**

- Quick Entry - VOM**
- VOM** header with "Add to eFolder" button (circled in red).
- Property Is:** Primary Residence | **Address:** 4430 Douglas Ave East, Higley, AZ 85236 | **Source:** Encompass
- VOM is for:** Borrower (dropdown) | **Date:** // (input)
- Print "See attached borrower's authorization" on signature line.
- From:**
 - Title:** (input) | Print user's name | Print user's job title
 - Phone:** (input)
 - Fax:** (input)
- Property Information**
 - Foreign Address:** | Subject Property
 - Street Address:** 4430 Douglas Ave East | **Property is used as:** Primary Residence (dropdown)
 - Unit Type:** (dropdown) | **Property will be used as:** Investment (dropdown)
 - Unit #:** (input) | **Other Description:** (input)

1003 URLA Part 3 - REO

Property Status meanings:

<input type="button" value="Attach/Show Liens"/>		<input type="checkbox"/> Does Not Apply	Mortgage Balance	92,000.00
Present Market Value		200,000.00	Mortgage Payment	892.00
Property Status	R		Gross Rental Income	
Type of Property	Single Family		Taxes, Ins, Expenses	
Purchase Price			Percentage of Rental	
Date Acquired	//		Participation %	
Pending Sale Date	//		Net Income / Loss	-892.00
Year Built				
Comments				

<input type="button" value="Attach/Show Liens"/>		<input type="checkbox"/> Does Not Apply
Present Market Value		\$
Property Status		PS
Type of Property		R
Purchase Price		H

- S = Sold
- PS = Pending Sale
- R = Rental
- H = Held (retained)

If your mortgage statement does not have the taxes and insurance escrowed, please enter this information as a total on the Taxes, Ins, Expenses line (property taxes, homeowner's insurance, and HOA dues).

Utilize your 1038 rental income worksheet for your calculations and enter corresponding information in REO screen, as required (Gross rental, % participation, etc.).

Refer to the Underwriting Guidelines for further clarifications on calculating the income.



M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.

1003 URLA Part 3 - REO

Helpful Hint:
When you are entering your REO and using Property will be used as, Other, you must fill in Other Description.

If you do not, the URLA will not print as part of the loan package and you will receive an error.

This can be entered through 1003 URLA Part 3 or VOM, both under forms.

Section 3: Financial Information - Real Estate

Borrower I do not own any real estate

Co-Borrower I do not own any real estate

Property You Own - Borrower and Co-Borrower Show all VOM

Owned by: [Dropdown]

Foreign Address:

Street Address: [Text]

Unit Type: [Dropdown] Unit #: [Text]

City: [Text]

State: [Text]

Zip: [Text]

Subject Property:

Property is used as: [Dropdown] (Other selected)

Property will be used as: [Dropdown] (Other selected)

Other Description: [Text]

Property Value: [Text]

Property Status: [Dropdown]

Ins, Taxes, Association Dues: [Text]

Error will look like this:

Property Information

Foreign Address:

Street Address: 5431 Dunganven Street

Unit Type: [Dropdown]

Unit #: [Text]

City: Canal Whchstr

State: OH

Zip: 43110

Country: US

Subject Property:

Property is used as: [Dropdown] (Primary Residence selected)

Property will be used as: [Dropdown] (Other selected)

Other Description: [Text]

Include in Export (deselect if this is duplicated asset)

Number of Units: [Text]

Attach/Show Liens: Does Not Apply

Present Market Value: 240,000.00

Property Status: [Dropdown] (H selected)

Type of Property: [Dropdown]

Mortgage Balance: 155,749.00

Mortgage Payment: 1,128.00

Gross Rental Income: [Text]

Taxes, Ins, Expenses: [Text]

Form Failure Report

Correlation ID: 0b1dbe59-1061-4d82-9631-3641e417a800

The following documents could not be returned at this time

Doc Name	Failure Reason
GURLA20_S	URLA Form Failed: VOM Property Information Section - Please complete Other descri

DocTitle: Uniform Residential Loan Application (2020)
DocumentType: StandardForm

B3/2nd Borrower Pair Retained Property Without A Mortgage

Open the application for B3, go into M/I Borrower Summary-Origination, and go into the current address area.

Press the housing paper and pencil.



Input their current monthly housing expenses into the quick entry for the REO related expenses to be added to the debt ratio.

The screenshot displays the 'Borrowers' application interface for Jeffrey D Fox. The main window is titled 'M/I Borrower Summary - Origination'. It shows borrower details for Jeffrey D Fox, including his SSN (305-78-3390), DOB (10/07/1967), and marital status (Married). The current address is 13225 Howe Rd, Fishers, IN 46038. A 'Housing' icon is highlighted in the bottom left corner of the main window. A 'Quick Entry - Monthly Housing Expenses' window is open, showing a table of expenses:

Expense Category	Present	Proposed
First Mortgage PMI		1,713.62
Other Financing PMI		54.92
Hazard Ins		279.16
Supplemental Ins		131.69
Real Estate Taxes		249.83
Mortgage Insurance		0.00
HOA Dues		0.00
Other		0.00
Total		2,429.22

The 'Total' row is highlighted with a red box. A red arrow points from the 'Housing' icon in the main window to the 'Monthly Housing Expenses' window.

Additional Information

No matter what the loan type, the Information Ribbon at the top of the page in encompass will always show the housing ratio for all borrowers – even if it is a government loan. This does not prevent the correct ratio from appearing on the 92900LT, VA Loan Analysis or calculating in AUS.



Front End Housing Ratios Should Include:

Conventional

- **Primary Residence – Full PITIA** of the subject property.*
- **Primary Residence with Non-Occupant Co-Borrower (NOCB) – All primary housing expenses** for our borrower (subject PITIA) and the primary residence of the NOCB.*
- **Second Home/Investment Properties:** The primary housing expense for our borrower(s). Subject property will be counted as part of DTI.

*Additional properties owned by occupant/NOCB will be counted in DTI (subject to rental income adjustment, as applicable).

FHA & VA

- **Housing Ratio will consist of subject PITIA only, regardless of NOCB's housing expense which will be counted as part of the DTI.**

Additional Information

Calculation for Net Income/Loss within VOM Record(s)

(Rental Income – Expenses) x participation % where:

Gross Rental Income = (Gross Rental Income x Percentage of Rental)

and

Taxes, Insurance, Expenses = Mortgage Payment + Taxes, Ins. Expenses)

This data is only needed on properties that are not the borrower's primary residence or the subject property. (data is captured in the present housing fields)

Attach/Show Liens	<input type="checkbox"/> Does Not Apply	Mortgage Balance	43,919.56
Present Market Value		Mortgage Payment	463.00
Property Status	R	Gross Rental Income	5,000.00
Type of Property	Single Family	Taxes, Ins, Expenses	350.00
Purchase Price	200,000.00	Percentage of Rental	75.00
Date Acquired	07/13/2017	Participation %	75.00
Pending Sale Date	//	Net Income / Loss	2,202.75

Total monthly payment of the associated mortgages

Monthly gross rental income from the property

Taxes, Insurance, other expenses related to property

Avg. percentage of the properties total units that are rented.

Percentage of the property owned by the borrower. The value is used to determine the net income (or loss)

In the above example:

VOM Record with Mortgage Payment of \$463.00, Gross Rent of \$5000, Taxes, Ins, Expenses of \$350.00, Percentage of Rental of 75% and Participation of 75%

- **Gross Rental Income:** $\$5,000 \times 0.75 = \$3,750.00$
- **Taxes, Ins, Expenses:** $\$463.00 + \$350.00 = \$813.00$
- **Net Income/Loss** = $(\$3,750 - \$813.00) \times .75\% = \$2,202.75$

Note: When Property is used is primary residence, Net Income/Loss is equal to Mortgage payment minus Taxes, Ins, Expenses.



M/I TITLE AGENCY



M/I TITLE, LLC



M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.



TransOhio Residential Title



M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.