



Filogix Expert Release Notes

Release 2.5

December 12th, 2008

*If you have any questions regarding this release, please contact
Client Services Support.*



*Please ensure that all users in your organization receive a copy of this document.
We recommend that you review and retain a copy of this document to be included
in your training material.*

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Updates have been made to Filogix Expert® which will be available on December 12th, 2008. The updates affect the following areas:

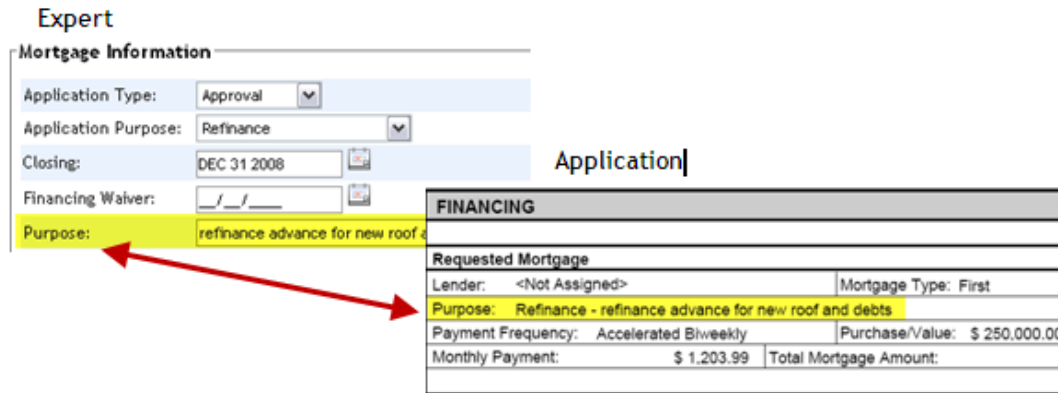
- Co Broker
- Mortgage Details and Application
- Mortgage Insurer AIG UG
- Credit Bureau Scrape /Copy
- Internet Browsers
- Forms
- Ontario New Disclosure to Borrowers Forms

1. Co-Broker

The Agent Search Criteria functionality on the Co-Broker screen has been enhanced to ensure only active agents can receive a co-brokered deal.

2. Mortgage Details and Application

The Purpose information will copy over and display on the Mortgage Application.



3. AIG UG

The Mortgage Insurance provider AIG UG has been added to the Insurance provider dropdown on the Details screen for Lender Responses.

Response Details			
Mortgage Amount:	\$ 205,000.00	Mortgage Closing Date:	DEC 31 2008
Mortgage Insurance:	\$ 6,745.00	Commitment Expiry Date:	FEB 02 2009
Payment:	\$ 601.99	Interest Adjustment Date:	DEC 31 2008
Total Mortgage Amount:	\$ 205,000.00	Rate Hold Days:	90
Rate:	5.100 %	Rate Type:	Fixed
Term:	Years: 3 Months: 0	Term Type:	Closed
Amortization:	Years: 25 Months: 0	Payment Frequency:	Accelerated Bi-Weekly
Mortgage Insurer:	AIG UG		
Mortgage Insurance Reference #:	CMHC GE Capital AIG UG		

4. Credit Bureau

The term "Scrape" used in Expert to copy trade lines from the credit bureau to the liabilities section of the application is replaced with the term "Copy" on messages, buttons and headings.

5. Browsers

A number of fixes have been made to ensure both Internet Explorer and Firefox browsers react the same way in Expert for specific features.

- a. Firefox - Printing the Validation window will not crash the browser and users can now print the results of validation.
- b. Firefox - Buttons will display as greyed out when inactive.
- c. Firefox - Navigation from incomplete field entry will not lock the screen.
- d. Browser Support - Filogix will support the use of the most current/recent version of Internet Explorer and Firefox, plus one major previous version. For example, when version 8 of Internet Explorer is released (non-Beta), version 6 will no longer be supported and therefore all clients will need to upgrade to version 7 or 8.

While other browsers may have been used to run Expert, Filogix cannot guarantee that all functionality will operate as intended. Furthermore, defects or questions related to non-supported browsers are not eligible for technical support.

	Windows	Mac	Other (Linux, etc.)
Internet Explorer	Versions 6 & 7	Not supported	Not supported
Firefox	Versions 2 & 3	Versions 2 & 3	Not supported
Other (i.e. Opera, Safari, Google Chrome, etc.)	Not supported	Not supported	Not supported

6. Forms

- a. Investor Disclosure - The Legal address has been added to the Ontario Investor Disclosure form.

A. Property/Security To Be Mortgaged

1. Legal and Municipal address of the property:
Detached 124-7B 7 - Parcel C Harding
123 King Street Toronto, Ontario M8M 8M8

- b. Solicitor Letter - Agent contact and license information has been added to the header.

7. Ontario Disclosure to Borrower Forms

The new Ontario Disclosure to Borrower form will be available to agents and brokers on December 31st. Updates to eLearning and Reference materials have been made to ensure Ontario agents have time to review and learn the new form. The Ontario Statement of Mortgage is replaced with the Ontario Disclosure to Borrower forms which is two parts - Cost of Borrowing disclosure and the Conflict of Interest disclosure. As of January 1, 2009 the Ontario Statement of Mortgage will no longer be available in Expert.

- The new forms will print on regular 8 ½ x 11 paper.
- Expert can produce the two forms separately or as a single document with a combination of both the forms. While both forms are mandatory for each application, it is the option of the Broker/Agent as to which format to use.
- There will be separate views of the Disclosure to Borrower document for Loan Types of Mortgages and Secured LOC.
- To access the new Ontario Disclosure to Borrower navigate to Forms and click on the Print button.

Forms			
Select All		Clear All	
English		Print Documents	
		Cancel	
Deal	Consent Form	Select <input type="checkbox"/>	Print
First Mortgage	Mortgage Application	Select <input type="checkbox"/>	Print
	Mortgage Summary	Select <input type="checkbox"/>	Print
	ON Investor Disclosure	Select <input type="checkbox"/>	Print Edit
	ON Disclosure to Borrower	Select <input type="checkbox"/>	Print

- Both options of the Cost of Borrowing and the Conflict of Interest sections of the form are available.

Print Forms	
Cost of Borrowing	
Conflict of Interest	
Print Cost of Borrowing Print Conflict of Interest Print Combination	
Save Cancel	

- The option to print either or both the Cost of Borrowing and Conflict of Interest sections of the form is available.

Disclosure to Borrower - Entry Screen

Most areas of the entry screen are self explanatory. We have pre-populated the Terms and Conditions with default text of "See commitment for details". This default text can be used, deleted or added to depending on your requirement.

Print Forms

Cost of Borrowing

Please describe any grace period, with respects to when interest begins to accrue.

Payments are to be paid on the of every month.

Where the actual interest rate may change, the method of determining the annual interest rate is:

Terms and Conditions:

Prepayment Privileges:

Transferability:


Method of Payment:

Special Conditions:

Particulars / Penalties:

Nature, Amount and Timing of Optional Services:

Notes:

Date to appear on printed form 

Conflict of Interest

Conflict of Interest - Entry Screen

Print Forms

Cost of Borrowing

Conflict of Interest

Conflicts of Interest:
The Mortgage Broker/Agent has the following relationship which may be perceived as a conflict of interest:

Referral Fees to Brokerage and/or Broker/Agent:
Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement if provided.

Mortgage - Commissions
The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

Mortgagee - Lender is an affiliated company
The Lender is an affiliated or related company of the brokerage and the brokerage will receive a commission and may receive contingent commissions from the Lender.

Bonus
The Brokerage may receive a bonus or contingent commission from the Lender. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage of growth in the placement of business over a previous period.

Other Compensation
The Lender involved in this transaction may provide the brokerage fees or incentives dependant on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

Referral - No Referral Fee Paid
The Borrower was referred to the brokerage, and no referral fee is being paid to the referring party.

Referral - Referral Fee Paid
The Borrower was referred to the brokerage, and a referral fee is being paid to

Other conflict not described above

The Brokerage is representing in this transaction.

The Brokerage has placed over 50% of their business with during the previous fiscal year.

The Brokerage has acted for lenders during the previous fiscal year.

The Brokerage has acted as a lender in the previous fiscal year.

Disclosure of Material Risks:
The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

In addition, the following specific risks associated with this particular mortgage transaction have been discussed:

New forms

- Fields highlighted in yellow are values that are auto-populated from the Expert database and will not require Brokers/Agents to complete.
- Fields highlighted in red require the Broker/Agent to complete on the edit screen for the data to populate on the Forms. This functionality is the same as what is currently used in Expert to populate any of the Disclosure Forms.

Disclosure to Borrower

Mortgage Brokerages, Lenders and Administrators Act		
This document must be provided to the borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.		
Disclosure to Borrower		
Cost of Borrowing Disclosure: Property to be mortgaged: 1074 Dearness Drive, London, Ontario Details of Mortgage: The principal amount of the mortgage \$ 375 000.00, will be repayable in monthly installments of \$2,234.89, to be paid on the 1 st of every month, including interest, starting on November 12, 2008. The total amount of all payments over the 5 year term will be \$ 134,082.00 The mortgage will be amortized over 25 years.		
Interest: The date on which interest begins to accrue is: November 12, 2008 and if any grace period is given, the details are: The annual interest rate is 5.25% and the compounding period is semi-annual. Interest for each payment period is calculated against the balance owing. Each payment is applied first to the accumulated cost of borrowing, and then to the outstanding principal. Any interest unpaid becomes part of the balance owing for the purposes of calculating the interest charged in future payment periods. Where the annual interest rate may change, the method of determining the annual interest rate is:		
Where the scheduled payments are not adjusted automatically to account for changes in the annual interest rate, the lowest annual interest rate at which the installment payments would not cover the interest accruing between payments is: 1.2% at this rate, a negative amortization is possible.		
Fees and Costs Payable by Borrower:	Value	Included in APR
Broker Fee	\$ 250	X
Mortgage Insurance	\$300	
Legal Fees / Disbursements (Estimated)	\$ 3 000	X
Total Costs:	\$3 550	
Total Cost of Borrowing: Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: \$ 95,524.15 APR: 5.4370 % The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.		
Terms and Conditions: Prepayment Privileges: 10% of the original principal amount once yearly Transferability: this mortgage is fully transferable Method of Payment: Normal Special Conditions: see section 5 of the mortgage commitment Particulars / Penalties: a penalty of three months interest on any other prepayment		
Nature, amount and timing of Optional Services: Life & Disability insurance \$ 75.00		
Notes:		
Name and Address of Brokerage: Mortgages R Us, 112 Oxford St, London, Ontario, Licence #: 12345 Name of Authorized Person signing on behalf of Brokerage: Billy Smith, Broker Licence #: M01234564		
Date: November 11, 2008 Authorized Signature:		
Acknowledgement		
I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.		
I / we waive the 2 business days requirement for this disclosure. Initials:		
Date:	Borrower:	
Date:	Borrower:	
<small>This form is provided "as-is" and Filogix Limited Partnership ("Filogix") makes no representations, warranties or conditions with regard to this form. Without limiting the generality of the foregoing, Filogix does not warrant that this form complies with any applicable legislation and/or regulation. To the maximum extent permitted by applicable law, Filogix disclaims all warranties and conditions implied or statutory, including, but not limited to, any warranties or conditions of merchantability, fitness for a particular purpose, and non-infringement.</small>		

Disclosure to Borrower: Cost of Borrowing
 Filogix LP: under development subject to change prior to Jan 1, 2009

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Conflict of Interest

Within the Conflict of Interest form, the 'Information on Brokerage' section requires each Firm to provide the data to their Brokers/Agents and is based on the Principal Broker for each Firm.

Two of the four questions are mandatory as per the MBLAA on every transaction, with the remaining two being disclosed only at the request of the consumer. See the FAQ section of these notes for the required information you will need from your brokerage and the mandatory fields.

Mortgage Brokerages, Lenders and Administrators Act Disclosure to Borrower	
Conflict of Interest Disclosure: Property to be mortgaged: 1074 Deerness Drive, London, Ontario	
The Mortgage Broker/Agent has the following relationship which may be perceived as a conflict of interest: The underwriter is the daughter of the mortgage agent.	
REFERRAL FEES TO BROKERAGE AND/OR BROKERS/AGENTS: Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.	
<input checked="" type="checkbox"/> Mortgage - Commissions	The brokerage will receive a commission and may receive contingent commissions from the Lender. Commissions are generally a fixed percentage of principal amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.
<input checked="" type="checkbox"/> Mortgagee – Lender is an affiliated company	The Lender is an affiliated or related company of the brokerage and the brokerage will receive a commission and may receive contingent commissions from the Lender.
<input checked="" type="checkbox"/> Bonus	The Brokerage may receive a bonus or contingent commission from the Lender. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage of growth in the placement of business over a previous period.
<input checked="" type="checkbox"/> Other Compensation	The Lender involved in this transaction may provide the brokerage fees or incentives dependant on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.
<input checked="" type="checkbox"/> Referral – Referral Fee Paid	The Borrower was referred to the brokerage, and a referral fee is being paid to Jim Morrison.
<input checked="" type="checkbox"/> Other conflict not described above	The mortgage agent is eligible to receive a free vacation from FirsLine lender as part of contest.
Information on Brokerage: The Brokerage is representing the Borrower in this transaction. The Brokerage has placed over 50% of their business with CIBC, during the previous fiscal year. The Brokerage has acted for 14 lenders during the previous fiscal year. The Brokerage has acted as a lender in the previous fiscal year.	
Name and Address of Brokerage: Mortgages R Us, 112 Oxford St, London, Ontario, Licence #: 12345 Name of Authorized Person signing on behalf of Brokerage: Billy Smith, Broker Licence #: M01234564	
Date: November 11, 2008	Authorized Signature: _____
Disclosure of Material Risks: The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling arrears, default and foreclosure, prepayment penalties, etc. <input checked="" type="checkbox"/> In addition, the following specific risks associated with this particular mortgage transaction have been discussed: Borrower is dependant the rental income from this duplex property to meet monthly mortgage payments.	
Acknowledgement	
I / we acknowledge receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.	
I / we waive the 2 business days requirement for this disclosure. Initials: <input type="text"/>	
Date: _____	Borrower: _____
Date: _____	Borrower: _____
<small>This form is provided "as-is" and Filogix Limited Partnership ("Filogix") makes no representations, warranties or conditions with regard to this form. Without limiting the generality of the foregoing, Filogix does not warrant that this form complies with any applicable legislation and/or regulation. To the maximum extent permitted by applicable law, Filogix disclaims all warranties and conditions implied or statutory, including, but not limited to, any warranties or conditions of merchantability, fitness for a particular purpose, and non-infringement.</small>	

Disclosure to Borrower: Conflict of Interest
Filogix LP: under development subject to change prior to Jan 1, 2009

8. Ontario Cost of Borrowing Calculation

The new calculation for Cost of Borrowing is introduced with the new Disclosure to Borrower form. The full calculation explanation can be found in Expert eLearning.

As outlined in MBLAA, the cost of borrowing for a mortgage is the annual rate on the principal as calculated using the formula;

$$APR = \frac{C}{T \times P} \times 100$$

- o "APR" is the annual percentage rate cost of borrowing
- o "C" is the sum all Fee amount(s) that are checked to be Included in APR + Total Interest Cost
- o "P" is the average of the principal of the mortgage outstanding at the end of each period for the calculation of interest under the mortgage, before subtracting any payment that is due at that time, and
- o "T" is the term of the mortgage in years, expressed to at least two decimal points of significance.
- o The resulting APR is a "nominal" rate calculation, which assumes the absence of interest compounding.
- o To take compounding interest into account, we need to convert the nominal interest rate to an effective rate.

9. Fees Screen

The "Include in APR" checkbox has been enhanced to ensure that fees that are required in the APR calculation cannot be removed. The table below outlines the changes to the editable checkboxes.

Fees					
Client Fees/Costs	Amount	Deduct from principal	Include in APR	Mortgage	
				First Mortgage	Second Mortgage
					Comments
Appraisal	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bonus	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bonus/Discount Paid by Borrower	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluation	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inspection Costs	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance Fees	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Legal Fees & Disbursements	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Other Lender Fees	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Mortgage Insurance Premium	0.00 <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Mortgage Insurance Premium - Tax (PST)	0.00 <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Payout Interest Penalty	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Survey Costs	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Brokerage Fee	<input type="text"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>

Default will be checked

Default Fees included or excluded with uneditable checkboxes greyed out.

10. Amortization Schedule

The transaction number has been added to the Amortization Schedule. The Amortization Schedule is now mandatory and will be included as part of the information package presented to the consumer.

11. Legal Disclaimer

The Legal Disclaimer popup message on the Forms screen will no longer appear.

In anticipation of the Brokers/Agents/Firms using the Disclosure to Borrower we have prepared a list of FAQs to assist during the transition to the new forms.

Q: What will I see on December 31st and/or January 1st, 2009?

A: On December 31st, 2008 at approximately 8:00 p.m. EDT Ontario Brokers will have access to the new Disclosure to Borrower (Cost of Borrowing Disclosure, including the new Cost Of Borrowing calculation and Conflict of Interest Form.) The new Cost of Borrowing Calculation within the Fees screen will be deployed on January 1st, 2009 at 12:00 a.m. EDT.

Q: If I have a deal in progress and already have a Statement of Mortgage printed, but had to make edits to the deal, do I use the new Disclosure Forms or can I use the Statement of Mortgage?

A: You are now required to use the new Disclosure Forms. As of January 1st, 2009, the Statement of Mortgage will be retired as per the Financial Services Commission of Ontario (FSCO) and will no longer be available for use in Expert.

Q: Do I print both Disclosure forms? Do I need to print both forms at the same time?

A: Expert has been designed to give you the option to print the forms, Cost of Borrowing and Conflict of Interest, separately or combined. You select which option to proceed with on the Forms ON Disclosure to Borrower edit screen.

Q: What fees are included in the Total Cost of Borrowing, APR%?

A: The MBLAA clearly stipulates which fees can and cannot be included in the APR. Expert will default "Include in APR" and lock the corresponding checkboxes based on the new regulations within the Fees Screen.

Q: The Disclosure to Borrower form looks different for a Mortgage and Secured LOC transaction? Is this correct?

A: Yes. If the Loan Type within the Mortgage Request details screen is set to Secured LOC the Disclosure to Borrower form will reflect a Secured LOC transaction.

Q: Did the Form 1 Private Lending form change?

A: The only changes to this form were to update the text to reference the MBLAA. A new Private Lending disclosure form is being drafted by CAAMP/IMBA, which will be approved by FSCO. Once approved, will be implemented into Expert, possibly late in 2009.

Q: COB & COI Forms: Why is there an initial box above the Signature Line? What happens if this section does not get initialled?

A: This meets requirement of the waiving the 2 business day review period. Broker/Agents should ensure the form is complete in all aspects before the form is signed.

Q: The “Information on Brokerage” section (within the Conflict of Interest form) is brand new - where do I get the information?

A: The Information on Brokerage section is a new requirement of the MBLAA and the information is specific to each Firm, as such you will need to contact your Firm (or Principal Broker) for this data. This information is *not* found within Expert.



Information on Brokerage Question	Disclosure Requirement
The Brokerage is representing _____ in this transaction.	Mandatory
The Brokerage has placed over 50% of their business with _____, during the previous fiscal year.	Upon request of borrower
The Brokerage has acted for _____ lenders during the previous fiscal year.	Mandatory
The Brokerage has acted as a lender in the previous fiscal year.	Upon request of borrower

Q: How do I disclose estimated fees on the Cost of Borrowing Form?

A: Regulations outline that if Fees are not known, but estimated, this must be clearly disclosed in writing to the borrower.

Utilize the blank fee fields to record which fees are estimated, which will map over correctly to produce a compliant PDF

Legal Fees (Estimated)	500.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1  Add Fee Delete Selected 

Q: How do I disclose my use of ‘Points’ and their use potentially on other deals or clients?

A: On the Conflict of Interest Form under the ‘Other Compensation’ section the following clause has been included for your use if required on the transaction. Selecting the checkbox will include this information on the COI form.

Other Compensation

The Lender involved in this transaction may provide the brokerage fees or incentives dependant on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.