

# 2026 Policy Changes for First Mortgage, Inc.

## **Clearing & disbursing funds:**

First Mortgage, Inc., (FMI) has been experiencing longer clearing times working with all financial institutions. Due to this situation, more checks or ACH/EFT payments are being returned on FMI, causing Not Sufficient funds. FMI's goal is to help avoid additional return fees and administration paperwork which increase all servicing fees.

Funds received by FMI from the buyers are by personal checks, business checks, ACH or EFT processing and cash or certified payments.

Clearing funds into the FMI Trust account by ACH/EFT takes up to 4 business days to verify funds. To assist the clearing process, FMI will ensure that ACH/EFT payments are processed to clear into the FMI Trust account by the date provided on the ACH Withdrawal form. I.E. if the buyer has designated FMI to make the payment by the 1<sup>st</sup>, FMI will process the ACH payment so that the funds are cleared into our Trust account by the 1<sup>st</sup>. If the 1<sup>st</sup> falls on a weekend or holiday, the posted date becomes the next business day, which will be the date FMI will clear funds into the Trust account.

Clearing funds into the FMI Trust account by personal check takes up to 7 business days to verify funds. The date the check is paid to FMI, by mail or in person, will be deposited that evening (date received).

Cash, money order, certified checks and wires are all forms of Certified funds and generally make funds available within 3 business days.

Disbursements to sellers will occur up to 5 business days after date of receiving the payment to help ensure funds are verified from the buyer's payment.

Final payments to pay the entire balance in full need to be submitted by CERTIFIED FORMAT or require additional time to clear the funds. Additional time to clear funds requires the buyer to pay additional days of interest due on the account. If a buyer has authorized FMI to deduct the final payoff from a bank account, that will require 4 business days to clear, 14 business days for personal checks and only 3 business days for Certified formatted funds. Final payoff amounts will need to account for additional clearing time to cover any interest due through the verification process.

Accounts established for onetime holding and disbursement of funds will require 10 business days to hold funds before any disbursements can be made. i.e. if you set up an account that will hold funds until an inspection is completed, FMI will need time to verify funds are guaranteed before we can release them. Based on the form of payment, FMI will require signed contracts, verify ID forms and contact with the client before funds are released.