Questions on TRID

//** The only date with regards to the COMPLETE loan applications would be the date on the "ECERT" that the file was sent to the borrower; which must be within 3 days of the loan application. The date SENT is the KEY TRIGGER DATE?

The date that the form is dated also an important date. Typically you would create the form and send it on the same day, so this likely won't be an issue, but if for some reason you don't, it could cause a violation. For example, if you take an app on 10/6 and create your LE on 10/8 you would HAVE to send the disclosures to the borrower at the latest by 10/9 in order to be in compliance. This is the same as today with the GFE and TIL too.

//** The date the borrower actually signs or e-signs the application is NOW not of concern, ie… it can be a longer period than the three days for whatever reason. The date sent is the KEY DATE.?

This is also the same as it is now. We only are concerned that the GFE and TIL were created and disclosed to the borrower within 3 business days of the LO signature date on the initial 1003. The date prepare is what we go by now and we will still (see above), but come 10/3, with ECerts that are dated when they were sent, we will also be ensuring that the disclosures were actually SENT to the borrower within the 3 days too.

//** Credit reports for the borrower are good for 120 days and can be used on different files for the borrower. Ie… offer on one home and the offer falls through, borrower finds a second home and submits offer at a later time within the 120 window.

Credit report are good for 120 days so long as the information used to obtain the report is accurate. For QC purposes we have the right to re-pull a report after 30 days to ensure no new gap debt has occurred. Also, when we give our expiration dates on our condition sheets we always err on the side of caution and list they are good for 90 days.

CLOSING DOCUMENT

//** CD, Closing Document can be sent one the file is uploaded to the lender; thus clearing the 3 day prior to close requirement.

The lender can and will send the CD once we have all the appropriate information to be able to send it. For example, we will always need the Prelim HUD/ atty fee breakdown, invoices for all $0 tolerance items, and any other information for any APR fees before we can send the CD.

//** Who/Whom is going to provide the CD to borrower? If YOUR companies are going to provide will you have a platform for the broker to upload all of the correct, current figures? Will the CD include the TIP?

As it stands now, we, as the Lender, will send the CD out. Since we are the ones held to any violations on the form, we are going to be the ones creating it. See above for how to submit the correct/current figures. The CD will be the standard form approved by the CFPB

//** CIC or COC still remain as today. Any material changes affecting the APR upwards will trigger the COC/CIC and a new CD.

This is somewhat correct. The CD will have to be redisclosed and a COC issued if there is a change

in circumstance that effect the loan after the original CD is issued. If material changes affect the APR upward .125% or increase the finance charges by more than $100, then a new 3 day waiting period is opened as well. Also, because the borrower has to be issued the "final" LE 4 days prior to closing, if a change occurs too close to closing, instead of a new LE, a CD and COC will be issued reflecting the change(s) and tolerances will be based off of that CD instead.

During the loan process however, any changes that are legitimate that effect the program, loan amount, rate, $0 tolerance items (credit supplement required, appraisal review required, etc) will require a COC and updated LE as long as we are still 4 days prior to closing.

Mortgage Assurance Inc.

TRID Rule Highlights

The rule applies to applications taken on or after **October 3, 2015.**

There is a new definition of what information constitutes an *Application*.

A newly created Loan Estimate:

- Replaces the Good Faith Estimate (GFE).
- Replaces the early Truth in Lending (TIL) disclosure.

The Loan Estimate **must** be delivered or placed in the mail within three business days of receiving the application and at <u>least s</u>even business days prior to consummation. Other than a bona fide and reasonable fee for obtaining the consumer's credit report, lenders may not collect fees or obtain a consumer's authorization to collect fees prior to the consumer receiving the Loan Estimate and indicating Intent to Proceed with the transaction.

A newly created Closing Disclosure:

- Replaces the HUD-1.
- Replaces the final Truth in Lending (TIL) disclosure.

The Closing Disclosure must be received by the consumer(s) at least three business days before consummation. For purposes of delivering the Closing Disclosure, "business day" is defined as all calendar days except Sundays and legal public holidays.

NEW Application Definition

The revised definition of the application will allow consumers to receive an estimate of loan terms and costs earlier in the application process to better facilitate the ability to shop and compare different financing options.

Old Definition	New Definition
The submission of the following information constitutes an application:	**The submission of the following information constitutes an application:**
The consumer's name	The consumer's name
The property address	The property address
The consumer's income	The consumer's income (W2s or 1099s)
The consumer's Social Security number	The consumer's Social Security number
The estimated value of the property	The estimated value of the property
The mortgage loan amount sought	The mortgage loan amount sought
Any other information deemed necessary by the lender	

Three-Day Disclosure Rules

The Loan Estimate

The Loan Estimate (LE) must be delivered or placed in the mail within three business days of receiving the application and at least seven business days prior to consummation.

The Closing Disclosure

The Closing Disclosure (CD) must be received by the consumer(s) at least three business days before consummation. For purposes of delivering the Closing Disclosure, "business day" is defined as all calendar days except Sundays and legal public holidays.

If Sending Closing Disclosure through Regular Mail

The consumer is considered to have received the Closing Disclosure three business days after it is delivered or placed in the mail. Therefore, if the Closing Disclosure is being sent via regular mail, it must be dated and sent the same day of the week, one week prior to closing. Three days are provided for transit time plus three days for the applicant to review the document as required.

Holidays

 Just like Sundays, a legal public holiday such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day would add one additional day to the process.

Confirmed Receipt

If the Closing Disclosure is provided in person, the three-day clock starts to run on that day. If the delivery method provides evidence of receipt such as a signed receipt of overnight delivery or other documented delivery, then the clock starts on the day of the documented receipt. The consumer must receive the Closing Disclosure three business days prior to consummation.

Changes

 If the Closing Disclosure requires changes, in most cases the three-day clock does not restart. Upon the consumer's request, the Closing Disclosure must be available for the consumer to inspect on the business day before consummation. An additional three-day waiting period is required if the APR becomes inaccurate (i.e., increases by more than the allowable tolerances), a pre-payment penalty is added or if there is a change of loan product.

Here is what TRID really means to you:

If the loan application is dated 10/2/2015 or earlier then nothing changes. Close as usual.

If the loan application is dated 10/3/2015 or later, then we follow the new TRID rules

What happens under TRID beginning 10/3/2015?

The Loan Estimate(LE) replaces the initial GFE and initial TIL with basically the same timing.

The Closing Disclosure(CD) replaces the final TIL and the HUD-1.
The final Closing Disclosure must be received by the borrower at least three days before closing.

ABC - That's it! There is nothing amazing about TRID. Your real responsibility is simply issuing the LE whenever you get the 6 pieces of application data. Any additional LEs needed due to a change in circumstance will be disclosed by Mortgage Assurance.

Submitting a Loan to Mortgage Assurance:

Step 1 – Upload your 3.2 into our system.
Step 2 – Upload your documents in E-docs including your LE.
Note your LE is not allowed to have MAI's name on it. Leave the Lender information blank. We can also accept LE's with another lender's name but not with our name on it.
Step 3 – Your loan will now be processed by our submissions department for compliance and sent on to underwriting.

By now your LOS should be ready to print out Loan Estimates using basically the same information processes you use today for the GFE. If your LOS is not yet ready to issue the LE, then make a note in the system that you would like Mortgage Assurance to issue the LE on your behalf when you upload the 3.2. We will accept requests to issue the LE on your behalf before the 3rd day of the application.

Helpful reminders for preparing the Loan Estimate:

The fees need to be listed Alphabetically
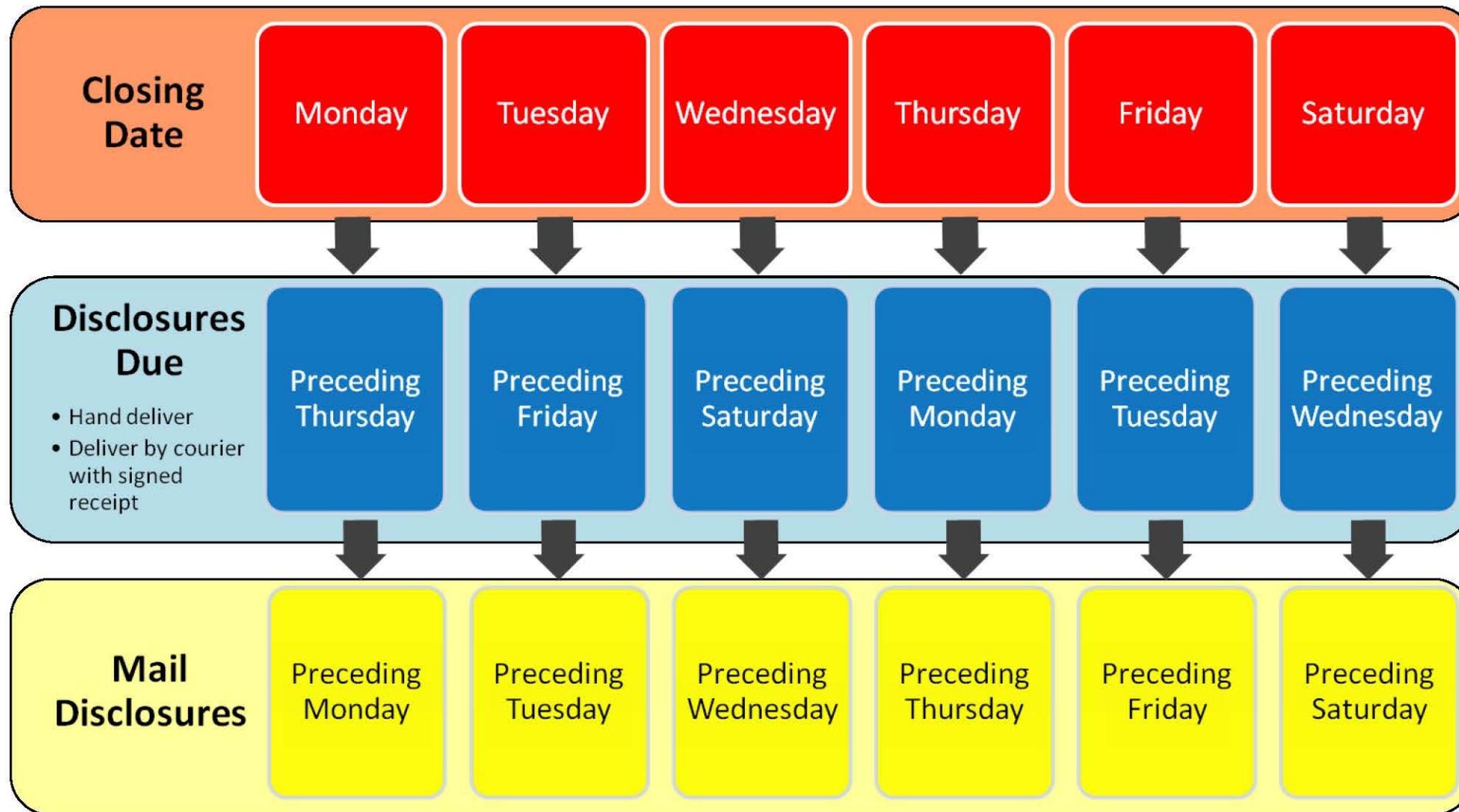Confirm all Title fees beforehand and name them "Title."

The credit report fee and appraisal fee now have a 0% tolerance, so know your costs before you issue the LE.

List all fees like on the GFE today so don't forget those occasional fees like final inspections.

A Guide to TRID
Mortgage Assurance, Inc.
1200 Ashwood Parkway, Suite 200
Atlanta, GA 30338
770.238.1565

MAI
Mortgage Assurance Inc.

Three-Day Closing Disclosure Rule

Closing Date	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Disclosures Due • Hand deliver • Deliver by courier with signed receipt	Preceding Thursday	Preceding Friday	Preceding Saturday	Preceding Monday	Preceding Tuesday	Preceding Wednesday
Mail Disclosures	Preceding Monday	Preceding Tuesday	Preceding Wednesday	Preceding Thursday	Preceding Friday	Preceding Saturday

Note: If a federal holiday falls in the three-day period, add a day for disclosure delivery.

The three-day period is measured by days, not hours. Thus, disclosures must be delivered three days before closing, and not 72 hours prior to closing.

Disclosures may also be delivered electronically on the disclosures due date in compliance with E-Sign requirements.

Changed Circumstance Cheat Sheet

What is a "changed circumstance"? (§ 1026.19(e)(3)(iv)(A))

A **changed circumstance** for purposes of a revised **Loan Estimate** is:

- Changed Circumstance Affecting Settlement Charges
    1. An extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction (§ 1026.19(e)(3)(iv)(A)(1));

    2. Information specific to the consumer or transaction that the creditor relied upon when providing the **Loan Estimate** and that was inaccurate or changed after the disclosures were provided (§ 1026.19(e)(3)(iv)(A)(2)); or

    3. New information specific to the consumer or transaction that the creditor did not rely on when providing the **Loan Estimate**. (§ 1026.19(e)(3)(iv)(A) *(3)*)

- Changed Circumstance Affecting Eligibility
- Revisions Requested by the Consumer
- Interest Rate Dependent Charges
- Expiration
- Delayed Settlement Date on a Construction Loan

What is NOT a "changed circumstance"?

This would be a change to the fees or terms of a loan that does not meet the criteria above. Examples of items that do not constitute a COC would be:

- Changing Attorneys (that is what the LSSP is for)
- Changing the spelling to a name or address (this would be an amendment)
- Updating a house or unit number within the address (this would be an amendment)
- Changing from Lender Paid Compensation to Borrower Paid compensation or vice versa
- Increasing a fee that was initially disclosed to the borrower because the LO under-disclosed based on the invoice later received AND no other COC occurred regarding that fee.
- Adding a fee that the LO "forgot" to disclose initially (ie- UFMIP on an FHA loan or Transfer Tax).

All COCs must be addressed within 3 business days of a change occurring in order to stay in compliance. This means that we need to stay on top of our invoice collecting and conditions and let the submissions department or CLOSING department know that a change has occurred. If we require multiple credit supplements, we will need to get multiple invoices and issue multiple revised LEs with COCs.

If a loan amount changes or if an applicable COC that affects the title fees happens we will need an updated fee worksheet provided by either the LO/processor OR and updated Closing Data worksheet.

Change Circumstance Examples:

A- **Changed Circumstance Affecting Settlement Charges**
  1- An extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction
    - Natural Disasters that affect the property
      - Would require a Final Inspection
    - Extreme sickness or hospitalization of a borrower
      - Would require a POA and increase the title fees
    - Recent rains caused flooding
      - Would require a Final Inspection
  2- Information specific to the consumer or transaction that the creditor relied upon when providing the **Loan Estimate** and that was inaccurate or changed after the disclosures were provided
    - Appraisal came in lower
      - Loan amount change and affected Origination fee, pricing fee, title fees and possibly rate
      - Loan now needs MI
      - Rate increased affecting the pricing fee
    - Credit Score changed on a credit re-pull
      - Rate affected as well as pricing fee
      - Updated Credit report fee adding the re-pull
    - Borrower provided an incorrect SS# (and new credit pulled showed a lower score)
      - Updated Credit report fee adding the new pull
      - (Rate affected as well as pricing fee)
    - Property is a Condo or PUD and LO did not know until appraisal came in
      - An HOA Questionnaire can be added
      - The recording and title fees can be increased
      - Appraisal fee can increase if a Condo since a different form is used
  3- New information specific to the consumer or transaction that the creditor did not rely on when providing the **Loan Estimate**
    - Lender requested item that was not known at time of initial disclosure
      - Credit Supplement
      - Credit Update (like to remove disputes)
      - Appraisal Review
      - Final Inspection
      - Additional Appraisal forms such as Rent Comp Schedule

B- **Changed Circumstance Affecting Eligibility**
  1- Loan goes from Conventional to FHA
    - Would change the loan amount and add UFMIP and Monthly MI
      - Would change the title fees, Transfer Tax, Appraisal fee (maybe), Rate and Pricing fees
  2- Adding or Removing a borrower from the loan in order to qualify
    - Would need a new credit report, so credit fee would change
    - Could affect pricing so pricing fee would change
    - Could affect title fees (with adding or removing a QCD)
  3- Loan goes from Rate/Term to Cash Out or vice versa
    - Would likely affect the rate and pricing fee, possibly the loan amount as well.

C- **Revisions Requested by the Consumer**
  1- Borrower requested a different loan amount
    - Would affect Origination, Pricing, Title, Transfer Tax, recording, etc.
    - Could require MI to be added
  2- Borrower requests a different rate
    - Pricing fee would change
  3- At Closing the borrower requests a different type of Owner's Title Insurance
    - Owner's Title fee would change
  4- Borrower requests a POA
    - Title fees would change
  5- Borrower decided to subordinate instead of payoff 2nd
    - Subordination fee can be added to Box B
    - Re-Subordination fee can be added to Box C title changes
    - Recording fees can change

D- **Interest Rate Dependent Charges**
  1- Float to Lock
    - Rate and Pricing fee can change
  2- Lock Extension
    - Pricing Fee can change
  3- Change in rate
    - Rate and Pricing Fee can change

E- **Expiration-** If LE expires before the borrower decides to "intend to proceed" all the fees can change when a new LE is issued.
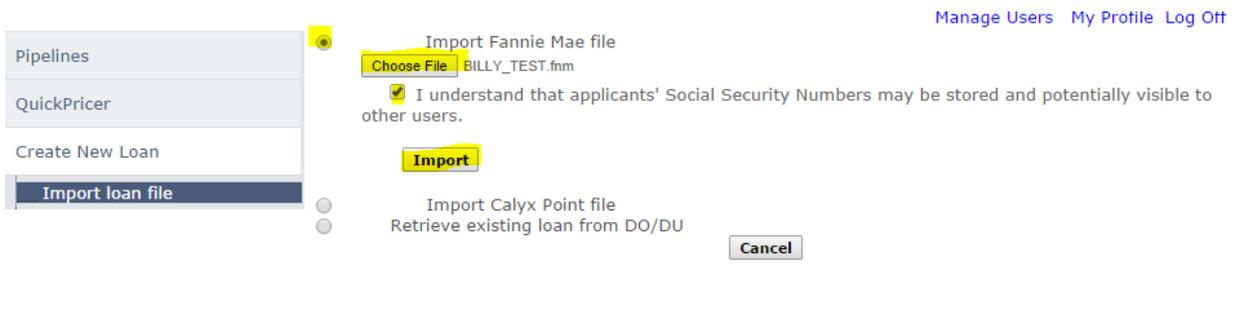
F- **Delayed Settlement Date on a Construction Loan-** MAI does not offer construction loans.

Registering loan

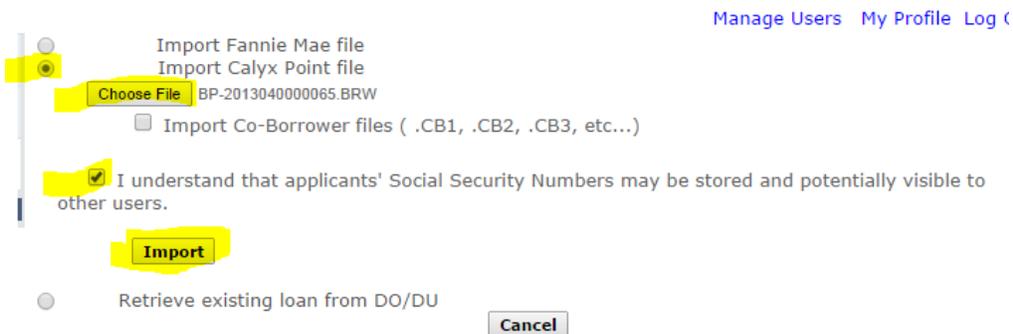Under Pipeline, click Create New Loan - Import Loan file
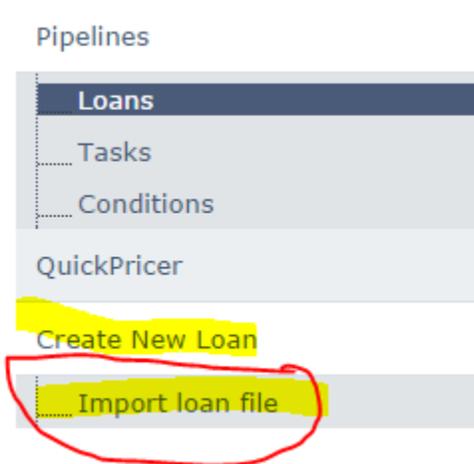
1. Uploading a FNM 3.2 file

or

2. Uploading a Calyx .BRW file (which does include GFE fees). PLEASE BE SURE TO REMOVE ALL "STATUS DATES" BEFORE UPLOADING A .BRW FILE, otherwise the status of the loan will not be correct when uploaded.

Upon registering, you will be directed the "PML" or Price My Loan pricing engine.

From here you have a few options.

1. You can run DO findings (Please contact your AE to get you set up with stored DO credentials provided by Mortgage Assurance Inc)

2. You can Modify or add data within the 1003 and or Property section above.

3. You can run or re-issue credit.

4. You can run Pricing engine and either Register loan program or Register Loan program and request Lock.

Running credit or Re-issuing credit you have already ran

Click Application#1 tab

1. Re-Issuing Credit: Choose Re-issue credit, select credit agency and Click Re-Issue Credit

Fill in the 3 required fields (Account#/Username and Password for your credit login, and Credit Report ID/Reference #) - Click Re-Issue Credit

Credit Report
To proceed, please answer the following questions:
Credit Provider Information

Account Number [   ] ❌

Password [   ] ❌

☐ Remember Account Number

Report ID [   ] ❌ Where is the file # on the credit report?

* Note: Applicant information must match with credit report.

Applicant Date of Birth [1/1/1950]   **Co-Applicant Date of Birth** [   ]

Present Address [123 MAIN STREET]

Zip [33607] **City** [TAMPA]   **State** [FL ▼]

[**Re-Issue Credit**] [Close]

2. Running New Credit: Choose Order New Credit, select credit agency, and click Order Credit

Please select an option

Total Payment [$0.00] / month

Edit Liabilities

Liquid Assets [$1,100.00] Explain

Negative Cash Flow from Other Properties [$0.00] Explain

◉ Order New Credit Report
○ Re-Issue Credit Report
○ Upgrade Existing Credit Report to Tri-Merge Report
○ Manually Enter Credit Report

Credit Provider Information

Credit Provider: Is my credit provider supported?

[CREDCO (001)   ▼]

[Order Credit] [Revise Property & Loan Info]

Fill in the 3 required fields (Account#/Username and Password for your credit login, and Credit Report ID/Reference #) - Click Re-Issue Credit

Credit Report
To proceed, please answer the following questions:

Credit Provider Information

Account Number [_____] ❌
Password [_____] ❌
☐ Remember Account Number

Applicant Date of Birth [1/1/1950]   Co-Applicant Date of Birth [_____]

Present Address [123 MAIN STREET]
Zip [33607]   City [TAMPA]   State [FL ▾]

[Order Credit]   [Close]

3. You can choose Manually enter Credit (type in credit scores) which will allow you to run Pricing engine to see rates...BUT you cannot Register and Lock the loan (select requested rate) without re-issuing or ordering new credit first.   **Credit is required because the Pricing engine is very sophisticated in that it checks the credit report for AKA names and cross references the results with investor overlays and product adjustments.**

◉ Manually Enter Credit Report
[Enter Credit]   [Revise Property & Loan Info]

Credit Report

To proceed, please answer the following questions:

Credit Information

Applicant Credit Scores   XP: `0`   TU: `0`   EF: `0`

Has Co-Applicant? ☐ Yes

Co-Applicant Credit Scores   XP: `0`   TU: `0`   EF: `0`

Mortgage Delinquency 12 Month Look-Back

How many mortgage lates does the applicant have? (Assume rolling lates are <u>not</u> allowed.) Explain

`0` ▼ x30   `0` ▼ x60   `0` ▼ x90   `0` ▼ x120   `0` ▼ x150

How many mortgage lates would there be if rolling lates <u>were</u> allowed? Explain

`0` ▼ x30

`0` ▼ x60

`0` ▼ x90

Public Records

(Use the most current public record only)

Check if applicable		File Date	Status	Satisfied Date
Foreclosure/NOD:	☐	▼ / ▼	Not satisfied ▼	▼ / ▼
Chapter 7:	☐	▼ / ▼	Not satisfied ▼	▼ / ▼
Chapter 13:	☐	▼ / ▼	Not satisfied ▼	▼ / ▼

Enter Credit   Close