

# TRID (TILA-RESPA INTEGRATED DISCLOSURE RULE)

## FAQ

This frequently asked questions in this document have been categorized into the following three sections:

- Loan Estimate
- Closing Disclosure
- Miscellaneous Questions

### Table of Contents

Loan Estimate (LE).....	2
Closing Disclosure (CD).....	9
Miscellaneous Questions (MISC).....	11

Florida Capital Bank Mortgage (FCBM) has put together this Frequently Asked Question (FAQ) document with key questions and topics regarding TRID (TILA-RESPA Integrated Disclosure Rule) and its implementation at FCBM. We have categorized the Q&A's into sections as it relates to Loan Estimate (LE), Closing Disclosure (CD) and Miscellaneous topics.

## LOAN ESTIMATE (LE)

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Florida Capital Bank Mortgage (FCBM) has put together this Frequently Asked Question (FAQ) document with key questions and topics regarding TRID (TILA-RESPA Integrated Disclosure Rule) and its implementation at FCBM. We have provided Q&A's as it relates to Loan Estimate (LE).

**Q: Now that the Notice of Right to Copy of Appraisal disclosure is on the LE, we will disclose within 3 days of the application. Will the separate disclosure with the waiver option be required and if so, who will issue it? Is FCBM still accepting the one with the waiver option, and is it going to be Setup or UW to review?**

A: The appraisal timing waiver is not a required form. It is an optional form that can be issued by the Originator and executed by the Consumer(s). If provided and executed, it will be reviewed in FCBM's Underwriting as it will not be a Setup requirement.

**Q: What name should be entered in the Creditor section of the LE?**

A: Type A Brokers should leave this section Blank. When FCBM issues the LE it will have FCBM's information as the Creditor.

For Type B Brokers and NDC customers, they are the Creditor and therefore their information should be entered into the Creditor section of the LE.

### Customer Type Definitions:

**Type A Brokers: Type A Broker** is defined as when the loan closes in the name of Florida Capital Bank Mortgage (FCBM) and the Broker utilizes FCBM funds to close. *FCBM is the Creditor per TILA in this type of transaction.*

**Type B Brokers: Type B Broker** is defined as when the loan closes in the name of the Broker and utilizes FCBM funds to close. **Note:** The Broker must be prior approved by FCBM to participate in this type of closing. Type B Brokers utilize their own Loan Origination System (LOS) to prepare the Initial Disclosure package. *The Broker is the Creditor per TILA in this type of transaction.*

**NDC (Non Delegated Correspondent):** NDC is defined as when the loan closes in the name of the NDC and utilizes their own funds to close. The NDC utilizes their own Loan Origination System (LOS) to prepare the Initial Disclosures. **Note:** The NDC must be prior approved by FCBM to participate in this type of closing. *The NDC is the Creditor per TILA in this type of transaction.*

**Q: Where does FCBM want the following fees entered on Builder/Construction loans (End Loans, i.e., Capital Contribution-HOA, Builder's Fee, Realtor's Fee, and Listing Agent Fee)?**

A: These are not fees associated with or required for the mortgage loan. Therefore, they are not required to be disclosed on the LE. They will be charged on the CD at closing and should be listed in Section H of the CD.

**Q: Does FCBM require the Consumer(s) signature on page 3 of the LE?**

A: No.

**Q: Does FCBM require the Consumer(s) signature on the Intent to Proceed (ITP)?**

A: **Yes**, the Creditor's Intent to Proceed (ITP) will require at least one Consumer signature to be executed prior to ordering the appraisal or collecting any payment information for payment of other fees.

**Q: Given the CFPB guidance that lender credits to consumers cannot decrease, is it FCBM's position that this also applies to unlocked loans? If so, what is FCBM's position on the use of lender credits on the LE vs. page 3 of the 1003 (again, on an unlocked loan) or are they to be treated the same? Also, what is FCBM's position on lender credits on a locked loan if there is a legitimate COC that causes a decrease?**

A: Lender credits that are based on the interest rate can be adjusted when the loan locks and re-adjusted if there is a change to the lock during the processing/underwriting of the loan. This process remains the same as it does for the GFE disclosure today. If at application, the Lender discloses a flat closing cost credit to the Consumer that is not related to the lock or pricing, then that credit amount cannot decrease during the life of the loan and there would be no allowable COC to change it.

**Q: Where is the home inspection disclosed on the LE? How will FCBM determine the home inspection has taken place?**

A: The home inspection is a service the "Consumer Can Shop For" and therefore should be disclosed in that section of the LE. When FCBM receives the final figures from the settlement we will confirm the home inspection has taken place.

**Q: If inspections on the LE are applicable are copies required to be provided to FCBM?**

A: If the pest inspection is obtained, a copy must be provided to FCBM regardless of whether it is required as part of the loan program. Other inspections that are not required per product/underwriting requirements are not required to be supplied to FCBM.

**Q: Is there a different LE form for Purchase loans and Refinance loans?**

A: Yes. A good tip is to review the Cash to Close Section of the LE to confirm you are using the correct form.

**Q: Concerning pre-approval loans, what are the disclosure requirements and does the new definition of an application present any issues to this process specific to complying with TRID?**

A: Pre-approvals are still acceptable under the new rule and as long as you have “ALIENS” then you should be issuing the LE within 3 specific days of obtaining/receiving the property address. The executed creditors ITP is required prior to charging any fees other than a credit report.

“ALIENS” - Loan Application is now defined as six (6) Items:

- A = Address of property
- L = Loan Amount
- I = Income of consumer
- E = Estimated value of property
- N = Name of Consumer
- S = Social security number

*Eliminates 7th "catch all" item under RESPA*

**Q: Can a Type A Broker issue an LE?**

A: Type A Brokers may issue the initial LE within 3 specific days of application but **MAY NOT ISSUE** the LE listing FCBM as the Creditor. The Creditor name and address header on page 1 must be left blank as well as the Lender section of page 3 of the LE. The Broker is responsible for issuing all other federal and state required disclosures.

**Q: What documentation is required to be uploaded before FCBM will issue an LE?**

A: The Broker must upload the following documentation to the Fee Entry Service doc type folder in Imageflow before FCBM will issue the LE reflecting FCBM as the Creditor:

- Updated Fee Entry Service Form
- 1003
- Settlement Service Provider List (SSPL)
- InHouse Appraisal Quote (Refer to Process on FCBM Resource Center under TRID Section)
- Fee Sheet or Itemization
- Initial LE required only if issued by the Broker within 3 specific days of application.

***Note:** If the Broker is not issuing the LE from their LOS within three specific days of application, the above documentation must be submitted to FCBM within 24 hours of receipt of the interview date on the 1003.*

**Q: What training is available of the new TRID processes for LO's and Processors to read/watch and would FCBM's Account Executives be available to do a training session with our Sales Manager and a group of senior LO's?**

A: If you have any questions or issues uploading loans, please contact your AE. They will be happy to help you. In addition, FCBM has created a special TRID section in our Resource Center that contains documents to help your team understand the new TRID rules as well as the new processes FCBM is putting in place to adhere to those rules. The section will contain FAQs, Job Aids, Before & After, Key TRID Points, webinar recordings and links to the CFPB website. We've set up a **TRID "Email Hotline"** ([Questions@flcb.com](mailto:Questions@flcb.com)) for our customers to ask questions. We will keep this email hotline open for as long as our customers need it.

**Q: What is a discoverable Change of Circumstance (COC)?**

A: Revisions are not permitted due to mistakes, miscalculations, and underestimation of charges discovered after the fact. However, situations can arise beyond Creditor errors that cause an original loan estimate to be inaccurate and will cause a valid change of circumstance. First are those extraordinary events beyond anyone's control or other unexpected events that is specific to the consumer or the transaction this would include Acts of God/War, title issues, consumer is ineligible as originally disclosed, property value changes related to unexpected events. A changed circumstance may also involve new information specific to the consumer or transaction that the Creditor did not rely on when originally disclosing. Finally, information that is specific to the consumer or transaction changes from what was originally relied upon to disclose.

**Q: Does FCBM have any affiliates?**

A: FCBM does not have any affiliate relationships.

**Q: We are a Type A Broker. I need a clarification/confirmation on the process for the LE: Often our loan officers meet with the consumers in the evening would the interview date be 9/21 (at 8:00 PM) or 9/22?**

A: It would be 9/21 or whenever you have collected all six pieces of information to complete the application.

**Q: Can a Type A Broker issue the LE without indicating FCBM as the Creditor (within 3 days of the application date)?**

A: Yes, but the Creditor section must be blank.

**Q: If we don't issue our own LE, do we need to have the list of documentation to FCBM within 24 hours of the application date?**

A: Yes

**Q: Currently, we pull FCBM's initial disclosure package and send those disclosures along with our initial disclosure package, will that be done the same way? If not, which lender specific disclosures will be required and how will we get them?**

A: Type A Brokers will be required to upload the Fee Entry Request form (located in our Resource Center in the TRID section) along with a few other documents and FCBM will input the fees and produce the LE. You will have the option to choose how you would like the LE delivered.

**Q: If the Broker pays for and orders an appraisal prior to the Creditors LE and Intent to Proceed under MDIA, is the Broker allowed to be reimbursed for the appraisal fee at closing?**

A: NO. Reimbursement of funds at closing constitutes intent to collect fees and cannot occur prior to receiving the consumer's intent to proceed with the Creditor's LE.

**Q: If the Settlement Service Provider List (SSPL) is for everything, please provide what we are to put for the name, address, and website information for the following fees: Wire fee, 4506-T processing fee, appraisals and flood certification fees?**

A: See the example below of the SSPL. The wire fee and processing fee do not need to be on the SSPL because they are origination charges. The InHouse Appraisal fee, Flood Certification fee and Jumbo Desk Review fee vendor information is listed below:

**Additional Details for Services You Can Shop For**


To get you started with shopping, this list identifies some providers for the services you can shop for (see Section C on page 2 of your Loan Estimate).

Service Provider List	You can select these providers or shop for your own providers.		
Service	Estimate	Provider We Identified	Contact Information
Pest Inspection Fee	\$135	Pest Co.	Jane Polk 123 Avenue A Anytown, ST 12345 jane@pestco.com 111-222-3333
Survey Fee	\$65	Surveyor LLC	Bill Barnes 456 Avenue B Anytown, ST 12341 bill@surveyorllc.com 111-333-4444
Title – Insurance Binder	\$700	Gamma Title Co.	Joanna Campbell 789 Avenue C Anytown, ST 12333 joannac@gammatitle.com 222-444-5555
Title – Lender’s Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
Title – Lender’s Title Insurance	\$1,100	Delta Title Inc.	Frank Fields 321 Avenue D Anytown, ST 12321 frank@deltatitle.com 222-444-6666
Title – Other Title Services	\$1,000		
Title – Settlement Agent Fee	\$350		



**INVOICE**

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Accounting Fax: 714.242.9030  
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**ServiceLink National Flood**  
1521 N Cooper St  
Fourth Floor  
Arlington, TX 76011-5942

Phone: 1.800.833.6347  
Fax: 1.800.662.6347

**Clear Capital Address for disclosure purposes (Jumbo Product Desk Reviews):**

Clear Capital  
300 East Second Street  
Suite 1405  
Reno, NV 89501  
775-470-5656

**Q: On Non-Delegated Correspondent loans, please confirm the NDC, as the Creditor will be providing the initial LE and any subsequent LE’s?**

A: Yes. The Creditor is responsible for issuing the LE and all federal and state required disclosures as well as any subsequent re-disclosures of the LE.

**Q: What is your position on disclosure of Owner's Title on Correspondent files?**

A: For all Customer types, regardless of whether the Consumer or the Seller is paying for this service, it should be disclosed on the LE for all purchase transactions.

**Q: Currently in MA, a state which may not issue the TIL due to conflicting terms/definitions, and brokers are prohibited from issuing the TIL. What will be the new requirement after 10/3/15?**

A: Type A brokers will need to follow the Fee Entry Service process within 24 hours of application so FCBM can issue the LE within 3 days of application.

Type B brokers and NDC customers are required to issue the LE per regulation requirements.

**Q: Currently, NY does not require a broker to issue the initial TIL. Will TPO's want to exercise this exemption and will FLCB require the LE anyway?**

A: Type A brokers have the option to disclose the LE within 3 days of application with the creditor information blank on the document or they can follow the Fee Entry Service process and FCBM will issue the initial LE.

Type B brokers and NDC customers are required to issue the LE per regulation requirements.

**Q: It says that FCBM will re-disclose the LE for any valid COC's: If we issue the initial LE and have a valid COC prior to submitting the file to FCBM, will we handle that as we do now by submitting two with our initial submission?**

A: If a Type A broker discloses the initial LE within 3 days of application and a change of circumstance occurs prior to submitting to FCBM for the creditor LE, the broker would be responsible for the re-disclosure of that change of circumstance, and would upload all LE's and COC at the time the Fee Entry Service was requested. If a change of circumstance occurs after FCBM has issued the creditor LE, the broker is responsible for notifying [redisdisclosure@flcb.com](mailto:redisdisclosure@flcb.com) of the details of the COC so that FCBM can re-disclose the LE.

Type B brokers and NDC customers are responsible for disclosure of all LE's and COC forms. All must be uploaded to FCBM upon submission for underwriting.

**Q: Does the three-day rule on the upfront disclosures (LE) start at ALIENS or when the Intent to Proceed is signed by the borrower?**

A: At the point you have "ALIENS" (your 6 pieces of information that constitute an application) you have a completed application per the new rule and must issue the LE within three specific business days. The consumer must issue their intent to proceed with the creditor's LE which can never occur prior to issue of the LE.

**Q: Can we use our own Intent to Proceed form?**

A: Yes, you can use your own form as long as it is substantially similar to the FCBM form provided on the Resource Center.

**Q: If an application is taken over the weekend (over which FCBM does not do business) will the application date be on the following Monday? If not, how do we count the days?**

A: The application date would be on the day that ALIENS was obtained even if taken on a Saturday, Sunday or legal public holiday. The 3 specific business day requirement to issue the LE begins on the next specific business day following the date the application was taken. For example, if the application was taken on a Saturday and the following Monday was not a holiday, Monday would be the first specific business day. If application was taken by a Type A broker and requiring FCBM to issue the initial LE, the Fee Entry Service should be submitted by end of business on Monday.

**Q: Should FCBM be listed as the lender on page 3 of the LE? Should we list ourselves as the broker?**

A: If a Type A broker issues the LE within 3 specific business days of application from their own LOS, the creditor section on the top of page 1 and the Lender section on page 3 MUST be left blank. FCBM will complete that information when issuing the creditor's LE. The Type A broker should reflect their company information under the "Mortgage Broker" section on page 3 of the LE.

**Q: On a purchase, do we need title charges from the seller's attorney within 24 hours for the LE?**

A: No. Seller charges are not disclosed on the LE just as they were not disclosed on the GFE.

**Q: How long will it take for FCBM to issue the initial LE once the information has been provided by the originator?**

A: Within 24 hours.

**Q: The LO meets with a potential borrower for a refinance. They receive the six pieces of Information. However, after discussing it, the loan options do not make sense. Will we send out a Notice of Action Taken letter as withdrawn by the borrower? Also, would an LE be required?**

A: The LE is not required if you provide the consumer a Notice of Action Taken within 3 days. We can't advise on the "withdrawn" status as the consumer would have to expressly withdraw the application, either verbally or in writing, and you should always keep an audit trail of this occurrence. In this scenario it appears your action is a result of not having a product for the consumer for the terms the consumer requested, not necessarily that they withdrew or were denied.

**Q: The LO meets with a potential borrower for a refinance. They get the six pieces of information. However, after pulling their credit, a loan is not possible. We will send out a Notice of Action Taken letter showing as denied for credit. Would an LE be needed?**

A: No LE is required if the notice of adverse action is supplied within three days of receiving the six items/application date.



**Q: The LE is sent to the borrower, but no intent to proceed is given within ten days. Does this file stay open on our pipeline in your system or do you send a cancellation?**

A: The rule states that you do not need to honor the terms of the original LE if the consumer does not express an intent to proceed within the ten days of issuance of the LE.

**Q: Do required repairs on a FHA loan need to be placed on the LE?**

A: Most of the time you will not be aware of required repairs or disclose the anticipated cost of the repairs when initial disclosures are provided. Once you discover that repairs are required and the costs associated with said repairs, then a valid change of circumstance can be made because the creditor has received new information specific to the transaction that the creditor did not rely on when providing the initial disclosures. The cost of repairs should be disclosed in Section H of the LE.

**Q: Is the over disclosure of an appraisal and credit report or other items in zero tolerance not a breach then of the zero tolerance rule?**

A: The rule defines good faith estimates as the most accurate and reasonably available at the time of the disclosure. It is not a breach of the zero tolerance if a fee is over-disclosed but was still given in good faith. If a change of circumstance renders a fee quoted on the LE inaccurate, then it is acceptable to re-disclose.

**Q: Can we use our own Intent to Proceed form as a Type A broker?**

A: If a Type A broker issues the initial LE with no creditor information, they can provide the borrower with an Intent to Proceed form as well but no fees can be collected and no loan processing documents can be requested until at least one borrower signs FCBM's Intent to Proceed acknowledging their intent to proceed with FCBM's LE since FCBM is the creditor in the transaction. The FCBM ITP is also required to be uploaded to the In-House/FCBM Appraisal portal when ordering the appraisal. Type B brokers and NDC customers can use their own ITP that it substantially similar to FCBM's Intent to Proceed.

## CLOSING DISCLOSURE (CD)

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Florida Capital Bank Mortgage (FCBM) has put together this Frequently Asked Question (FAQ) document with key questions and topics regarding TRID (TILA-RESPA Integrated Disclosure Rule) and its implementation at FCBM. We have provided Q&A's as it relates to as it relates to Closing Disclosure (CD).

**Q: What is your specific guideline on what constitutes the "consummation date" on both Correspondent and Broker files?**

A: Consummation means the time that a consumer becomes contractually obligated on a credit transaction. FCBM considers when the note is signed by the consumer as the consummation date.

**Q: On the CD, how are “excess credits” (seller or lender) to be handled? What if all consumer-paid fees have been satisfied and there still remains credit?**

A: Excess credits at closing must be applied as a principal reduction at closing on the CD.

**Q: What is your position on tolerance cures for violations over the 10% rule?**

A: Tolerance cures must be made on the CD at closing.

**Q: Is the CD to be re-disclosed for both an increase and decrease or only an increase of the APR?**

A: Only an APR increase of .125% or more.

**Q: Who prepares the CD and does this replace the HUD-1? Will FCBM still provide closing instructions?**

A: The HUD-1 is replaced by the CD and many Lenders/Creditors have chosen to issue the CD because they are liable for the accuracy of the CD. FCBM will still provide closing instructions.

**Q: Does not having the HOA dues, pro-rated taxes, estoppel fees, etc., when the CD is prepared cause an additional waiting period when the fees are finally obtained?**

A: No, as long as any changes and additions of fees do not result in the APR increasing over 1/8 or .125% and the loan product is not changing (waiting period re-disclosure rules). There will not be an additional waiting period for re-issuing a CD within the original 3-day window. You must also be aware that the 0%/10% aggregate tolerances (good faith tolerances) are also not violated.

**Q: Does the CD expire?**

A: No, it does not expire.

**Q: On Non-Delegated Correspondent loans, who will be issuing the CD? We need clarification as to who should be issuing the CD and any subsequent CD’s, as well as any other required disclosures? What are the specific information/forms that FCBM requires our company to disclose to the consumer via our LOS. Also, what is the minimum/maximum amount of information FCBM requires from us and in what format(s)?**

A: If FCBM is drawing the closing package for the Non-Delegated Correspondent, FCBM will prepare the initial CD and any subsequent CD’s.

If the Non-Delegated Correspondent is approved to participate in FCBM’s Delegated Doc Prep program, they as the Creditor are responsible for the CD and the information on it. It will be the decision of the Creditor as to whether they will issue the CD or if they will provide instruction to the settlement agent so they can prepare it. The Creditor should be approving the CD prior to release to the consumer(s) just as they should be doing today with the HUD-1.

**Q: Will the NDC’s (“Non Delegated Correspondents”) provide the figures to place on the CD?**

A: If the NDC has been approved for FCBM’s Delegated Doc Program, they would be responsible for either providing figures to the settlement agent to place on the CD or issuing the CD themselves.

If FCBM is preparing the closing package for the NDC, FCBM will coordinate with the NDC and the settlement agent to prepare the CD.

**Q: For all loan types (Conventional, FHA, VA, RD) are the seller paid credits required to be itemized on the CD or can it show as a lump sum?**

A: Lump sum credits are required on the CD however a separate addendum itemizing the credit may be required per the product requirements. This is the same way that the credits are addressed today.

**Q: Do you require the initial CD to be signed, and can it be re-signed?**

A: Yes

**Q: Is the CD issued by FCBM (the closing instructions?) or is it coming from the title company based on the closing instructions?**

A: FCBM will coordinate with the title company/settlement agent to prepare the CD and also determine the most suitable scenario for delivery of it to the consumer.

**Q: Is an “addendum” for additional itemized fees allowed on the CD?**

A: An addendum may be used only for the section “Services the Borrower Did Shop For” on page 2 of the CD if it exceeds fourteen (14) line items. The last line item must be labeled with an appropriate reference to the addendum (Examples: “Title – See Addendum Attached” or “Additional Charges”) and list the remaining items on the addendum. These remaining charges must be disclosed as an aggregate amount in the last line and equal the total on the addendum. The addendum is only allowed for those services and the related fees that the Borrower did shop for.

## MISCELLANEOUS

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Florida Capital Bank Mortgage (FCBM) has put together this Frequently Asked Question (FAQ) document with key questions and topics regarding TRID (TILA-RESPA Integrated Disclosure Rule) and its implementation at FCBM.

**Q: How do you believe ECOA aspects of NOTICE OF INCOMPLETENESS, NOTICE OF WITHDRAWAL/CANCELATION should be addressed?**

A: Business as usual. If the loan is denied or canceled within three business days, the LE does not need to be disclosed.

**Q: Where do we get an In-House appraisal quote?**

A: The process has been released and is posted to the Resource Center under TRID.

**Q: Do you accept Doc Magic eSignatures on Disclosure Consent documents?**

A: Yes as long as an FCBM e-sign approved vendor is utilized.

**Q: Who are approved vendors?**

A: Refer to the FCBM approved e-sign vendor list located on the FCBM Resource Center.

**Q: Are there any documents that you do not accept electronic signatures from the loan officer?**

A: No.

**Q: Do you have any new document requirements?**

A: Yes. The Intent to Proceed and the SSPL list are required for every transaction and are no longer optional.

**Q: Do you require a specific stacking order?**

A: No. However, please refer to the Resource Center for the Imageflow Submission Guide under Loan Submission/Image Flow stacking order.

**Q: Will you verify compliance with TRID disclosure requirements prior to providing a final approval or clear to close?**

A: Yes

**Q: Will you verify all TRID disclosure requirements are met during post-closing review of the closing package?**

A: Yes

**Q: Do you have any additional loan sale or delivery requirements in regards to TRID?**

A: No

**Q: Will you accept an e-mail from a borrower instead of a signed ITP? My concern is that not everyone has access to scanners to return a signed form.**

A: No, FCBM will require the ITP form to be signed and dated by at least consumer in the transaction.

**Q: What do we put on the SSPL for the appraiser since we use an AMC and not one specific appraiser? Do we list the name of the AMC?**

A: The SSPL should reflect the same name and address that is printed on the appraisal invoice. In most cases, this will be the AMC.

**Q: Do the services the borrower(s) can and cannot shop for need to be consistent for all loan files?**

A: Yes. The services listed on the SSPL should be generally consistent as they apply to similar transactions.

**Q: Do we change the language on our ABA form that states that a borrower is not required to use our affiliate title company?**

A: Please consult your legal or compliance advisor on this question.

**Q: Will the 4506T fee go into services that we cannot shop for (section B of the Loan Costs section, page 2)?**

A: Yes.

**Q: What do I do if a required credit supplement fee has changed since the initial LE was issued?**

A: This is a valid change of Circumstance and must be submitted to [rediscovery@flcb.com](mailto:rediscovery@flcb.com) within 24 hours of the discovery. You have three days to re-issue the LE once you discover these fees.

**Q: Will FCBM still underwrite TBD loans?**

A: Yes

**Q: Regarding the SSPL, if the borrower can shop for title, but not shop for credit what would we put on the SSPL?**

A: The SSPL should reflect the name, address and phone number for the credit agency being utilized. This should be reflected in the Services the borrower cannot shop for section of the SSPL.

**Q: How do we choose the delivery method for the disclosures (i.e., eSign, mail or in person)?**

A: The option to select the delivery method is located on the LE Fee Entry Request Form.

**Q: If we disclose \$500 for the appraisal and it ends up being \$525, what is the worst that will happen and can we just eat the difference of \$25?**

A: Yes. The lender will be required to issue a tolerance cure for the \$25.00 at closing.

**Q: If we disclose \$550 for the appraisal and it ends up being \$500, what happens?**

A: If the consumer is paying for the appraisal, it is business as usual. The appraisal fee of \$500 will be reflected as the cost on the CD.

**Q: Are investment properties subject to TRID?**

A: Yes

**Q: What changes will there be in the closing process for NDC? Are the closing docs still prepared on the FCBM system?**

A: If the NDC permits FCBM to prepare the closing package, we will continue to do so. If the NDC is approved as a DDP customer, they will be responsible for their own closing doc preparation.

**Q: If we provide a signed disclosure showing the borrower received the Home Loan Toolkit, is that sufficient proof that the borrower received the booklet or do we still need to upload a copy of the booklet with each loan submission?**

A: You will still be required to upload a copy of the toolkit in each loan submission.

**Q: What address, phone number, etc., should we use for HUD-FHA, VA, USDA for the UFMIP/ funding fee?**

A: The providers of FHA MIP, USDA up-front fee, and VA funding fees, or any fees associated with Mortgage Insurance are not required to be listed on the SSPL.

**Q: SSPL – It was stated that this document needs to list services that customers can and cannot shop for. Does this mean FCBM requires a list of all providers – any fee being charged on the LE (including an HOA/Condo Cert Fee)? If we cannot require any documentation prior to the application/LE being sent, how are we to know this information?**

A: No, if the company is not a service provider it should not be listed on the SSPL. You would disclose the fees for a condo certification fee when you become aware of it as a valid change of circumstance but would not be required to add the HOA completing the questionnaire to the SSPL. Services that are charged in each transaction such as appraisal, credit report, flood certification, etc., should have the providers listed on the SSPL as the services the borrower cannot shop for.

**Q: Can we list an affiliate title company on the SSPL as a service a borrower cannot shop for or does this mean that we have to use that title company? How will these impact transactions that already have a title company listed in the purchase agreement? Many real estate firms that we work with have affiliate title companies; most of which are included in their contract.**

A: We recommend that you list this as a service that you “can” shop for to allow for variances in fees and to allow use of other service providers. Please consult your legal or compliance advisor for further guidance.

**Q: For the services you can shop for on the SSPL, there are only title related charges. Do we have to list out each title related fee separately or can we lump as “Title Services” since they would all be going to the same place?**

A: The title services must be itemized on the LE, but do not need to be itemized on the SSPL. There are other services you “can” shop for in addition to title related services. For example, these services would include pest and home inspections, water testing, etc.

**Q: Is there any documentation or information that needs that lists what needs to be on the SSPL?**

A: Settlement Service Provider Lists (SSPLs) should include all service provider information for any related fees listed in the LE in sections B and C.

The SSPL is different for each company. Please consult your internal compliance or legal advisor and your Loan Origination System (LOS) liaison for assistance with establishing your company's SSPLs.

The term "Service Provider" is defined in Section 1002(26) of the Dodd-Frank Act as "Any person that provides a material service to a covered person in connection with the offering or provision by such covered person of a consumer financial product or service." (12 U.S.C. Section 5481(26)). A "Service Provider" may or may not be affiliated with the person to which it provides services."

Certainly not meant to be exclusive, the following list is a guide that forms a basis for RESPA's broad way of defining a settlement service [24 CFR § 3500.2(b)]:

- Provision of title services, including title searches, title examinations, abstract preparation, insurability determinations, and the issuance of title commitments and title insurance policies;
- Rendering of services by an attorney;
- Preparation of documents, including notarization, delivery, and recordation;
- Rendering of credit reports and appraisals/AMC's;
- Rendering of inspections, including inspections required by applicable law or any inspections required by the sales contract or mortgage documents prior to transfer of title;
- Conducting of settlement by a settlement agent and any related services;
- Provision of any other services for which a settlement service provider requires a borrower or seller to pay.

**Q: Where do HOA Transfer fees go and what about HOA prorated dues that currently show up on the HUD at closing?**

A: These particular fees are not required to be disclosed on the LE, but will be charged at closing on the CD.

**Q: Can title fee names change?**

A: No. These fees must be preceded by "Title -" in section C of the LE. The title fees and all other fees must remain consistent from the initial LE to the final CD.