

And **Wells Fargo** informed its correspondent clients on common defect trends it has observed for loans regulated by the TILA-RESPA Integrated Disclosure (TRID) rule. *(This is meant as a summary; for specific details see Wells' actual announcement.)* Wells developed a TRID best practices sheet for addressing common suspense issues - talk to your Wells rep about obtaining a copy.

**Common Closing Disclosure (CD) errors** include the CD missing (all copies of the CD disclosed to borrowers must be included in the closed loan package), and CDs being used as a communication tool between settlement agents and lenders and not necessarily disclosed to the consumer(s). The final CD signed and dated at Closing is missing - Wells considers the "final CD" the CD signed by the borrower(s) at consummation.

Materially incomplete or inaccurate CDs are being disclosed to consumers: a CD that is disclosed to a consumer and is materially incomplete or inaccurate will likely result in non-purchase. (As a reminder, regardless of who prepares the CD, **the creditor is responsible for the accuracy of all disclosures provided to the borrower.**)

Lender credits listed as negative fees in the Borrower-Paid column of the CD. Lender credits used toward specific fees in the transaction must be itemized under the "Paid by Others" column and identified with an "L." Lump sum lender credits should be shown in the Lender Credits field in section J. TOTAL CLOSING COSTS (Borrower-Paid). HOA dues must be included in the Estimated Taxes, Insurance and Assessments section of the final CD, when the information is known to the lender prior to Closing.

Fees associated with the transaction (including those paid for by the seller), must be reflected on the borrower's CD, even if a separate seller's CD is provided. And Wells is seeing that a Borrower's total Closing costs do not match - The J. TOTAL CLOSING COSTS (Borrower-Paid) on page 2 and the Total Closing Costs (J) on page 3 of the CD signed at closing must be consistent.

**Common Loan Estimate (LE) errors are similar.** All copies of the LE disclosed to borrowers must be included in the Closed. Wells will not accept a Loan where the LE was provided to the consumer on or after the date the CD was issued. Any seller credits, either lump sum or for specific fees, known at the time of delivery of the LE, must be disclosed on the LE as a total amount. The LE DATE ISSUED field must be completed in order to validate accuracy of the timing requirement.

Wells is seeing examples where the initial LE was not disclosed within three business days of the REG Z application date. Or the appraisal disclosure verbiage is missing from the Other Considerations section. It must be included in the Other Considerations section on page 3 of the LE. And the LOAN ID # field must be completed on page 1 of the LE. Another problem is that lender and/or mortgage broker (as applicable) contact information is not complete. Email address(es) and phone number(s) must be provided with other data required under "Additional Information About This Loan" on page 3.

Wells reports that there are other common errors. For example, the Application Date field is blank on the Wells Fargo Funding Loan Submission. Regarding the Summary (LSS) - The Reg. Z application date must be provided on the LSS (in addition to completing the DATE ISSUED field on the LE) in order to validate accuracy of the timing requirement.

Checks to borrowers must be included in the Closed Loan Package to evidence the proper refund was made within the required timeframe. The correspondent group is seeing tolerance violations not supported by changed circumstance documentation, or changed circumstance documents missing - they must be included in the Closed Loan Package.