## Lender Operations Update

**Attn: HFA Lenders**

### TRID – Loan Review Information

**September 30, 2015**

<table>
<thead>
<tr>
<th>News</th>
<th>Reminder</th>
<th>Alert</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td>This Lender Operations Update describes subjects of interest to our HFA lender partners regarding loan review under the TILA-RESPA Integrated Disclosure Final Rule (TRID). TRID goes into effect on Saturday, October 3, 2015.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topics in this Lender Operations Update</strong></td>
<td>This Lender Operations Update covers the following topics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dates and Timing</td>
<td></td>
<td>Intent to Proceed</td>
<td></td>
</tr>
<tr>
<td>Evidence of Actual Receipt</td>
<td></td>
<td>Final Closing Disclosure Signatures</td>
<td></td>
</tr>
<tr>
<td>Required Documents</td>
<td></td>
<td>Compliance Calculation</td>
<td></td>
</tr>
<tr>
<td>Document Requirements – DPA Grants or Second Lien Loans</td>
<td></td>
<td>Automated Compliance Testing</td>
<td></td>
</tr>
<tr>
<td>Multiple Borrowers</td>
<td></td>
<td>Post-Closing Revised Closing Disclosures</td>
<td></td>
</tr>
<tr>
<td>Alternative Forms for Refinances</td>
<td></td>
<td>Closing Disclosure Timing Requirements</td>
<td></td>
</tr>
<tr>
<td><strong>Dates and Timing</strong></td>
<td>USBHM will closely review the dates and timing on the Loan Estimate and the Closing Disclosure. USBHM will use the assumed mail date rule (receipt three business days after mailing) to determine receipt by the borrower unless the lender provides evidence of earlier actual receipt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence of Actual Receipt</strong></td>
<td>Lenders may shorten the assumed three business day delivery time period with evidence of actual receipt of the disclosures. USBHM will accept a borrower's dated signature, an electronic signature with a time stamp, or a screen shot or receipt from an electronic delivery system that shows the borrower actually opened the e-package as evidence of actual receipt. To accept electronic receipt the borrower must comply with the requirements of the E-Sign Act and have e-consented prior to receipt. Without such evidence, USBHM will assume receipt three business days after mailing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For rescindable transactions, proof of actual receipt of the Closing Disclosure must be included for every person with the right to rescind.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Required Documents</strong></td>
<td>Each loan file must include copies of all Loan Estimates, Closing Disclosures, and evidence of the cure calculation. If a separate seller Closing Disclosure is provided, USBHM must receive a copy. USBHM encourages but does not require including copies of any separate settlement or disbursement statements prepared by the settlement agent.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

This document is not a Consumer Credit Advertisement and is intended for Correspondent and Wholesale Client Use Only. This information is provided to assist Correspondents and Wholesale Clients and is not a consumer credit advertisement as defined by Regulation Z. Loans are subject to normal credit qualification and program guidelines. Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. Visit usbank.com to learn more about U.S. Bank products and services. Mortgage products are offered by U.S. Bank National Association. Deposit products offered by U.S. Bank National Association, Member FDIC. ©2015 U.S. Bank MMWR-74734
Document requirements vary for each HFA program that offers down payment or closing cost assistance grants or second lien loans. Third Party Lending Operations does not set requirements for grant or second lien loan requirements. Please contact the HFA administrator for updated information.

### Multiple Borrowers

**Loan Estimate**
- Provide the Loan Estimate to any applicant who will sign the note.

**Closing Disclosure**
- For non- rescindable transactions, provide the initial Closing Disclosure to any applicant who will sign the note.
- For rescindable transactions, provide the initial and any revised Closing Disclosures to any person with the right to rescind in addition to any borrower.

### Alternative Forms for Refinances

USBHM will accept the alternative versions of the Loan Estimate and Closing Disclosure for refinance transactions. If the alternative version is used for the Loan Estimate, the alternative Closing Disclosure version must also be used.

### Intent to Proceed

USBHM will not require written evidence of the applicant’s intent to proceed. However, USBHM expects all lenders to follow TRID regulations regarding intent to proceed and collecting fees. The lender is expected to be able to document how they comply by retaining documentation of when and how they collected payment and be able to provide the information when requested by USBHM.

### Final Closing Disclosure Signatures

A final Closing Disclosure must be provided to the borrowers for an actual signature at closing. Signature requirements will vary by loan purpose:

- **Non-rescindable transactions:** USBHM will require a signature or acknowledgment by all borrowers. If the loan is an FHA purchase, USBHM will require that all parties to the transaction complete the FHA Settlement Certification.
- **Rescindable transactions:** USBHM will require a signature or acknowledgment by all borrowers and all non-borrowing consumers who have the right to rescind.

### Compliance Calculation

To exclude certain seller-paid or lender-paid fees (which are finance charges) from the borrower’s APR calculation, or from Qualified Mortgage or high-cost points and fees tests, the final Closing Disclosure must indicate the fee is specifically paid by the seller or by the lender. Lender and seller-paid credits that are not itemized (i.e., not tied to specific fees) cannot be used to reduce fees included in the QM or high-cost points and fees tests.
**Automated Compliance Testing**

USBHM requests a copy of any automated compliance testing run at the time of consummation.

**Post-Closing Revised Closing Disclosures**

The lender must provide any post-closing revised Closing Disclosures (if applicable) before USBHM will purchase the loan. If a cure is due to the borrower, the lender must send evidence of payment to the borrower before USBHM will purchase the loan.

**Closing Disclosure Timing Requirements**

If there is a Closing Disclosure delivery or waiting period timing violation, USBHM cannot purchase the loan.

**Questions?**

Please send any TRID-related questions to us at usbhmlendersupport@usbank.com.

If you have any program-related question, please contact the HFA Hotline at 800.562.5165, option 2.

The CFPB [TRID website](http://www.trid.gov) has sample forms, timelines, the new consumer guide, and other resources to help you learn more.

We appreciate your continued partnership.