



HomeBridge Wholesale TRID Comparison Guide

The following is a comparison of lending rules as they exist today and how they will be affected by the implementation of the TILA-RESPA Integrated Disclosures Rule (TRID).

Effective Date of TRID: Applications received by a creditor or mortgage broker on or after October 3, 2015.

Covered Transactions: Closed-end consumer credit transactions secured by real property.

Exempt Transactions: HELOCs and Reverse Mortgages (*This comparison guide does not apply to these types of loans*).

DEFINITION OF APPLICATION

RECEIVED <u>PRIOR TO</u> OCTOBER 3, 2015	RECEIVED <u>ON OR AFTER</u> OCTOBER 3, 2015
<p>RESPA defines an application as the date the creditor receives the following information:</p> <ol style="list-style-type: none"> 1. Consumer's name 2. Consumer's income 3. Consumer's Social Security Number 4. Subject property address 5. Estimated property value 6. Loan amount sought 7. Any other information deemed necessary by the creditor (the "catchall"). 	<p>TRID revises the definition of an application as the date the creditor receives the following information:</p> <ol style="list-style-type: none"> 1. Consumer's Name 2. Consumer's income 3. Consumer's Social Security Number 4. Subject property address 5. Estimated property value 6. Loan amount sought <p><u>The creditor chosen "catchall" has been removed. Once the above 6 pieces of information are received, the Loan Estimate (LE) must be issued.</u></p>

Only the rule and its Official Interpretations can provide complete and definitive information regarding requirements. This document does not bind HomeBridge Financial Services, Inc. and does not create any rights, benefits, or defenses, substantive or procedural, that are enforceable by any party in any manner.



EARLY DISCLOSURE REQUIREMENTS UPON RECEIPT OF AN APPLICATION

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<ul style="list-style-type: none"> • GFE • Initial TIL • Itemization • Servicing Transfer • Right to Receive Appraisal • Written List of Service Providers • CFPB Settlement Cost Booklet (Purchase) 	<ul style="list-style-type: none"> • The Loan Estimate (LE) • Written List of Service Providers • Home Loan Toolkit

TIMING REQUIREMENTS FOR DELIVERY OF INITIAL DISCLOSURES –ON OR AFTER OCTOBER 3, 2015

The timing requirements for the issuance of the initial disclosures will remain the same:

- Within **(3) general business days** of receipt of an application.
- At least **(7) specific business days** prior to consummation (closing).

SIGNATURE REQUIREMENTS

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<ul style="list-style-type: none"> • TIL • Intent to Proceed 	<p style="text-align: center;">The Loan Estimate:</p> <ul style="list-style-type: none"> • HomeBridge will require a signature on the LE • Intent to Proceed

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REVISIONS TO DISCLOSURES AND TIMING OF DELIVERY

PRIOR TO OCTOBER 3, 2015	ON OR AFTER OCTOBER 3, 2015
<p>Revised GFE:</p> <ul style="list-style-type: none"> • Within (3) days of a valid change of circumstance • Received by consumer prior to consummation (closing) <p>Revised TIL:</p> <ul style="list-style-type: none"> • Within (3) business days of an increase of .125 or more (MDIA) • Received prior to consummation if the Finance Charges increase more than \$100 • Received prior to consummation (closing) 	<p>Revised Loan Estimate (LE):</p> <ul style="list-style-type: none"> • Delivered within (3) general business days of the discovery of a valid change of circumstance • Within (3) general business days of the interest rate being locked • A revised LE cannot be delivered on the same day the Closing Disclosure (CD) is issued • A LE cannot be re-issued once a CD has been issued

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TOLERANCES – DETERMINING GOOD FAITH

PRIOR TO OCTOBER 3, 2015	ON OR AFTER OCTOBER 3, 2015
<p>Zero Tolerance (NO increase) from GFE to HUD-1:</p> <ul style="list-style-type: none"> • Transfer Taxes • Origination Charges <p>Fees that can increase up to 10%:</p> <ul style="list-style-type: none"> • Government recording charges. • Lender required services, title services and required title insurance when the consumer uses a settlement service provider from the creditor’s written list of settlement service providers. 	<p>Zero Tolerance (NO increase) from LE to the CD:</p> <ul style="list-style-type: none"> • Fees paid to the creditor or broker • Fees paid to an affiliate of the creditor or broker • Transfer Taxes • Fees paid to an unaffiliated third party if the creditor did not permit the consumer to shop for the third party <p>Fees that can increase up to 10%:</p> <ul style="list-style-type: none"> • Government recording charges. • Charges for third party services where the charge is not paid to the creditor or the creditor’s affiliate and the consumer is permitted to shop, but selects a third-party service provider on the creditor’s written list of service providers.

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TOLERANCES – DETERMINING GOOD FAITH – CONTINUED

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<p>No Tolerance:</p> <ul style="list-style-type: none"> • Prepaid interest • Property insurance premiums • Amounts paid into escrow • Fees paid to third party service providers selected by the consumer that are not on the creditor's written list of service providers 	<p>No Tolerance:</p> <ul style="list-style-type: none"> • Prepaid interest; property insurance premiums; amounts placed into an escrow, impound, reserve or similar account; • Services required by the creditor if the creditor permits the consumer to shop and the consumer selects a third-party service provider <u>not</u> on the creditor's written list of service providers; and • Charges paid to third-party service providers for services not required by the creditor (may be paid to affiliates of the creditor).

FINAL DISCLOSURES AND DELIVERY REQUIREMENTS

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<ul style="list-style-type: none"> • Final TIL – provided by creditor • HUD-1 Settlement Statement prepared and provided by settlement agent. 	<p>The Closing Disclosure (CD):</p> <ul style="list-style-type: none"> • Creditor is responsible for the accuracy and delivery of the CD to the consumer • Must be received by the consumer (3) specific business days prior to consummation • Settlement agent must deliver seller's Closing Disclosure no later than day of consummation

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REDISCLASURE OF FINAL DISCLOSURES

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<ul style="list-style-type: none"> TIL: Prior to consummation 	<p>Three reasons for re-disclosure and an additional (3) specific business days prior to consummation:</p> <ul style="list-style-type: none"> Increase of APR by more than .125% for “regular” transactions Change in Product (Fixed to ARM, etc.); or Addition of prepayment penalty (REMN does not offer prepay products) <p>All other changes must be received by consumer no later than 1 day prior to consummation.</p>

SIGNATURE REQUIREMENTS

<u>PRIOR TO OCTOBER 3, 2015</u>	<u>ON OR AFTER OCTOBER 3, 2015</u>
<ul style="list-style-type: none"> Final TIL - Signed by all consumers HUD-1 - Signed by all consumers 	<p>Closing Disclosure (CD) must be signed by any party to the transaction, or any individual who has rights to the subject property, or is required to sign/acknowledge based on state laws.</p>

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LENDER PAID COMPENSATION

PRIOR TO OCTOBER 3, 2015	ON OR AFTER OCTOBER 3, 2015
<ul style="list-style-type: none"> Disclosed on the initial and all re-disclosed GFEs in Block 1 and is offset by a credit in Block 2. Is shown on line 801 of the HUD-1 and offset with a credit in Line 802. 	<ul style="list-style-type: none"> Is not disclosed on the Loan Estimate Shown on page 2 of the Closing Disclosure in the Origination Charges section of Loan Costs as Paid by Others with lender paid indicated with (L)

DEFINITIONS OF GENERAL AND SPECIFIC BUSINESS DAYS

General Business Day: a day in which the creditor's offices are open to the public for carrying out substantially all of its business functions. **HomeBridge does not consider Saturday a general business day.**

Specific Business Day: All calendar days except Sundays and federal holidays.

COLLECTION OF FEES UNDER TRID

A fee may not be **imposed** on a consumer prior to delivering the **Loan Estimate (LE)** AND receiving the consumer's signed **intent to proceed, the only exception being the actual cost of a credit report.** A creditor may not request or hold any payment information from the consumer prior to receiving their intent to proceed. Credit card numbers or post-dated checks may not be held for future charges.

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ADDITIONAL RESOURCES

HomeBridge Wholesale TRID Videos: <https://plus.google.com/+Homebridgewholesalemortgage/videos>

HomeBridge Wholesale TRID Presentations: <https://www.homebridgewholesale.com/working-with-us/>

Example of the Loan Estimate (LE): http://files.consumerfinance.gov/f/201403_cfpb_loan-estimate_fixed-rate-loan-sample-H24B.pdf

Example of the Closing Disclosure (CD): http://files.consumerfinance.gov/f/201403_cfpb_closing-disclosure_cover-H25B.pdf

The Home Loan Toolkit: http://files.consumerfinance.gov/f/201503_cfpb_your-home-loan-toolkit-web.pdf

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