

GET IN THE KNOW

CFPB UPDATES



Are you TRID Ready? Answers to Frequently Asked Questions.

Implementation of the TILA-RESPA Integrated Disclosure (TRID) Rule is quickly closing in, and it stands to be a significant transformation to our industry. New disclosure forms—the Loan Estimate or LE, and the Closing Disclosure or CD—will be used instead of the Good Faith Estimate, Truth In Lending Statements and HUD-1 Settlement Statement on most consumer loans. How prepared is your organization to implement TRID changes?

First American Title Insurance Company has been preparing for TRID since the rule was published in November 2013. We've consulted with industry regulators, advisory boards, industry associations and top lenders to determine industry best practices and reengineer our processes to support a collaborative closing process for our lender customers. Below you'll find our answers to frequently asked questions:

Q: What training programs has First American deployed to ensure its employees are TRID ready?

A: We've launched a comprehensive Internal TRID Training Program to: (1) Ensure strong general knowledge of the Rule and upcoming changes; (2) Identify TRID's impact on core areas of our business and enhance operations to comply with TRID; and (3) Enforce internal competency testing to validate TRID-readiness skills and knowledge throughout our internal teams. To see the curriculum list, which includes virtual, classroom and hands-on training for team members, check out our additional resource titled "First American Mortgage Solutions is TRID Trained and Ready". <http://firstam.us/tridtrained>

Q: How can lenders expect to receive fee information for the Loan Estimate (LE) from First American?

A: The First American Comprehensive fee Calculator (FACC) and Closing Cost Calculator (CCC) have been enhanced to provide access to fees that are TRID compliant. These fee engines are also integrated with popular loan origination systems as well as third-party fee portals, providing the most convenient means to access fees for your LE. First American will also continue to support fee quotes via telephone. Contact your escrow agent, account representative, or client relationship manager (CRM) in accordance with your existing process.

Q: How can lenders get access to the fee calculators if they are not already integrated with one?

A: Your account representative or CRM can support the setup of new accounts for our online fee calculators.

Q: What support is available for lenders wishing to create and maintain their own fee tables?

A: Although we understand some lenders create and maintain their own fee tables for calculating and disclosing title and closing fees, there is risk with this approach. First American cannot be responsible for the accuracy or TRID compliance of fees if accessed outside of an approved First American source.

Q: How will First American be handling quotes for simultaneous premium rates?

A: First American intends to use the Consumer Protection Financial Bureau's (CFPB) calculation formula in states that have simultaneous rates. First American's FACC will calculate both the actual premiums and the TRID-disclosed premiums. Our LE quote sheets will show the calculation in addition to the "actual" premiums along with the "disclosed" premiums.

Q: What new information should the lender expect to provide in the Closing Instructions to support the new disclosure process?

A: First American prefers that lenders provide us with their fees in the format of the CD, in addition to the typical information already received in the lender's closing instructions. We will need the consummation date as well as instructions detailing whether a later signing date is allowed.



First American
MORTGAGE SOLUTIONS

800.525.3633 ▼ firstam.com/mortgagesolutions

Q: How can lenders communicate to First American whether they will prepare and deliver the CD, or delegate these responsibilities to the settlement agent?

A: First American is expecting most lenders will manage the preparation of the CD and delivery to the borrower before the consummation date. Lenders who want to delegate these responsibilities to First American should contact their escrow agent, account representative, or CRM immediately to ensure the successful implementation of this exception. On purchase transactions, First American will prepare and deliver the Seller CD on or before the signing date.

Q: How many days before closing should the lender expect to contact First American to obtain fee information to begin the process of preparing the CD?

A: First American will expect lenders to initiate collaboration and recommends that the process begins at least five business days prior to the projected mailing date of the CD. Some lenders have requested collaboration to begin 8, 10, or up to 15 days prior to consummation, with 10-15 days prior to consummation being optimal.

Q: How should lenders expect to receive fee information from First American to prepare the CD?

A: Prior to clearing the loan to close, First American will deliver a fee quote from either the FACC or CCC fee calculator. Once the CD collaboration process begins, First American plans to deliver fee information to lenders in the CD or Settlement Statement format.

Our technology has been upgraded to ensure fee information and documents can be delivered through your loan origination or proprietary system, integrated third-party portals, or a manual environment. If you are looking for a more advanced, dynamic solution, First American has developed eCD, a proprietary automated tool that provides a collaborative environment to complete the CD and communicate quickly with escrow personnel for fee information and changes to the CD. Additionally, First American has enhanced many of its integrations with popular loan origination systems to accommodate a more streamlined process.

We've also developed and tested new internal processes and workflows in our system based on changes to industry technologies and required manual processes. Please contact us if you would like a copy of the updated workflows or a demo of our new eCD application.

Q: Are there fees that may change after the lender receives the fee sheet/quote?

A: Any fee can change if the loan amount, closing or signing date changes, or if a change of circumstance occurs. Title fees (including credits), recording fees (including additional riders), and mortgage/deed taxes could be higher or lower depending on circumstances at the time of closing.

Q: Does First American have any technology that can help lenders deliver the CD to borrowers?

A: First American has developed electronic delivery and acknowledgement features in our eCD automated collaboration tool. Please contact your account representative for a demo of eCD.

Q: How will First American issue a final Settlement Statement?

A: First American will adopt ALTA's standardized Settlement Statement form and provide it to the borrower at signing. A copy will be provided to the lender with the executed closing package.

The Settlement Statement will reflect actual charges to the borrower including the final payoff figures. First American will review the CD before the final Settlement Statement is issued and communicate any updates to the lender.

The Settlement Statement will be used on all transactions, except those conducted in Texas, where the Texas Disclosure form will be used. Ideally, lenders will provide a point of contact to receive the Settlement Statement and any communication regarding changes that may impact the information on the CD and any re-disclosure to the borrower.

Q: How will changes to the CD or any refunds be addressed post-closing/consummation?

A: Any changes or updates to disbursements that occur post-closing/consummation will be communicated to the lender.

Q: What TRID materials are available through First American and where can I find them?

To help you understand how TRID affects purchase and refinance transactions, including how to complete the new disclosure forms, we have reference documents available containing detailed notes provided by settlement agents. Access these documents through our TRID Resources page online. <http://firstam.us/certaintycenter>

Q: How can I reach First American if I want to discuss my workflow needs or have questions about the material provided in this document?

A: If you have questions or would like to discuss your TRID-specific requirements, please contact your escrow agent, account representative or CRM.

Learn More

Contact your First American representative, or email Rachel Warner from our TRID Certainty Center at rawarner@firstam.com

TRID Certainty Center

<http://firstam.us/certaintycenter>



First American
MORTGAGE SOLUTIONS