

TRID Compliance Update

LOAN APPLICATION

Personal Information

Name (Last)	PUBLIC	First	JOHN	Phone (Home)	111/11-1111
Address (Mailing Address)	12345 MAIN STREET	City	ANYTOWN	State	00000
E-Mail Address	JQP@JQP.COM	Zip	00000	Country	USA

Services needed

UNDER REVIEW	APPROVAL	UNDER REVIEW
SUBJECT	REVIEW	

Current Income

High School Graduate Or General Education (GED) Test Passed?	Yes	No
High School Graduate Or General Education (GED) Test Passed?	Yes	No
High School Graduate Or General Education (GED) Test Passed?	Yes	No

Current Income

Current Income	Credits Earned	Other
Current Income	Credits Earned	Other
Current Income	Credits Earned	Other

Table of Contents

1. TRID Appraisal Compliance
2. CIM 29
3. Independent Valuation Criteria
4. Re-disclosure Requirements Overview
5. Re-disclosure Timing Requirements
6. Re-disclosure Timing LE vs. CD
7. CIC Revised or Introduced Fees
8. CIC Rate Lock & File Re-pricing
9. Loan Status & System Generated Tasks
10. BytePro Documentation
11. Doc Velocity
12. Fraud/Misrepresentation Concerns
13. Business Purpose, ODFFN & Mixed Use/Commercial

TRID Appraisal Compliance

For an Appraisal to be TRID Compliant two conditions must be met prior to the imposition of the fee on the borrower.

- An LE, specific to the transaction, must have been issued to the borrower.
- The borrower must have indicated intent to proceed with the transaction.

Imposition of the appraisal fee occurs when the borrower provides the payment, or provides information that will allow the payment to be charged (such as credit card information).

If a broker, or other party, pays for the appraisal before the two conditions are met, compensation from the borrower may only be sought through the closing of the loan.

CIM 29

Generally, CSC requires that valuations be obtained in a TRID-compliant manner. However, instances may arise where a borrower, or a broker, obtains a valuation which is not related to a CSC loan application (“Independent Valuation”).

“In a closed-end consumer transaction secured by real property...the creditor shall provide the consumer with good faith estimates ...” of “... all loan costs *associated* with the transaction.” See *12 CFR § 1026.19 (e) 12 CFR 1026.37(f)*.

If an Independent Valuation is acceptable for CSC’s underwriting purposes, CSC will not require proof that the Independent Valuation was obtained in a TRID-compliant manner because the costs associated with Independent Valuations are not costs associated with CSC’s loan transactions.

Independent Valuation Criteria

An appraisal qualifies as an “Independent Valuation” if the following criteria are met:

1. The valuation lists another lender as the lender/client.
2. The valuation was obtained for purposes other than submitting an application to CSC.
3. The valuation was obtained prior to submission to CSC.
 - If obtained less than 30 days prior to submission, it will be presumed to have been obtained for the purposes of submitting an application to CSC.
 - If obtained more than 30 days prior to submission, it will be presumed not to have been obtained for the purposes of submitting an application to CSC.

Appraisals utilizing CIM 29 must be cleared by CSC QC

Re-Disclosure Requirements Overview

Change	Re-Disclosure Required?
Program Change (including IO and Prepayment Pen.)	YES
Loan Amount	YES
Purchase Price	YES
Appraised Value – Refinance	YES
Appraised Value – Purchase	Consult Re-Disclosure FAQ
Interest Rate	Consult Re-Disclosure FAQ
Margin	Consult Re-Disclosure FAQ
Payoffs	NO
Adding Insurance/HOA	YES
Occupancy	YES
Increasing Fees	YES

The Re-Disclosure FAQ should be consulted when making Re-Disclosure determinations. Note that a combination of any of the above changes can also result in a Re-Disclosure. If a determination cannot be made consult with the QC Department via email (Cscqc@citadelservicing.com).

Re-Disclosure Timing Requirements

The general rule is that the creditor must deliver the revised Loan Estimate to the consumer no later than three business days after receiving the information sufficient to establish that one of the reasons for the revision has occurred.

- CSC Policy - Information is considered received when the Underwriter reviews and determines that a Change in Circumstance has occurred (using the Re-Disclosure FAQ).
- If a Closing Disclosure has been issued, all subsequent CIC's must be disclosed using Closing Disclosures. An LE may not be issued after the Initial CD has been delivered.
- If a Re-Disclosure task is missed and caught before the 3 day window has expired, a task should be created and the due date should be adjusted to reflect the actual due date. Taking this action will require notification to the QC Department and TM.
- **A Re-Disclosure task should never be created if the 3 day window has elapsed. In these cases an escalation email is to be sent to the QC Department, TM and UW Manager.**

Re-Disclosure Timing LE vs CD

- Initial Loan Estimate and disclosures must be issued within 3 business days of the submission date.
- Consummation may not occur until 7 days have passed since the Initial Loan Estimate was issued.
- Re-disclosures with a change in circumstance must be issued within 3 business days of the change in circumstance/underwriter reviews and determines that a Change in Circumstance has occurred.
- A Loan Estimate and Closing Disclosure may not be issued on the same day.
- The mailbox rule: A document may be considered “received” by the borrower 3 days after it has been issued. This 3 day period can be waived with dated proof of receipt.
- The borrower must receive the final LE 4 days prior to consummation.
- The borrower must receive the Initial CD 3 days prior to consummation.

CIC - Revised or Introduced Fees

Transaction Manager is responsible for identifying fees which have not yet been disclosed or which differ from the disclosed amount. Some examples include:

- Revised Appraisal fee (Due to high value, property type, located, etc.)
- Additional Appraisal fee
- Revised Title/Escrow fees
- Additional Credit Supplement fees

When a new or revised fee is identified a task will be created for the disclosure department which will be used to notify that the fees need to be reviewed.



- The task name is **"TM - Changed Circumstance Introduced Fee - Review Required"** and it will be due 6 days from the task creation
 - Task will be created by the TM at the same time the corresponding conditions are tasked to UW for review.
 - The notes for this task should detail the new or revised fee as well as the reason for the addition/revision.
 - Task will be cleared by the Disclosure Processor once the CIC disclosure has been processed.

The Underwriter will review the file, acknowledge the new or revised fee, update the approval/system, and create the standard re-disclosure task for the disclosure/closing dept.

- The notes for this task should detail the new or revised fee as well as the reason for the addition/revision.

Rate Locks & File Re-pricing

Rate Lock Events:

- When a loan receives Initial Approval from Underwriting the loan is locked for 30 days.
- If 30 days pass before the file is moved to the closing department the lock has expired and has a floating interest rate.
- When an Initial CD is issued the loan is re-locked for 14 days
- If 14 days pass between Initial CD and Consummation, management or QC approval should be documented for changes in pricing.

Re-pricing:

- If a loan is currently locked and changes occur which affect pricing, the rate sheet used when the loan was locked should be consulted for accurate pricing.
- If a loan has a floating interest rate when changes occur which affect pricing, the most recent rate sheet should be consulted for accurate pricing.
- A loan with a floating interest rate that moves to the closing department for an Initial CD should use the most recent rate sheet to re-lock the pricing.

Loan Status & System Generated Tasks

Current Loan Status

<input checked="" type="radio"/> Submitted	01/04/2018
<input type="radio"/> Incomplete Retail Submission	
<input type="radio"/> Suspended	
<input type="radio"/> Approved / In Process	
<input type="radio"/> Ready for Docs	
<input type="radio"/> Lenders Out-WET/DRY	
<input type="radio"/> Docs Out-WET	

Auto Tasks

- File to U/W
- Initial Disc.



Current Loan Status

<input type="radio"/> Submitted	01/04/2018
<input type="radio"/> Incomplete Retail Submission	
<input type="radio"/> Suspended	
<input checked="" type="radio"/> Approved / In Process	01/08/2018
<input type="radio"/> Ready for Docs	
<input type="radio"/> Lenders Out-WET/DRY	

Auto Tasks

- Re-Disc.
- TM- Approval.



Select Task Template

Description

<input type="checkbox"/> Suspended -Now Approved -Disclosure Draw Task ("I
<input checked="" type="checkbox"/> Re- Disclosure Draw Task (Changed Circumstances)
<input type="checkbox"/> Disclosure Review Task ("DRT")
<input type="checkbox"/> Disclosure Send Task ("DST")


Examples of Manual Task

- CIC – To Disc. Dept
- TM – Revised Approval.

BytePro Documentation

Conversation Log:

- Conversation Log notes should be updated whenever a change to a file is made.
- Conversation Log notes should be updated if a decision is made during a review.
- Conversation Log notes should be updated when communication happens between CSC employees or third parties related to the file.

 Edit Conversation

Date / Time: 06/20/2018 11:52 AM

Talked To: [If communications between parties occurred, specify here] ▼

Follow Up Flag: ▼

Alert: ▼

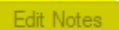
Append Notes: Previously entered notes cannot be edited. [Click here](#) for options.

New Notes To Be Appended: Previously Entered Notes

[Message which would be relevant to any future users]

Tasks:

- Task notes should be updated with details related to the task in order to clearly convey information to all future users.

 Task Created from Task Template 1000120

< [User Name] : 1/1/2018 12:00 PM >

[Details related to the task which may assist future users]

Doc Velocity

Documentation	Responsible Role
TRID Appraisal Justification	Transaction Manager
Loan Estimates	Disclosure Processor
Closing Disclosures	Doc Drawer
Change In Circumstance	Disclosure Processor/Doc Drawer
Re-work Requests	Transaction Manager
Proof of Receipt	Transaction Manager
Proof of Delivery	Disclosure Processor/Doc Drawer
Revised/Introduced Fee	Transaction Manager

Fraud/Misrepresentation Concerns

No other entity or persons are allowed to disclose in CSC's name or otherwise represent themselves as an agent of Citadel Servicing Corporation.

- If any misrepresentation is detected it should be reported to QC and the file should be declined.

Fraud concerns should be reported to QC, Compliance and Legal for further investigation.

- If fraudulent activity is determined to have occurred the file should be declined.
- Notification should also be given to both the TM and TM manager.

Business Purpose, ODFFN & Mixed Use/Commercial

CSC has made a business decision that TRID disclosures (LE & CD) will not be issued on:

1. All Business Purpose loans
 - Including Owner Occupied, Second Homes or Non-Owner Occupied
2. ODF Foreign Nationals
 - Second Homes or Non-Owner Occupied
3. Mixed Use/Commercial

Any questions regarding the requirement for TRID disclosures or a change in program to/from one of the above can be directed to CSC QC.

Any Questions?



Any further questions can be submitted to CSC QC (CSCQC@Citadelservicing.com)