

## ARE YOU TRID READY?

## LENDER TRID 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 (LE) and Closing Disclosure (CD) - will be used instead of the GFE, TIL and HUD-1 on most consumer loans. How prepared is your organization to implement TRID changes?

First American 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 answers to frequently asked questions:

**Q** How can lenders expect to receive fee information for the LE from First American Title?

**A** The First American Comprehensive fee Calculator (FACC) has [www.facc.firstam.net](http://www.facc.firstam.net) been enhanced to provide access to fees that are TRID compliant. This fee engine is 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 Title will also continue to support fee quotes via telephone.

**Q** How will First American Title handle quotes for simultaneous rates?

**A** First American Title intends to use the Consumer Financial Protection Bureau's (CFPB) calculation formula in states that have simultaneous rates. First American's FACC will calculate both the actual premiums and the premiums calculated according to the CFPB's formula. Our LE quote sheets will illustrate the calculation and then show both the "actual" premiums along with the "disclosed" premiums. In jurisdictions where the Seller pays for the owner's policy it will be critical to know both the "actual" premiums and the "disclosed" premiums in order to calculate the proper adjustment on page 3 of the CD. The premium adjustment will allow the Calculating Cash to Close table to be accurate.

**Q** How can lenders communicate to First American Title whether they plan on preparing the CD, or delegating the task to the settlement agent?

**A** First American Title 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 Title should contact their escrow agent or account representative immediately to ensure the successful implementation of this exception.

On purchase transactions, First American Title will prepare and deliver the Seller CD on or before consummation.



**First American Title**<sup>TM</sup>

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**Q** What new information should the lender expect to provide in their lender closing instructions in order to support the new disclosure process?

**A** First American Title prefers that lenders provide their fees in the format of the CD, in addition to the typical information already received in the lender closing instructions. We must be provided the consummation date along with any instructions about whether a later signing date is allowed.

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

**A** First American Title expects the lender to initiate collaboration and recommends the process to begin 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 15 days prior to consummation being optimal.

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

**A** Upon request, First American Title will deliver a fee quote from our FACC. Once the CD collaboration process begins, First American Title plans to deliver fee information via a Settlement Statement.

**Q** Are there fees that may change after the lender receives the fee sheet?

**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 (additional riders), and mortgage/deed taxes could be higher or lower depending on circumstances at the time of closing.

**Q** How will changes to the CD or borrower refunds be addressed post-closing?

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

**Q** How will First American Title handle the final Settlement Statement?

**A** First American Title will adopt the standardized Settlement Statement form developed by ALTA and provide it to the borrower at signing. A copy will be provided to the lender within the executed closing package.

The Settlement Statement will reflect actual charges. First American Title 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 transactions, except those conducted in Texas, where the Texas Disclosure form will be used. Lenders should provide a point of contact to receive the Settlement Statement and any communication regarding changes that will impact the information on the CD and re-disclosure to the borrower.

**Q** What training programs has First American Title 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 accommodate as such; and (3) Enforce internal competency testing to validate TRID-readiness skills and knowledge throughout our internal teams.

**Q** How can I reach First American Title 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 or account representative.