



MPF® Direct Exhibit L-D

Early TRID Issues

Below is a summary of the early defects that Redwood has identified on TRID originated loans. This summation of the defects identified by Redwood is to help our sellers correct these issues and to check the files prior to delivery to ensure a seamless purchase process.

General Issues

- The earliest date that consummation can occur (generally the date the mortgage is signed) is three business days **after** the borrower has received the initial CD or a subsequent CD that requires a new three business day waiting period.
- If multiple CD's are issued on the same day we need to know in what order they were issued.
- If an LE or CD was printed but not delivered to a borrower don't include it in the loan file delivered to Redwood.
- CD's requiring receipt by the borrower three business days prior to consummation must have supporting documentation to evidence receipt of the CD. Refer to 1026.19(f)(1)(ii)(A). If evidence of receipt is not provided we will apply the mail rule to determine if the loan is in compliance. Refer to 1026.19(f)(1)(iii). Failure to provide evidence of receipt could render the loan ineligible for purchase.

CD Requiring 3 Day Waiting Period Issued On	Receipt Documented	Receipt Date	Earliest Date of Consummation	Notes
Monday 11/16	Yes	Tuesday 11/17	Friday 11/20	
Friday 11/20	Yes	Friday 11/20	Tuesday 11/24	Sunday Not Counted
Monday 11/30	No	Presumed Rec'd on Thursday 12/3	Monday 12/7	Six Day Mail Rule Sunday Not Counted

Note- Borrowers signature and date on the CD does not always reflect the date in which the borrowers received the CD.

- If the disclosures are sent out electronically Redwood requires evidence of the borrower's e-sign consent to ensure compliance with the regulation.
- Ensure the loan Tool Kit is provided in the loan package with evidence of delivery to the borrower.
- Ensure the Service Providers List is included in the loan file if the borrower was allowed to shop for services.

Loan Estimate (LE):

- The following is a list of issues identified on the Loan Estimate (LE) during our initial compliance reviews:
 - The rate lock information must include a time stamp

RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

Correct

- If there are no Lender Credits given to the borrower than page 1 Cost at Closing should be populated with a \$0 disclosed for lender credits (do not leave field blank). However, on page 2 of LE Section J Lender Credits should be left **blank** when a Lender Credit is not given.

Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs - \$0 in Lender Credits. See page 2 for details.

Do Not Leave Blank

J. TOTAL CLOSING COSTS	\$8,054
D + I	\$8,054
Lender Credits	

Do Not Enter \$0

- In Section E of the LE, Recording Fees and Transfer Taxes are disclosed. If the borrower does not pay for the Transfer Tax then the amount field should be blank. Do not enter \$0

Other Costs	
E. Taxes and Other Government Fees	\$180
Recording Fees and Other Taxes	\$180
Transfer Taxes	

Correct

- On page 3 Additional Information About This Loan make sure all of the required information is provided.

Additional Information About This Loan

LENDER	[REDACTED]	MORTGAGE BROKER
NMLS/ _____ LICENSE ID	[REDACTED]	NMLS/ _____ LICENSE ID
LOAN OFFICER	[REDACTED]	LOAN OFFICER
NMLS/ CA LICENSE ID	[REDACTED]	NMLS/ _____ LICENSE ID
EMAIL	[REDACTED]	EMAIL
PHONE	[REDACTED]	PHONE

Must include LO's NMLS #, email address and phone number

- Provide Change of Circumstance documents when a fee is increasing from one LE to another or from the LE to the CD.

Closing Disclosure (CD):

- The following is a list of issues identified on the Closing Disclosure (CD) during our initial compliance reviews:

- On all CD's all relevant fields in the Closing Information section (page 1) must be completed.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	[REDACTED]	Borrower	[REDACTED]	Loan Term	30 years
Closing Date	[REDACTED]		[REDACTED]	Purpose	Purchase
Disbursement Date	[REDACTED]	Seller	[REDACTED]	Product	Fixed Rate
Settlement Agent	[REDACTED]		[REDACTED]	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	[REDACTED]		[REDACTED]		<input type="checkbox"/> VA <input type="checkbox"/> _____
Property	[REDACTED]	Lender	[REDACTED]	Loan ID#	[REDACTED]
Sale Price	[REDACTED]			MIC #	[REDACTED]

Most common errors are missing Settlement Agent, their File # and the borrower's mailing address.

- Page 4 of the CD Additional Information About this Loan section, ensure that all applicable check boxes are marked. Also be sure that when an escrow account is not included that one of the two boxes illustrated below are checked.

If there is no escrow account one of these boxes has to be checked.

will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

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- Page 5 of the CD Other Disclosures section, ensure that all applicable check boxes are marked under the section regarding Liability after Foreclosure
- Page 5 of the CD Contact Information section, ensure that all applicable fields are completed for all columns.

On purchase transactions Real Estate Broker applicable Contact Information is Required

Contact Information	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name					
Address					
NMLS ID					
GA License ID					
Contact					
Contact NMLS ID					
Contact GA License ID					
Email					
Phone					

- CD page 4 Escrow account section. The amount in the “Escrowed Property Cost over Year 1” should typically be equal to the “Monthly Escrow Payment” multiplied by 11 months (this is the number of scheduled payments in the first year after consummation).

Escrow		
Escrowed Property Costs over Year 1	\$8,747.64	Estimated total amount over year 1 for your escrowed property costs: <i>Property Taxes, Homeowner's Insurance</i>
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs: You may have other property costs.
Initial Escrow Payment	\$5,205.60	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$795.24	The amount included in your total monthly payment.

will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

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- CD page 3 Calculating Cash to Close Loan Estimate column does not match the final LE in the loan file

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.	
	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$10,188.00	\$10,143.93	NO
Closing Costs Paid Before Closing	\$0	-\$450.00	YES You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$0	\$0	NO
Deposit	\$0	\$0	NO
Funds for Borrower	-\$3,187.00	-\$3,187.00	NO
Seller Credits	\$0	\$0	NO
Adjustments and Other Credits	\$0	\$0	NO
Cash to Close	\$7,001.00	\$6,506.93	

- On refinances and other transactions not involving a seller the lender has the option to use an alternative form LE and CD. The regulation is clear that if you use the alternative form LE you must also use the alternative form CD. However the regulation is not clear on the requirement when the LE is completed on the standard form. At the present time we are taking the position that there should be consistent use of the LE and CD forms. If the LE was completed on the standard LE form then the CD should also be completed on the standard CD form. We are seeing loans where a standard form LE is used with an alternative form CD used. The calculating cash to close tables do not properly align in this situation.