

## TRID Policy

NewRez, LLC requires that Correspondents comply with all applicable requirements of the TILA-RESPA Integrated Disclosure Policy ("TRID") as governed by the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) in order to avoid legal, financial and reputational risk; to ensure loan marketability; and to protect customers.

NewRez will not purchase any Mortgage Loan where the initial disclosures, including the initial Loan Estimate, were not delivered to the borrower within the required timeline from the receipt of the six pieces of information that comprise an application. The six pieces of information include the borrower's name, income, social security number, the subject property address, subject property value and the loan amount. Correspondents must provide evidence of timely delivery of the initial disclosure as well as any re-disclosure resulting from a valid change in circumstances as defined in the TRID Rule.

### Loan Estimate Timeline:

- Loan Estimate: The Correspondent is responsible for ensuring that it delivers or places in the mail the Loan Estimate form no later than the third business day after receiving the consumer's application and must provide evidence of timely delivery to NewRez.
- The Loan Estimate must also be delivered or placed in the mail no later than the seventh business day before consummation of the transaction.
- Rate Locks – The Correspondent will re-disclose within 3 days of lock (standard changed circumstance rules apply).

For any revised Loan Estimate due to a valid change in circumstance, the following timing requirements apply and compliance with the same must be evidenced by the Correspondent:

- The Loan Estimate will be provided within 3 business days of the changed circumstance
- The consumer must receive the revised Loan Estimate no later than 4 business days before consummation
- The Loan Estimate cannot be provided on or after the day on which the creditor provides the Closing Disclosure.

For loans that require a Loan Estimate and that proceed to closing, the Correspondent must provide a Closing Disclosure reflecting the actual terms of the transaction. The Correspondent will ensure that the consumer receives the Closing Disclosure no later than three business days before consummation of the loan. An additional three days applies if the Closing Disclosure was delivered by mail. Evidence of receipt of the Closing Disclosure by the borrower must be provided to NewRez.

The Correspondent must ensure that the consumer receives the Closing Disclosure no later than three business days before consummation having arranged delivery as follows:

- By providing it to the consumer in person
- By mailing, or by other delivery methods, including email. Three additional mail days must be used for delivery of the Closing Disclosure unless proof of receipt is obtained.

Consummation is the time that a consumer becomes contractually obligated on the credit transaction, this is considered to be the Note date. For purposes of providing the initial Closing Disclosure through the funding of the loan, three business days includes Saturdays, but not Sundays nor federal holidays.

The Correspondent must re-disclose terms or costs on the Closing Disclosure if certain changes occur to the transaction after the Closing Disclosure was first provided that cause the disclosures to become inaccurate. There are three categories of changes that require a corrected Closing Disclosure containing all changed terms:

- Changes that occur before consummation that require a new three-business-day waiting period as follows:
  - The disclosed APR becomes inaccurate
    - Increase on a fixed rate loan of more than .125% or ARM loan of more than .25% for any reason
    - Decrease by more than .125% fixed or .25% ARM loan when caused by something other than finance charges
  - The loan product changes
    - Changing from a fixed loan to ARM loan or ARM loan to fixed loan
- A prepayment penalty is added.
- Changes that occur before consummation and do not require a new three-business-day waiting period. If a new three-business day waiting period has not been triggered, the corrected disclosure will be provided to the borrower on the day of their closing.
- For changes that occur to fees subject to tolerance after the initial Closing Disclosure that do not trigger a new three-business-day waiting period and the loan does not close within 7 days, increased fees will be considered invalid and Lender cures must be issued. Evidence of payment of the cure along with proof of delivery to the borrower must be provided to NewRez.
- Changes that occur after consummation. Correspondents must deliver to NewRez, a copy of the revised Closing Disclosure and cover letter provided to the borrower along with evidence of delivery.

In any case where a Lender cure was issued to a borrower, evidence of payment of the cure must be provided to NewRez. This could include evidence of the cure as a credit on the Loan Estimate or Closing Disclosure if issued prior to closing. If the Lender cure is issued after closing, a copy of the check



## National Correspondent Division Lender Guide

along with the revised Closing Disclosure and a cover letter with evidence of delivery must be provided to NewRez.

***NOTE: Any guidance and information contained in this document should in no way be construed as an offer or legal advice by NewRez or its affiliates. Correspondents should contact their legal counsel for advice on complying with all regulations and laws.***