

CFPB's TILA-RESPA Integrated Mortgage Disclosures (TRID) Rule – Responsibility for Compliance

To: Settlement Agents

Bank of America is committed to providing valuable information to our settlement agents to help you understand how the Consumer Financial Protection Bureau's (CFPB) new TILA-RESPA Integrated Mortgage Disclosures (TRID) Rule will affect your business. In this announcement, we will address the following items:

- Use of settlement statements
- Differences between buyer/borrower and seller documents
- Answers to other frequently asked questions

We have included a recap of key details from prior announcements regarding Closing Disclosure specifics, Closing Insight™ usage and Bank of America's requirements for the closing collaboration process.

As a reminder, you may submit your questions to us at Integrated.Disclosures.Feedback@bankofamerica.com. We will continue to provide answers to your questions and share information regarding what you can expect when closing a Bank of America loan through announcements such as these.

Thank you for your partnership.

Key Details from Prior Announcements

- Bank of America will **require** the use of Closing Insight™ for **all** applications taken on or after August 1, 2015. All documents, data and information will be exchanged through Closing Insight. Registration with Closing Insight should be completed before August 1. For more information about Closing Insight, RealEC® Technologies and the registration process for settlement agents, visit their website at www.closinginsight.com.
- Bank of America will provide Closing Instructions that will reflect new requirements pertaining to the CFPB's TILA-RESPA Integrated Mortgage Disclosures (TRID) Rule.
- Bank of America will require all changes to loan terms and fees to be submitted for review and approval through Closing Insight prior to signing.
- Both Bank of America and the settlement agent must approve the Closing Disclosure used for consummation/closing. Changes may only be made with Bank of America's approval. If changes are approved, Bank of America will generate a revised Closing Disclosure.
- Bank of America will review all changes to the loan terms and fees to determine if an update to the Closing Disclosure is necessary and if so, whether a new waiting period is required.
- Settlement agents must notify Bank of America immediately when a signing does not take place as scheduled. Similarly, Bank of America will notify the settlement agent via Closing Insight when a signing date is rescheduled.

Below are answers to just a few of the questions we have received from settlement agent about the upcoming changes to support the CFPB's TILA-RESPA Integrated Mortgage Disclosures (TRID) Rule.

Q: Will settlement agents be able to accept title/closing orders from Bank of America if they are not registered with Closing Insight™?

A: No. If a settlement agent is not registered, they will receive an invitation to register when the title/closing order is placed. The settlement agent must register and access Closing Insight to accept the order.

Q: Will Bank of America require use of the ALTA Settlement Statement?

A: If a settlement agent chooses to use a Settlement Statement or similar form to supplement a Closing Disclosure, Bank of America encourages use of the ALTA model forms (or similar state-specific forms), when applicable. If a Settlement Statement is provided to the buyer/borrower, the final figures **must** reconcile to the Closing Disclosure and the Settlement Statement (any and all versions given to buyer/borrower) must be provided to Bank of America in the final document package. In addition, Bank of America will include a new Acknowledgement form in the Pre-Closing package which must to be completed by the settlement agent and returned to Bank of America if a Settlement Statement is **not** provided to the buyer/borrower.

Please visit the ALTA website www.alta.org/cfpb/documents.cfm to download the ALTA Settlement Statements in Word, Excel or PDF format.

Q: May a Settlement Statement be used to amend fees or final figures without updating the Closing Disclosure?

A: No. If the settlement agent chooses to utilize a Settlement Statement, the final figures on the Settlement Statement **must** reconcile to the Closing Disclosure. Per Bank of America's Closing Instructions, settlement agents will be required to obtain the bank's approval of any changes to fees imposed by the settlement agent that impact the final Closing Disclosure. Any changes to such fees without Bank of America's approval are not permitted. *The Closing Disclosure is the primary document for disclosing closing costs to the buyer/borrower and it must accurately reflect all final fees.*

Q: Will a new Closing Disclosure form be used for the sellers similar to the form that will be used for the buyer/borrower?

A: Yes. Separate Closing Disclosures will be used for the buyer/borrower and the sellers in a purchase transaction. The buyer/borrower and seller will not sign the same Closing Disclosure nor will they see the fees or other contents of the other party's disclosure. Bank of America will distribute the buyer/borrower's Closing Disclosure to the borrower(s), while the settlement agent is responsible for preparing and delivering the seller's Closing Disclosure. The settlement agent should continue the practice of providing the Closing Disclosure to the Real Estate Agent(s) involved in the transaction, as applicable.

Q: Will a HUD-1 Settlement Statement be required at the final closing of the loan transaction?

A: No. The HUD-1 has been replaced by the Closing Disclosure. For transactions with Bank of America, the Closing Disclosure will not be produced by the settlement agent.

Q: What will be the bank's process to modify and disclose revised fee information when post-disbursement adjustments occur? Will anything be required of the settlement agent in this process?

A: All updates to the Closing Disclosure fee information and data post disbursement must be made in Closing Insight by the party identifying the update required. If the settlement agent identifies the need for an adjustment, they must request the closing collaboration session be reopened in Closing Insight to enable Bank of America to review the update(s). The bank will determine if a new Closing Disclosure is required. Once the bank revises and approves the Closing Disclosure, the party in possession of excess funds will be responsible for sending any refunds to the buyer/borrower while Bank of America will send the revised Closing Disclosure to the buyer/borrower. The settlement agent will be responsible for preparing and delivering any revised Closing Disclosures to the seller, as needed. Bank of America will also mail the revised Closing Disclosure to the buyer/borrower in the case of changes due to clerical errors.