



*Wells Fargo*

## Settlement Agent Communications

News for Wells Fargo Settlement Agents

March 16, 2015

### **TILA-RESPA Integrated Disclosure Rule**

As the August 1, 2015, effective date for the new TILA-RESPA Integrated Disclosure Rule approaches there is a noticeable increase in the number of articles, webinars, conference panels and conversations about the changes coming. For those who have been paying attention to the upcoming changes, your questions are becoming more specific and more detailed. For others, here is some of the information you need to learn to be ready to continue closing Wells Fargo loans.

Our goal to continue doing business with local title and settlement service providers has not changed. Our expectation is that all title and settlement agents who close Wells Fargo loans must be ready, willing and able to comply with our requirements and closing instructions. This expectation becomes even more critical when the new rule takes effect August 1. In this newsletter, we will include some important reminders about these requirements, as well as answer some recent questions related to the coming changes.

The previous two editions of this newsletter (September 24 and December 10, 2014) contained important information on key decisions Wells Fargo has made about how we will comply with the new rule for loans originated by Wells Fargo:

- ? Wells Fargo will control the generation and delivery of the borrower's Closing Disclosure (CD) to consistently meet internal compliance and regulator expectations. Collaboration with and input from our settlement agents on fees applicable for each transaction and other content required on the CD will continue to be critical.
- ? Evidence of providing the borrower's CD with receipt at least three business days prior to consummation is critical for compliance. Wells Fargo considers consummation to be the date the borrowers sign the note (become contractually obligated) for all transactions, including in escrow states. The CFPB has publicly reinforced this position by stating that contract law dictates consummation, not escrow law.
- ? For purchase transactions, the settlement agent will be responsible for the seller's CD and must provide a copy of this document to Wells Fargo.
- ? The settlement agent will continue to be responsible for executing the closing, including document signing, notarization, disbursement of funds, document recordation and delivery of final documents post-closing. In all cases these activities must comply with Wells Fargo's closing instructions.
- ? Without exception, all changes that impact the borrower's CD must be communicated to Wells Fargo, including changes identified after closing (such as when actual recording fees become known and differ from amounts disclosed prior to closing). Wells Fargo will be responsible to determine the impact of any

changes, including determining if an updated CD must be provided to the borrower prior to closing and whether a restart of the three business day receipt timer is required.

These key decisions drive changes that will be implemented for closings of Wells Fargo loan applications received on and after August 1, including changes to the timing and processes Wells Fargo will use to interact with settlement agents. Please read on for more information about this.

### **Have you heard about Closing Insight?**

A key part of Wells Fargo's implementation plans is the integration with Closing Insight™. Closing Insight is a new technology solution being developed by RealEC® Technologies, a division of Black Knight Financial Services, with input from several major closing software companies, title underwriters and lenders - including Wells Fargo. One of the common goals these companies share is a desire to improve the way that we interact to exchange instructions, fees and other information critical to the preparation and execution of the loan closing. The press release announcing Closing Insight can be accessed from this [link](#).

Wells Fargo will use Closing Insight and its new industry standard workflow to exchange information - including closing instructions, fees, status and other relevant details - with participating settlement agents, and to reconcile and finalize data required in the borrower's CD. Unlike today where we typically use email to pass these important details back and forth, Closing Insight will support an interactive, online collaboration that includes a full view of information from both parties, and provides an audit trail and quality checks to reduce errors. The benefits from these changes will be significant.

Even though Wells Fargo has not yet mandated that our settlement agents use Closing Insight by August 1, our goal is for the Closing Insight process to rapidly become the new standard for interaction between Wells Fargo and settlement agents who close our loans. Additional information on changes to Wells Fargo's loan closing process - including how Closing Insight will be utilized - will be provided in future communications and in updated closing instructions effective August 1.

Many settlement agents will be able to access Closing Insight through connections with existing software packages. If your software provider is not yet integrating to Closing Insight, don't worry - you are not being left out. Access to Closing Insight through a secure web portal will also be available. All agents, regardless of the software, will have access to Closing Insight.

In the coming weeks, RealEC Technologies will provide further details on their agent registration process, training program, title/escrow software integration partners and the web portal for non-integrated agents. We encourage you to contact your software provider directly to find out if they plan to integrate with Closing Insight so you can finalize your training and implementation plans and be ready to use this new collaboration tool by August.

To learn more about RealEC Technologies and Closing Insight, including a video about this product, click this [link](#). You can also contact RealEC Technologies directly at [ProviderRegistration@realec.com](mailto:ProviderRegistration@realec.com).

### **More of your frequently asked questions**

Wells Fargo leaders continue to participate in various conferences, education seminars and industry events to share information and listen to your questions and concerns. This ongoing two-way communication is essential to our preparation for the TILA-RESPA Integrated Disclosure Rule changes. Following are answers to a few recent questions from you.

If co-borrowers plan to sign the loan documents on different dates, which date applies for compliance with the three business day receipt requirement of the CD?	The borrower's CD must have been received not less than three business days before the earliest signing date. This question highlights the importance of communicating specifics about signing plans to your Wells Fargo closing contact, including cases when a mobile signing agent or mail away signing is being requested.
Will Wells Fargo be providing loan closing documents to the settlement agent at the same time the borrower's CD is delivered?	Our goal is to be able to provide the closing documents to the settlement agent shortly after the borrower's CD has been finalized and provided to the borrower. In most cases, you should receive the closing documents earlier than in the past.
Will Wells Fargo permit any other party to deliver the borrower's CD to meet the three business day receipt requirement for a rush closing situation?	No. We have determined that we must be responsible for delivering the borrower's CD to meet and track the three business day receipt requirement for all transactions. We will continue to encourage all parties involved to stay in close communication and work together proactively to minimize the need for expedited CD delivery.
Is my company required to be ALTA Best Practices Certified by August 1 to continue to close Wells Fargo loans?	No. Completing your certification by August 1 will not be a Wells Fargo requirement. However, we hope that if your company is not yet certified you will - at minimum - have already completed a self-assessment and addressed any identified gaps.  As communicated in our March 6, 2014, newsletter, Wells Fargo supports the ALTA Best Practices as sound business practices that should ideally already be in place for businesses providing title and closing services for our customers.

If you are seeing this newsletter for the first time, please note that previous editions included other important information and FAQs - so if you missed them, please use the mailbox address below to request copies or subscribe to future publications.

### **Page count tool enhancement is ready**

In our last newsletter, we introduced an interim page count solution to assist our closers and settlement agents to more accurately estimate the number of pages in lender-provided documents to be recorded. An enhancement to this tool is now in production and a new form should appear in your preliminary closing packages for most Wells Fargo loans. The intent of this form is for our closing contact and the settlement agent to communicate and align on the recordable documents applicable for any transaction prior to finalizing the HUD-1 to ensure the recording fee amounts charged to the borrowers are as accurate as possible at closing.

Refunds are still expected for any overcharged recording fees that are detected after closing when the actual recording fee amounts are confirmed.

### **Performance management contacts coming soon**

An important part of Wells Fargo's third-party oversight responsibilities is performance reporting, including for settlement agents. New performance reports have been developed and will be implemented during the next few months. Phone and email contacts to settlement agents experiencing performance challenges will also begin; the intent is to communicate performance information to management contacts as needed and work together on action plans and timelines to resolve performance that does not meet Wells Fargo requirements. If your company begins to receive these performance management contacts, it is very important that the appropriate management contact in your company is aware and engaged. Additional information on this topic will be included in future communications and as measured performance factors expand.

### **New collaboration with ClosingCorp**

Wells Fargo has entered into a business arrangement with ClosingCorp, a leading provider of fee management solutions, to obtain actual fee information from select settlement agents who close a high number of Wells Fargo loans. This fee information will enable our Home Mortgage Consultants to select actual, local fees to populate the initial fee estimates provided to customers. Our goal is to improve the precision of expected fees that we quote to our customers as early as possible in the loan process, while remaining consistent with our strategy to support local settlement agents.

This program will be nationally implemented over the coming months. ClosingCorp will be directly contacting selected companies with additional information about this program and instructions on how to enroll. There will be no cost to you to participate in this program with Wells Fargo.

Please watch for information from ClosingCorp and respond to their enrollment invitation. This is a great opportunity for us to work together to provide the most accurate information available to our mutual customers.

Thank you for taking the time to review this important information. Please share this with your colleagues and management teams. If you have any comments, questions, suggestions for future newsletters or requests for copies of previous or future editions, contact us at:

[WellsFargoSettlementAgentCommunications@wellsfargo.com](mailto:WellsFargoSettlementAgentCommunications@wellsfargo.com)

Regards,  
Wells Fargo & Company