



Best Practices

Lender Requirements

- Lender Requirements Scale for Settlement Agents
- Best Practices Lender Requirements Chart
- Recommended Actions for Fund Members



Lender Requirements Scale for Settlement Agents

Lenders are vetting settlement agents in a wide variety of ways





Best Practices Lender Requirements Chart

National Lenders

Bank / Lender	Best Practices Requirements	Scale
	No known requirements	
	May require a complete questionnaire which parallels Best Practices and may include a requirement to provide BB&T with ‘financial statements of the Firm prepared in reasonable detail in accordance with generally accepted accounting principles . . .’ to maintain status on approved settlement agent list ¹	6
	Will not require CPA certification – will require settlement agent to attest and certify their compliance in advance of their first TRID closing	2
	No known requirements	
	No known requirements	
	Self-Certification by July 1, 2015 – send to SunTrust; SunTrust guidance states agents should complete ALTA’s Assessment Readiness Guides, ALTA’s Compliance Management Report, and ALTA’s Certification package	4
	“If your company is not yet certified you will - at a minimum – have already completed a self-assessment and addressed any identified gaps.”	
	No known requirements	
	No known requirements	

¹ From email in the Florida Real Estate Attorney Forum, January 13, 2016



Best Practices Lender Requirements Chart

Regional Lenders

Bank / Lender	Best Practices Requirements	Scale
	Requested parts of the Best Practice manual Pillars 2, 3, 4 & 7 ²	3
	3rd party certification by December 2015 ³	7
	3rd part certification by Oct. 2, 2015 ⁴	7
	Settlement Agents must be approved – Self assessment – including Current business license; E & O of \$500,000; affiliated business arrangements – reserves rights to audit settlement agent	5
	Will be supplying a three-part (3) Third Party Title Questionnaire. Part A – Company Information/ALTA Certification Information Part B – Policies/Procedures/Controls for companies not ALTA Certified Part C – License/Insurance Information	5
	3rd party verification ⁵ by acceptable vendor – AICPA standards are approved ⁶ NOW requesting “3rd Party ALTA Best Practices Certification” ⁷	7
	3rd party verification by October 1, 2015 ⁸	7
	Self-certification – provides a check list with letter to attest meeting ALTA BP and to include a copy of 3rd party certification ⁹	7
	Attestation that settlement agent is Best Practices Certified by Sep. 18, 2015 ¹⁰ Requested a copy of “Best Practices Certification” to remain on their “approved closing agent list. By September 18, 2015. ¹¹	7

² From a member June 2, 2016

³ Request made to a member by Kelly Broach, Mortgage Quality Audit Analyst of Atlantic Coast Bank in Jacksonville

⁴ American Bank & Trust letter to approved closing attorneys, July 17, 2015

⁵ Bancorp South letter to Approved Closing Attorneys March 2, 2015

⁶ Bancorp South letter May 29, 2015

⁷ From a member July 19, 2016

⁸ BankFirst letter to approved closing attorneys, closing agents and title companies, August 14, 2015

⁹ BankPlus letter to current closing agents. Attorneys, September 22, 2015

¹⁰ Requested of member from Capital City Bank September 11, 2015

¹¹ Letter to a Fund member from Compliance/Closing Coordinator of Capital City Bank, September 10, 2015



Best Practices Lender Requirements Chart

Regional Lenders

Bank / Lender	Best Practices Requirements	Scale
	No requirement	
	Wants copy of 3rd party certification OR copy of all Policies and Procedures a – 7 pillars	3
	Self-certification; notify if 3rd party certification, provides letter and checklist ¹²	2
	Self-Assessment and Compliance Letter ¹³	4
	3rd party certification required after April 1, 2016 ¹⁴	7
	Required the completion of “Closing Agent Information and Certification” sheet	2
	Requires Background and credential certification through Secure Insight (AKA Secure Settlements, Inc. SSI) ¹⁵	6
	Will require a copy of your Best Practices Manual ¹⁴ or copy of third party certification ¹⁶	3
	(1) Closing Agent [ALTA] Best Practices Certification; (2) Closing Agent Confidentiality Agreement; (3) Satisfactory Evidence of Insurance.” Requested information by Sept. 21, 2015 ¹⁷	5

¹¹ Community Bank letter to current closing agents/attorneys unknown date

¹² From a member June 20, 2016

¹³ Letter to member February 3, 2016

¹⁴ FBC Mortgage letter to settlement agents, unknown date

¹⁵ From a member 10/29/2017

¹⁶ From a member January 14, 2016

¹⁷ Fulton Mortgage Company letter, September 8, 2015



Best Practices Lender Requirements Chart

Regional Lenders

Bank / Lender	Best Practices Requirements	Scale
	Insist on third-party certification ¹⁸	7
	3rd party certification by Sep. 15, 2015 ¹⁹ UPDATE – recent development no longer requiring 3rd party certification ²⁰	
	“best certification practice” ²¹	7
	3rd party verifications – no self-assessments, by Oct. 1, 2015 ²² or no commitments or policies - currently self assessments and not requiring 3rd party certification ²³ Now requiring 3rd party certification again ²⁴	7
	3rd party certification by September 30, 2015 ²⁵	7
	Less than 360 closings per year, 5 or less employees and 2 or less offices less stringent requirements. More than above will need to be 3rd party certified – Notify lender of intent to be 3rd party certified by Sep. 30, 2015 – begin certification process no later than Jan 1, 2016.	7
	Requires certification of Best Practices ²⁶	4
	Requires approval and application which is provided	5
	Requires Best Practices Certification, Agency letter and Declaration pages – The Fund’s Authorize ²⁷ Agency Program letter will suffice for Best Practices Certificate	1

¹⁸ Group One Mortgage from a member July 28, 2016

¹⁹ Gulf Coast Bank & Trust Company letter to approved closing attorneys and title companies August 7, 2015

²⁰ Email from Gulf Coast Bank and Trust employee to settlement provider, September 18, 2015

²¹ From a member July 7, 2016

²² Iberiabank Mortgage Company letter to approved closing attorneys, closing agents and title companies, June 17, 2015

²³ From RPRTL meeting February 26, 2016

²⁴ From member March 9, 2016

²⁵ Metairie Bank letter to approved closing attorneys and title companies, September 3, 2015

²⁶ From a member December 7, 2015

²⁷ From a member December 8, 2015



Best Practices Lender Requirements Chart

Regional Lenders

Bank / Lender	Best Practices Requirements	Scale
	Vetting through Vendors Compliance Group at an annual cost	6
	Questionnaires to settlement agents, compliance with BP required to answer questionnaire ²⁸	5
	3rd Party verification as reported by Fund member	7
	Compliant with Best Practices by Oct. 2, 2015; 3rd party certification by Aug. 15, 2015	7
	Proof of compliance from 3rd party ²⁹	7
	Self-attestation by Oct. 3rd UPDATE – “no longer requiring closing attorneys and settlement agents become certified by a third-party ³⁰ ”	2
	3rd party certification by CPA or similar auditing firm with requisite experience in auditing like entities ³¹	7
	3rd party certification by Jan. 1, 2016 ³²	7
	SSI and evidence that provider complies with ALTA BP for internal controls ³³	6

²⁸ Pulte Mortgage, from ALTA's bank chart November 13, 2015

²⁹ Notice to settlement agents, unknown date – November 2015?

³⁰ Synovus Mortgage Corp. email to approved closing attorney/settlement agent list, September 29, 2015

³¹ Triumph Mortgage letter of unknown date on ALTA bank chart November 13, 2015

³² Trustmark letter to current closing agents/attorneys, June 1, 2015

³³ Union Bank letter to partners May 6, 2015



Best Practices Lender Requirements Chart

Regional Lenders

Bank / Lender	Best Practices Requirements	Scale
	Copy of Best Practices Manual and filled in questionnaire	5
	ALTA Best Practices Certification Package –including certification cover letter, agency letter, BP Certificate, declarations page from E&O and copy of state license	4
	Requested a complete copy of ALTA Best Practices manual ³⁴	3
	Sent a detail list of requirements which included the 7 pillars of Best Practices, plus a “Letter of Good Standing” from underwriter	5

³⁴ From a member November 4, 2015



Recommended Actions for Fund Members

1

Review your practice and volume with specific lenders.

2

Review lender requirements with these resources:

Bank Requirements Chart (.pdf)

TheFund.com/BankChart

InfoCenter Website

TheFund.com/InfoCenter

Consider using Google Alerts for lenders

1. Visit Google Alerts: www.google.com/alerts
2. In the “Create an alert about” box, enter the words you want to get email notifications for.
3. Click Show options to say how often you get alerts, what types of results you want to get, and more.
4. Click Create Alert.
5. Once your alert is set up, you’ll start getting emails any time we find new search results for your keywords.

3

**Decide on the level of requirements appropriate for your practice
- See Lender Requirement Scale.**

4

**If 3rd Party Certification is needed, ensure AT LEAST
90-day lead time for the review period and 6-8 months to complete.**

For more Best Practices information, visit:
TheFund.com/InfoCenter