



Wells Fargo

## Settlement Agent Communications

News for Wells Fargo Settlement Agents

June 3, 2015

### TILA-RESPA Integrated Disclosure Rule

The clocks counting down the time remaining until August 1 seem to be in fast forward as our industry prepares for one of the most significant changes in decades. One of our senior leaders reminds us that "This change provides us with a once-in-a-generation opportunity to transform how we do business." Focus on compliance with the new TILA-RESPA Integrated Disclosure Rule is critical, but at the center of this significant change is a clear goal: To make it easier for customers to receive the information they need to make the right financial decision for themselves and their family — before they are expected to sign on the dotted line at closing. This is a goal that Wells Fargo is committed to meeting on August 1, and we will continue to provide support for our settlement agents to be ready as well.

### More of your frequently asked questions

Questions being asked at industry information sessions, agent meetings and directly submitted to our mailbox and team members have changed. What started as basic requests for information about the Rule have transitioned to very specific questions for lenders on their plans for implementation and execution of the Rule. These questions are important and welcome — they help us determine additional information and alignment that is still needed to prepare for August 1. Some of the questions received since our last newsletter are answered here:

How will the settlement agent know when Wells Fargo is ready to begin the collaboration to create the Closing Disclosure (CD)?	The Wells Fargo closing contact will communicate with the settlement agent approximately 10 days prior to the targeted closing date. The settlement agent may also initiate contact, just as they do today.
Will the settlement agent be responsible for providing Wells Fargo with the real estate agent information required for the CD?	No. This information will have been captured in Wells Fargo's loan process prior to the preparation of the CD.
Will the settlement agent receive a copy of the CD that Wells Fargo provides to the borrower?	Yes. A copy of the CD will be provided in our loan closing package. If Closing Insight is utilized the content of the CD is visible to the settlement agent at any time after the CD has been finalized.
Is it acceptable to Wells Fargo for the settlement agent to provide a settlement statement in addition to the CD?	Yes. If a settlement statement in any form is provided to the borrower (in addition to the CD provided by Wells Fargo), a copy must also be provided to Wells Fargo with the closed loan documents. A review will be performed to validate consistency with the content in the CD.
Can a settlement statement be used in place of the seller CD?	No. A settlement statement can be issued in addition to the borrower CD and the seller CD, but not in place of either CD.
Is the definition of "consummation" the same as "closing"?	No. Consummation is defined as "the date that a consumer becomes contractually obligated on a credit transaction." For the purpose of calculating the required timing for borrower receipt of the CD, Wells Fargo will use the date the note will be signed for all transactions.  "Closing" can have a different definition and timing in some

	jurisdictions, such as escrow states.
What should we do if Wells Fargo's closing documents have been received and the customer asks to sign a day early?	Always consult with your Wells Fargo closing contact. Permitting an early signing that Wells Fargo has not authorized could jeopardize Wells Fargo's compliance with the Rule, which is not acceptable at any time.
Will the settlement agent need to know which fees are APR sensitive fees?	No, not for Wells Fargo closings. Any changes to information contained in the borrower CD must be communicated to the Wells Fargo closing contact. Wells Fargo does not expect the settlement agent to determine if the APR is impacted by a fee change.
Where can I get samples of the new CFPB forms effective August 1, 2015 and learn more about the requirements?	Detailed information about the TILA-RESPA Integrated Disclosure Rule, including samples of the new forms, are available from the CFPB at <a href="http://consumerfinance.gov">consumerfinance.gov</a>
How does a settlement agent become ALTA Best Practices certified and who can perform the certification?	Resources on Best Practices and the certification process are available from ALTA at <a href="http://alta.org/bestpractices">alta.org/bestpractices</a>
How can I find out more about Closing Insight™ — including information on technical requirements?	Additional information is available from RealEC® Technologies at <a href="http://Closinginsight.com">Closinginsight.com</a> , or contact RealEC directly at 800-893-3241, or by email at <a href="mailto:ProviderRegistration@realec.com">ProviderRegistration@realec.com</a>
If my software company is integrated with Closing Insight, do I still need to register?	Yes. Please register at <a href="http://Closinginsight.com">Closinginsight.com</a>

Thank you for submitting these questions. If you have new questions you would like us to address in a future publication, please send them to [WellsFargoSettlementAgentCommunications@wellsfargo.com](mailto:WellsFargoSettlementAgentCommunications@wellsfargo.com). In preparation for the TILA-RESPA Integrated Disclosure Rule changes effective August 1, a special edition of this newsletter will be published in July to respond to additional questions received.

### **Please validate your registration information prior to August 1**

Wells Fargo maintains a database of all settlement agents who use the eLynx eCN service to receive Wells Fargo loan documents. This information must be accurate and consistent with the information on file with your Secretary of State and/or any applicable licensing authority.

When you register to use Closing Insight, the registration information you provide to RealEC is matched to Wells Fargo's data, and any discrepancies must be resolved. For example, if there is not an exact address match. To avoid delays when you are ready to receive closing documents, please take a few minutes now to ensure your information is consistent and up to date. To perform this validation, follow these steps:

- Log on to <https://secure.elynx.net/ecn/r>
- Enter User Name and Password
- Review all screens and update any information that is not current

### **RESPA Reminder**

RESPA prohibits the giving or receiving of a thing of value in exchange for a referral of real estate settlement services based on an agreement/understanding involving a consumer mortgage loan. RESPA provides these examples of a "thing of value": money, salaries, future credits, opportunities to make money, services of all

types, sales, leases or rental at special rates, trips, or the payment of expenses. It doesn't require the transfer of money and the list is not all-inclusive. One recent area of focus for the CFPB has been providing of free leads or lists of prospects in exchange for settlement service referrals. The CFPB maintains that the providing of free leads or lists — when there is an understanding or expectation of a referral back to the provider — is a violation of RESPA.

Wells Fargo policy prohibits team members from accepting leads or lists from settlement service providers, regardless of the information source. As a best practice, settlement service providers should also ensure that their employees are not providing or attempting to provide leads or lists to Wells Fargo contacts.

### **Clarification on delivery of final title insurance policies**

Wells Fargo's Transactional Loan Closing Instructions include different addresses for the delivery of closed loan packages (including the original executed note) and for delivery of final follow-up documents (such as the recorded mortgage and final title insurance policy). We are aware that when a short form title insurance policy is issued, that policy is sometimes inadvertently delivered along with the closed loan documents.

Wells Fargo team members who support these processes work in different locations. Please be sure to deliver all final title insurance policies — including short form policies — to the correct final documents address, or electronically to [FDDocumentDelivery@wellsfargo.com](mailto:FDDocumentDelivery@wellsfargo.com) for immediate receipt tracking. This best practice will help avoid the need for follow up.

If you are a participant in the Electronic Title and Closing process, delivery of the title insurance policy is part of the workflow.

Thank you for your time to review this information, and your continued collaboration to prepare for the coming TILA-RESPA Integrated Disclosure Rule changes. Please share this publication with your colleagues and management team. If you have any comments, questions, suggestions for future newsletters or requests for copies of previous or future editions, contact us at:

<mailto:WellsFargoSettlementAgentCommunications@wellsfargo.com>

Regards,  
Wells Fargo & Company