

Information is accurate as of 9/21/2015 and is subject to change without notice. Official Land Home Financial Services, Inc. (LHFS) policies will be communicated via standard communications and guideline updates. In the case of conflict the LHFS guidelines are the controlling document. Nothing herein should be construed as legal advice and may not be relied upon as such.

Background: The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) directs the Consumer Financial Protection Bureau (CFPB) to integrate the mortgage loan disclosures under the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA). The CFPB fulfilled its directive with the [TILA-RESPA Integrated Disclosure](#) rule (TRID). TRID merges the Good Faith Estimate and initial Truth-In-Lending disclosure into a new form: the Loan Estimate (LE). TRID merges the HUD-1 and final Truth-In-Lending disclosure into a new form: the Closing Disclosure (CD).

Effective Date: The TRID forms must be provided by a creditor or mortgage broker that receives an application for most closed-end credit transactions secured by real property **on or after October 3, 2015**. For applications received **prior to October 3, 2015** creditors must follow the Regulations X and Z disclosure requirements and use the GFE, HUD-1, and TIL forms.

New Disclosures and Timing Requirements	
Loan Estimate (LE)	Closing Disclosure (CD)
<ul style="list-style-type: none"> Integrates and replaces the GFE and initial TIL. The LE is intended to provide consumers with help understanding the key features, costs, and risks of the mortgage loan they are applying for. It must be delivered or placed in the mail no later than the third business day after the consumer submits a loan application. 	<ul style="list-style-type: none"> Combines the HUD-1 statement and final TIL. This disclosure provides information to the consumer to help them understand all costs involved in the mortgage loan transaction. It must be received by the consumer at least three (3) business days before consummation of the loan. Consummation date: the day the borrower is legally obligated to pay the loan.
New Business Day Definitions	
The definition of "business day" differs for each disclosure. Additional timing requirements apply for revised disclosures.	
LE	A business day is a day on which the creditor's offices are open to the public for carrying out substantially all of its business functions.
CD	A business day means all calendar days except Sundays and the legal public holidays such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

Application Definition: Similar to the definition under Regulation X, an **application** is the submission of the following six items. The seventh "catch-all" item defined under Regulation X, "any other information deemed necessary by the loan originator," no longer applies. Items may be submitted in written or electronic format, or as a written record of an oral application.

Once a creditor receives these six items the LE must be delivered or placed in the mail within three business days unless the applicant's terms can not or will not be approved:

- | | |
|--|---|
| <ul style="list-style-type: none"> Borrower(s) Name Borrower(s) Income Borrower(s) Social Security Number | <ul style="list-style-type: none"> Property Address Estimated Property Value Mortgage Loan Amount Sought |
|--|---|

Post-consummation servicing-related disclosures required by TRID:

- Escrow Closing Notice** – provided to consumers prior to cancelling an escrow account.
- Partial Payment Disclosure** – includes information related to the partial payment policy applicable to the loan.

TRID applies to most closed-end consumer mortgages. It does not apply to the following:

- Home equity lines of credit (HELOCs).
- Reverse mortgages.
- Mortgages secured by a mobile home or by a dwelling that is not attached to real property (*i.e.*, land).
- Loans made by persons who are not considered "creditors," because they make five or fewer mortgages in a year.

Land Home Financial Services TRID Process Flow



Broker Takes Application and Submits to LHFS:

The application package must be delivered to LHFS no later than 12:00 pm PT the following business day.

The application package includes:

- New Application Transmittal
- Initial Loan Application
- Draft of Loan Estimate - Typed
- Draft of the Written List of Providers
- CA BRE MLDS Waiver Notice (CA loans only)
- A Land Home Financial Services Loan Number

Broker Discloses LE and Submits to LHFS (Alternate Option):

The application package must be delivered to LHFS no later than 3:00 pm PT the following business day, up to ten days after the application was taken.

The Loan Estimate package includes:

- New Application Transmittal
- Initial Loan Application
- Loan Estimate – Creditor blank or LHFS
- Written List of Providers
- Notice of Intent to Proceed
- CA BRE MLDS Waiver Notice (CA loans only)

LHFS Issues Loan Estimate and Disclosures:

- LHFS will provide the Loan Estimate to the applicant with LHFS as the Creditor and with the Broker as the Originator.
- LHFS will additionally send a Homeownership Counseling List disclosure and a Written List of Providers disclosure.
- Closing cannot occur until seven business days after the LE is provided to the applicant(s).

LHFS Issues Revised Loan Estimate If Any Change in Circumstance:

- A Change in Circumstance will still require the re-issue of new disclosures to maintain regulatory compliance.
- The last Loan Estimate must be received by the applicant no later than four business days before closing.

Underwriting Process (Unchanged):

- TRID does not change the current LHFS underwriting process.
- Additional Underwriting requirement include Anti-Steering Loan Options Certification and Evidence that a borrower has expressed intent to proceed.

Broker Submits Closing Request Form:

- Upon receiving LHFS Underwriting Clear to Close, Broker will submit Closing Request Form.
- LHFS will collaborate with Settlement Agent to prepare and deliver Closing Disclosure.
- LHFS will then present Broker partners with earliest allowable closing date. Note: Borrower(s) electronic acknowledgement of receipt may allow for an earlier closing date.

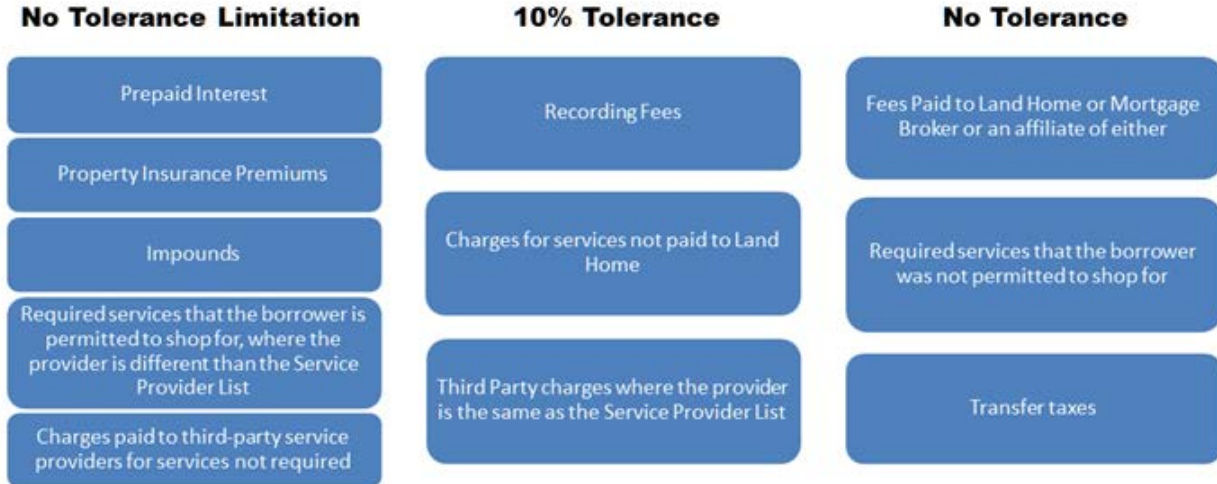
LHFS Issues Closing Disclosure:

- Settlement agents will assist in creation of the Closing Disclosure, but LHFS will provide the disclosure to the applicant.
- Settlement agents will still provide to seller (and copy to LHFS) in purchase transactions.
- Borrower must have the Closing Disclosure for 3 business days (including Saturday) prior to closing.
- Once a Closing Disclosure is issued LHFS can no longer issue revised Loan Estimates.

Closing Occurs:

- Borrower must have the Closing Disclosure for at least 3 days prior to closing, so closing rush requests will not be available for loan applications taken after October 3rd, 2015.
- LHFS will provide a final Closing Disclosure at the loan closing that must be signed by consumer.

Levels of Tolerance



Closing Timeline Chart

