

**TO: Correspondent Lenders**

**FROM: Angela Breidenbach, Operations Manager**

**DATE October 2, 2015**

**RE: TRID Q & A**

Happy TRID Eve!?!

Over the last few weeks, Cornerstone has received numerous inquiries regarding TRID from our Correspondent Partners. The following Q & A is a compilation of the most commonly asked questions.

If the answer to your question is not on this communication, please contact us right away. If you have a question, it is safe to assume that others do too. As we gather more questions, we will put additional Q & A’s out. This way, we can all learn together and support each other through this transition.

Q. Will there be any changes to Cornerstone’s lock policy and procedures?

A. No. The lock policies and procedures will remain the same.

Q. Will Cornerstone grant exceptions to the TRID disclosures and timing requirements?

A. No exceptions will be made by Cornerstone.

Q. What evidence will Cornerstone require that disclosures were sent to the borrower(s) in accordance with the timing requirements of TRID.

A. Cornerstone will accept any of the following documentation as evidence that the disclosures were sent in accordance with the timing requirements of TRID:

1. Borrower(s) signed and dated acknowledgement of receipt **OR** mail rule
2. Signed and dated Loan Estimate or Closing Disclosure
3. E-signed documents (acceptable on all but the final Closing Disclosure signed at consummation). Must also deliver the borrower’s written consent to send e-docs. This must be dated prior to delivery of the e-docs.
4. Evidence that e-mail delivered disclosure was received and opened. The date of receipt must be evident!

Q. Will Cornerstone accept a Processor’s Certification that they confirmed with the borrower that a Loan Estimate or Closing Disclosure has been received?

A. No. This is not sufficient evidence of receipt.

Q. Do the Loan Estimate(s) and the initial Closing Disclosure(s) need to be signed by the borrower(s)?

A. Cornerstone will accept signed Loan Estimate(s) and Closing Disclosure(s) as evidence of confirmation of receipt. However we do not require a wet signature on these documents.

Q. Does the final Closing Disclosure given to the borrower(s) at consummation need to be signed?

A. YES. Cornerstone will require a copy of the final Closing Disclosure to be wet signed. This applies to ALL final documents. (Note: We will not require a copy of the Seller’s signature on the Closing Disclosure).

Q. Are there any products purchased by Cornerstone that will be exempt from TRID requirements?

A. No. All loans purchased by Cornerstone must be compliant with TRID requirements. This includes investment properties not subject to Regulation Z. Investment properties must provide TRID disclosures.

Q. There are two versions of both the Loan Estimate and the Closing Disclosure. Will Cornerstone accept either version?

A. Yes. Cornerstone will accept either version. However, CFPB rules require that the versions used be consistent from start to finish. This means that if the alternate Loan Estimate was used at origination, the alternate Closing Disclosure must be used at consummation, and any re-disclosed Loan Estimates or Closing Disclosures must be drawn on the alternate versions.

Q. Is a verbal Intent to Proceed from the borrower(s) acceptable to Cornerstone?

A. Cornerstone does not have an overlay regarding a verbal Intent to Proceed. However, Cornerstone Correspondent Lenders are strongly discouraged from using this practice. If a verbal Intent to Proceed is used, you need to have some sort of record of such in the loan file submitted for purchase to Cornerstone.

Q. If changes occur to the Loan Estimate, but do not impact the 10% tolerance bucket, will Cornerstone require evidence of notification of the fee change to the borrower within 3 days, even though a revised Loan Estimate is not allowed to go out to the borrower per CFPB guidelines?

A. Cornerstone will not require revised Loan Estimates for charges below the 10% threshold.

Q. If there is a last minute change to a Closing Disclosure, which is NOT for one of the three scenarios that would re-set the waiting period, will Cornerstone allow a re-disclosure of that change and a same day closing?

A. Cornerstone follows CFPB guidelines regarding pre-consummation changes make to the Closing Disclosure. If the change to the Closing Disclosure is NOT due to one of the following reasons, Cornerstone does not require the waiting period to start over:

1. The disclosed APR increases by more than .125%

2. The loan product changes

3. A prepayment penalty is added or amended.

Q. In purchase money transactions, where there are multiple borrowers, will Cornerstone require all borrowers to acknowledge receipt of the Closing Disclosure at least three business days prior to consummation?

A. Acknowledgement of receipt of the Closing Disclosure from one primary borrower is acceptable. However, Cornerstone will validate that all individuals required to sign the Closing Disclosure, based on title vesting and/or ownership rights afforded under state law, has signed the Closing Disclosure at the time of consummation.

Q. Are there anything else to be aware of at this time?

A. Yes. Cornerstone is in receipt of revised TILA/RESPA Integrated Disclosure Rule Compliance Policy for the R Jumbo product (attached). This is available in the Product Guidelines and Overlays section of the correspondent web-site: [www.chlcorrespondent.com](http://www.chlcorrespondent.com).

**As always, your business is greatly appreciated. If you have questions regarding these issues, please contact me at** **abreidenbach@houseloan.com****.**

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