



TRID Loan Submission Pitfalls

The following is a compilation of the common pitfalls when submitting a loan to AFR.

Loan Submission Form

- Include the completed form in the initial loan submission
- Indicate whether the compensation is the borrower or lender paid (Wholesale and Table Funded clients)
- Include the borrower's contact information (providing the email would expedite the delivery of the disclosures)
- Include non-borrowing owner contact information
- Include the Settlement Agent's information

Refinances

- When submitting a loan: provide the contact information, **including the e-mail address**, for ALL individuals with the right to rescind the transaction in order to avoid delays. Per TRID, the must receive the Closing Disclosures (CD) three business days prior to consummation.

Loan Estimate (LE)

- Include the initial loan submission
- Made in good faith and based on the best information reasonably available at the time the disclosure is provided to the borrower
- Client to provide the LE to the borrower within three business days from receiving the application and seven business days before consummation. AFR's business days are Monday through Saturday.

Note: An application is considered to have been received when the borrower provides the following six pieces of information either verbally or written: Name, Income, Social Security Number, Property Address (or TBD), Estimated Value of the Property, and Loan Amount Sought.

- Disclose ALL charges* to be paid by the borrower, including but not limited to:

Section A:

- Broker Fees (borrower paid compensation)
- Commitment Fee (\$895 AFR fee, **only** in IA, NC, NJ, and PA)
- Underwriting Fee (\$895 AFR fee, all states **except** IA, NC, NJ, and PA)

Section B:

- Appraisal
- Credit Report
- Flood (\$10 AFR fee)
- Tax Service Fee (\$75 AFR fee, conventional loans)

Section C:

- Engineering Cert (manufactured homes)

- Survey
- Termite/Pest Inspection (if applicable)
- Title fees (itemized)**
- Well Inspection (if applicable)

Section E:

- Recording Fees
- Transfer Taxes

Section F:

- Prepays

Section G:

- Escrows (if escrowing)

Section H:

- Other applicable fees for services that are not required by the lender
- Owner's Title Policy (optional)**

* All charges must be disclosed within the applicable tolerances.

** All title fees must have 'Title - ' at the beginning of the fee name. Disclose the amount of the lender title insurance premium that might be made for the simultaneous purchase of an owner's title insurance policy.

- **Lender paid loans:** the compensation amount is not disclosed on the LE.
- **Borrower paid loans:** the compensation is based on the total loan amount and is to be disclosed as Broker Fees under section "A. Origination Charges"
- **Assumption**
FHA/VA/USDA Loans – check the 'will allow' box.
Conventional Loans – check the 'will not allow' box.
- **Servicing:** check the 'intend to transfer servicing of your loan.'

Changed Circumstance

- Must be valid
- Provide the completed changed circumstance form
- Client to provide the re-disclosed LE to the borrower within three business days from the valid changed circumstance
- Re-disclosed / final LE to be received by the consumer four business days before consummation.

Intent to Proceed

- Include the signed and dated disclosure in the initial loan submission
- The borrower must express the intent to proceed within 10 business days from the LE.

Service Provider List

- Provide within three business days from receiving the application

- List at least one provider for each service under the “C. Services You Can Shop For” section
- Include in the initial loan submission

Affiliated Business Disclosure

- Indicate on the Loan Submission Form whether or not the services from an affiliate are being used in the transaction. If yes, include the completed disclosure on the initial loan submission

Your Home Loan Toolkit

- Updated to include TRID information and replaces the Settlement Cost Booklet
- Provide the consumer within three business days from the application - required on purchases

Consumer Handbook on Adjustable-Rate Mortgages (CHARM Booklet)

- On adjustable rate mortgages, provide to the consumer along with the “Your Home Loan Toolkit” within three business days from the application - required on purchases

Closing Agents

Lenders have to work in cooperation with the closing agents to prepare the Closing Disclosure. Borrowers should be advised to choose a closing agent who is well qualified and is familiar with the regulations.

Closing Disclosure (CD)

TRID requires the CD to be received by the borrower three business days prior to consummation. If mailed or sent in electronic format, the CD is presumed to be received on the third business days. The waiting period would become three business days to receive plus an additional three business days to close. In order to prove an earlier receipt, a copy of the signed and dated CD must be in the file.

Refinances - ALL individuals with the right to rescind must receive the CD three business days prior to consummation. Upon submission, please provide the contact information, including the e-mail address, for ALL individuals with the right to rescind the transaction in order to avoid delays.

On lender paid broker compensation loans, the compensation amount will show on the CD under section “A . Origination Charges” as a lender paid item.

Correspondent clients: Must include the **seller charges related to the transaction** on page 2, Seller Column.

There is a three business day waiting period after the CD has been received by the borrower. This waiting period resets when the APR becomes inaccurate, the loan product changes, or a prepayment penalty is added (AFR does not offer prepayment penalties). If the APR becomes inaccurate or the loan product changes, consummation would occur three business days after the borrower has received the revised CD.