# TRID COC REDISCLOSURE GUIDE

## Fee Tolerances

**<u>0% Tolerances: Must be disclosed upfront!</u>**

- Origination charges
- Appraisal Fee
- Credit Report Fee
- Condo Review Fee
- TPO Broker-Processing/Verification Fee
- Final Inspection Fee (Construction/Builder Loans)
- Transfer Tax (State/County-Specific)
- Mortgage Insurance: FHA MIP and VAFF
  - Check LTV and Government charts

**<u>10% Tolerance: (1200 section)</u>**

- Government Recording Fee
- State-specific (Georgia GRMA Fee)

**<u>Allowed to Change (No Tolerance Restrictions):</u>**

- Title Services, Notary Fees (1100 section)
- Termite, HOA, Home Warranty, Survey or ILR Fees (1300 section)

**<u>Discount Points</u>: (Itemization #802e)**
Can only be increased or added with relevant lock changes (lock, extension, rate buydown, etc.)
**This cannot be added without valid justification from the lock desk**.

*PCR Note: If discount point fee is added or increased at time of doc request with a valid reason, we will need a reflect the increase as a cure to pass Mavent (work around), and then it can be locked down as a valid change (no cure) for the Funder's Final CD/COC.*

## Timing & Waiting Periods (Do not include Sundays or Federal Holidays)

| **<u>7 Days</u>** | **<u>3 Days</u>** | **<u>No waiting period</u>** |
|---|---|---|
| Initial LE Disclosure | Initial CD | Final CD |
| New Borrower added | Revised CD (See Page 2) | |
| New Co-mortgagor added | O/O Refi CD with Title Only Non-Borrowing | |

**<u>Lock Re-Disclosure:</u> Must issue within 3 days <u>after</u> the lock date**!
If applicable, must include *state-specific* lock agreements:
CA, DC, FL, IL, MA, MI, MN, MT, NJ, NM, OR, PA, TN, VA, WA, and WY

## Re-Disclosure Requirements

**<u>Important:</u> ALL changes must be disclosed within 3-days of change to avoid cures!**

- Multiple LE's cannot be issued on the same day.
- LE and CD cannot be issued on the same day.
- LE cannot be issued "after" the CD has been issued and signed.
- CD cannot be issued same day as signed LE date.

**Lock LE/COC – Within 3 Business Days After the Change**

- Initial Lock
- DPA Program Fees
- CDA Fee (Collateral Desktop Analysis) – Check Investor Guidelines
    - Best Practice: Disclose fee higher estimate upfront, if can always get reduced or removed.

**Revised LE/COC – Within 3 Business Days After the Change ** ADDITIONAL 7-DAY WAIT ****

- Adding new borrower or co-mortgagor

**Revised LE/COC – Within 3 Business days After the Change -AND-**
**Initial CD/COC – Within 3 Business days After the Change**

- Relocks, Lock Extensions
- Loan type (Conv, FHA, VA, USDA)
- Amortization type (Fixed, ARM)
- APR Violation - Increase **>**.125% (fixed) or **>**.25% (ARM)
- Pre-payment penalty
- Loan Purpose (Refinance to Purchase) – Construction Perm loans ONLY!
- Discount Points – Due to lock-related changes
- Broker Comp – Due to lock-related changes
- Temporary Buydown
- Lender Credit – Removed/Reduced due to lock-related changes
- Lender Cure - 0% or 10% Fee Tolerance Violations
- Sales Price, Appraised Value, Loan Amount
- Interest Rate, Loan Term
- Escrows – Waived or Added supplemental insurance (Hurricane/Windstorm, Flood, etc.)
- Mortgage Insurance - Monthly, Upfront, Financed or Paid in Cash
- Broker/Agent RE Commissions (Section 700)
- Broker/Agent Admin Fees (Line 1310 or below)
- Additional Appraisal Services – Due to UW requirements
- Final Inspections – Subject to Repairs for Existing Homes
    - Best Practice: Disclose fee upfront on new construction/builder loans to avoid cures.
- Condo Review Fee – Due to property type errors
- Doc Prep – Trust or POA Reviews
- Title Services Fees, HOA Fees, or Contract Related Fees
- DPA fees – Due to program change
- Manufactured Home Fees (Engineer/Foundation Cert, IBTS HUD Cert/Label)
- Upfront Fees paid by VIP and collected for reimbursement
- Subordination Fees, HOA Insurance Cert Fees, etc.

**Revised CD/COC – Within 3 Business days After the Change ** ADDITIONAL 3-DAY WAIT ****
**Important: The Revised CD can be issued within the current CD wait period with the signed Initial CD to follow.**

- Loan type (Conv, FHA, VA, USDA)
- Amortization type (Fixed, ARM)
- Product change (Interest Only, Fixed Rate)
- APR Violation - Increase **>**.125% (fixed) or **>**.25% (ARM)
- Pre-payment penalty
- Loan Purpose (Refinance to Purchase) – Construction Perm loans ONLY!

**Final CD/COC – PCR/ Funder will handle the COC update ** NO WAIT PERIOD ****

- Most changes can be disclosed on the Final CD/COC **if closing docs are drawn within 3 business days of change.**
- If the loan is not closing within this timeframe, a revised CD/COC must be re-disclosed and signed by the borrowers before we can order docs.

## Misc. Disclosure Requirements – 3 Day Waiting Periods

**Flood Loans**

- Flood Notices: Page 2 of Flood Cert

**Appraisal Services:**

- A.I.R. Cert (processor-signed and secure delivery) -OR- A.I.R. Disclosure (borrower-signed)

- A.I.R. Waiver: Form must be signed and dated at least three days prior to closing.
  - Must also include either the A.I.R. disclosure or A.I.R. Cert for our records (no additional wait since the waiver signature/date serves as our 3-day wait)