



May 26, 2016
TRID FAQs #7

Q: How do you disclose the fees when there are more fees than lines permitted in Sections A-C of the LE?

A: The TRID Rule is specific on the number of lines permitted in Sections B and C – a maximum of 13 lines in Sections A and B and 14 lines in Section C. If you have more fees than number of lines, the remaining fees are totaled on the last line of the Section and labeled “Additional Charges” – For Section C, “See attached page for additional items you can shop for” is also acceptable. It must be the last fees in the alphabetized list of fees that are included in “Additional Charges.” If the excess fees are in Section C, the lender is permitted to use an addendum to the LE to itemize the additional charges – this is not permitted for Section A or B. For auditing purposes, a fee worksheet should be included to itemize additional charges.

Q: If not delivered in person, when is the LE considered as *received* by the borrower?

A: When the LE is not delivered in person, the borrower is considered to have received the LE 3 specific business days after it is delivered electronically or placed in the mail, which is also known as the mailbox rule (unless evidence is provided demonstrating earlier receipt).

Important Note: If the LE is delivered electronically via a document vendor that is compliant with the E-Sign Act, the borrower must give E-Sign Consent to receive disclosures electronically before the LE can even be considered as delivered in order to apply the mailbox rule. This clarification also means that if the LE is delivered electronically and E-Sign Consent is not supplied within 3 business days of the application date, then the lender cannot consider the LE as delivered within the required timeframe to the application date. It is very important for lenders to make sure E-Sign Consent is received within 3 business days of the application date or the LE is delivered in person or placed in the mail within that required timeframe.

Example: The completed application is received Monday. The lender sends the LE on Wednesday via a document vendor website but does not yet have E-Sign Consent. The borrower does not give E-Sign Consent and thus also does not access the LE, so the document vendor mails the LE on the next Monday (3 business days after borrower didn't access the electronic disclosure). This equates to the lender not delivering the LE within 3 business days of the application date, and the lender is not compliant. (This lender would also not be compliant if the borrower gives E-Sign Consent on Thursday because it's not within the required timeframe to the application date.)

Q: If not delivered in person, when is the CD considered as *received* by the borrower?

A: When the CD is not delivered in person, the borrower is considered to have received the CD 3 specific business days after it is delivered electronically or placed in the mail (unless evidence is provided demonstrating earlier receipt).

Important Note: If the CD is delivered electronically via a document vendor that is compliant with the E-Sign Act, the borrower must give E-Sign Consent to receive disclosures electronically before the CD can even be considered as delivered in order to apply the mailbox rule. This means if you do not have E-Sign Consent (which could have been given at initial disclosure or redisclosure) then you must deliver the CD in person or place it in the mail. If delivered in person, the 3 business day waiting period starts the next day, so if you provided the CD in person on Monday, the closing/signing may occur on Thursday. If the CD is placed in the mail, then the mailbox rule applies first before the 3 business day waiting period starts, so if you placed the CD in the mail on Monday, the CD is presumed to be received on Thursday and the closing/signing may occur on the next Monday.

Q: Who must receive the CD in order to start the 3 business day waiting period?

A: For a rescindable transaction (i.e. a refinance), all borrowers with a right to rescind must receive a copy of the CD, which includes title-only borrowers that occupy the property as a primary residence. For a non-rescindable transaction (i.e. a purchase), only one of the primary borrowers will need to receive a copy of the CD. Please review the following examples for different types of borrowers:

- **Example 1: The loan has three full borrowers: husband, wife and mother.**
 - Refinance: All borrowers (including anyone only on title) must receive the CD separately.
 - Purchase: Only one of these borrowers must receive the CD.
- **Example 2: The loan has a borrower and co-signer: son and mother, and mother does not occupy the property.**
 - Refinance: The co-signer/mother does not have a right to rescind, so only the borrower/son must receive the CD.
 - Purchase: The co-signer/mother receiving the CD does not satisfy the rule; the actual borrower/son must receive the CD.
- **Example 3: The loan has a borrower and title-only: wife and husband, and both occupy the property.**
 - Refinance: Both the borrower/wife and title-only/husband must receive the CD separately since both have a right to rescind.
 - Purchase: The title-only/husband receiving the CD does not satisfy the rule; the actual borrower/wife must receive the CD.

This is not meant to be legal advice. Please seek legal counsel as you implement TRID.

***Please contact your Correspondent National Sales Manager
or Correspondent Liaison with any questions.***

