

1. What Are Changed Circumstances

A “changed circumstance” is defined under RESPA as:

- An Act of God, war, disaster or other emergency
- **New information** regarding the consumer, the loan or the property
- **Information** regarding the consumer’s qualification for the loan on which the originator relied in providing the LE that **changes or is later found to be inaccurate**

2. What Are Not Changed Circumstances

- **Error(s)** in disclosing an initial or subsequent LE
- Delays in underwriting/checking in conditions, leading to lock extension fees

3. Examples of Changed Circumstances

- Interest rate lock
- Appraised value comes in lower than expected, creating a pricing adjustment for higher LTV
- Loan program is flipped from Conventional to FHA, adding UFMIP
- Consumer’s credit score drops, resulting in a pricing increase
- Consumer requests a change in loan amount, interest rate, loan program or terms, leading to an increase in settlement costs
- Lock extension due to circumstances beyond PRMG’s control; *e.g.*:
 - Seller delay in short sale approval
 - Consumer/broker/escrow delays in submitting conditions
 - Appraisal identifies necessary repairs that are not completed on time

4. When Settlement Costs May Increase:

- Once the consumer has accepted the terms of the initial LE, the settlement costs cannot increase beyond the permitted tolerances unless a valid changed circumstance, as defined above, has occurred
- If the interest rate is floating, the interest-rate dependent charges (*i.e.*, credit or discount) can change until the rate is locked; at which point, absent a valid changed circumstance:
 - An interest-rate credit cannot decrease, or
 - Discount points cannot be increase

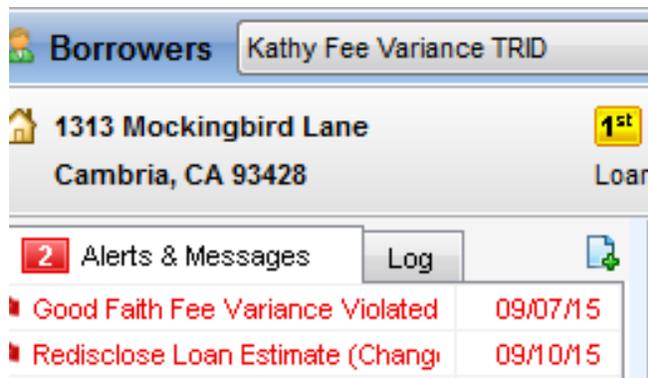
5. Revised LE Due to Changed Circumstance

- A **revised LE** must be **sent**:
 - Within three (3) business days of any **Changed Circumstance**, as defined under the TRID Rule, including interest rate lock, **but**
 - **Received** by the consumer no later than four (4) business days prior to the Closing Date (date borrower signs closing documents)
 - The Closing Disclosure must be **received** by the consumer at least three business days prior to the Closing Date
 - If we do not have borrower's eConsent already on file, we will need time for the disclosures to reach the borrower via U.S. Mail delivery
 - Watch **Estimated Closing Date**
 - A revised Loan Estimate cannot be issued once the Closing Disclosure has been delivered
- "General Business Days" for purposes of **delivering** the LE:
 - **Include** days that substantially all of PRMG's functions are open for business
 - **Exclude** Saturdays, Sundays and Federal Holidays
- Changed circumstances requiring a revised LE:
 - The interest rate locks, even if the interest rate, settlement costs, and credit/charge are the same as disclosed in the initial LE
 - The interest rate expiration date will change
 - Consumers need to know the date by which they need to close their loan in order to keep that rate
 - The changed circumstance increases settlement costs to the consumer beyond the permitted tolerance (*i.e.*, 10% bucket), even if the change is requested by the consumer
 - A change in the loan amount – either up or down – should always be re-disclosed, even when the consumer is requesting a lower loan amount
 - A lower loan amount will decrease the interest-rate credit
 - A higher loan amount will increase the discount points

- Changed circumstances that do **not** require a revised LE:
 - Changes that do not result in increased settlement costs to the consumer; *e.g.*, a change in the loan program might not trigger an increase in settlement costs
 - Increases in charges that are not subject to tolerance limits; *e.g.*:
 - *Per diem* interest, property taxes, homeowner’s insurance
 - Charges for services that we do not require; *e.g.*, owner’s title policy
 - Charges for services we require but for which we permit the consumer to shop for the provider, when the consumer **does** shop (*i.e.*, selects a provider who is **not** listed on the Settlement Service Provider List); *e.g.*, title insurance, settlement/escrow
 - Increases in charges under the 10% Tolerance Category, when the **sum of all charges in that bucket do not exceed the 10% limit**
 - **APR increase > 0.125%**, unless the increase results from a changed circumstance that otherwise requires a revised LE

6. Good Faith Fee Variance Alert

- If settlement costs increase outside of the permitted tolerance, the **Good Faith Fee Variance Alert** will fire. If not known, verify the charges that increased, *e.g.*:
 - Discount points
 - Appraisal or credit report fees
 - Title or settlement charges, transfer tax
 - Decrease in Specific Lender Credits disclosed
- If a valid changed circumstance triggered the Fee Variance Alert, redisclosing the LE will clear the Alert



7. 2015 Itemization

- Adjust settlement cost if warranted by the changed circumstance
 - If the consumer is permitted to shop for the service provider (e.g., after reviewing the appraisal, underwriter conditions for a pest inspection or septic cert), open the **Fee Details** box on the line item and check the **Consumer can shop for box**

Fee Details - 1102a

1102a. Settlement Fee To Borrower \$ Seller \$

Total Fee Amount	Last Disclosed	Paid to Name <input type="text" value="Chicago Title"/>
\$ <input type="text" value="650.00"/>	Loan Estimate <input type="text" value="650"/>	Paid to Type <input type="text" value="Other"/>
% <input type="text" value="0.271"/>	Closing Disclosure <input type="text"/>	

Amount Paid by

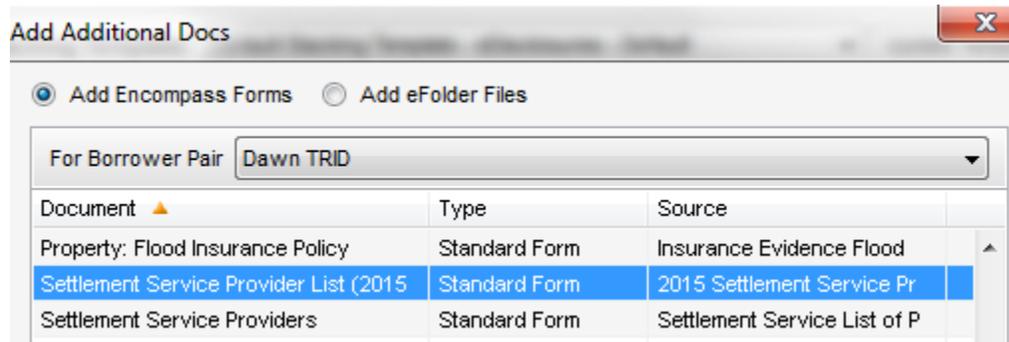
	Financed	PTC	PAC	POC	Amount Paid
Borrower	<input type="text"/>	+ <input type="text" value="650.00"/>	= <input type="text" value="650.00"/>	+ <input type="text"/>	= <input type="text" value="650.00"/>
Seller	<input type="text"/>			<input type="text"/>	<input type="text"/>
Broker	<input type="text"/>			<input type="text"/>	<input type="text"/>
Lender	<input type="text"/>			<input type="text"/>	<input type="text"/>
Other	<input type="text"/>			<input type="text"/>	<input type="text"/>
Total Paid By B / L / O					<input type="text"/>

Sec 32 Points and Fees **Total Fee Amount** \$

<input checked="" type="checkbox"/> Borrower can shop for <input checked="" type="checkbox"/> Borrower did shop for <input checked="" type="checkbox"/> Impacts APR <input type="checkbox"/> Seller Credit <input type="checkbox"/> Seller Obligated <input type="text"/>	Loan Estimate Section C Closing Disclosure Section C
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REGZGFE_2015_DETAILS

- Open the **Settlement Service Providers Form** in FT360:
 - Add a provider for the new service in the geographic area of the property
 - Include updated SSPL with the revised LE
- The updated SSPL will **not** automatically generate in your redisclosure line-up
 - Click **Add Additional Documents**
 - Select **Settlement Service Provider List (2015)**



Add Additional Docs

Add Encompass Forms Add eFolder Files

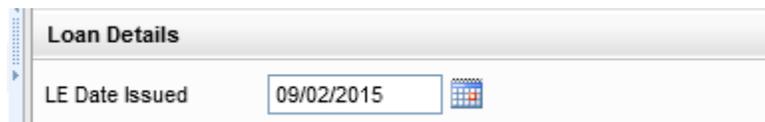
For Borrower Pair: **Dawn TRID**

Document ▲	Type	Source
Property: Flood Insurance Policy	Standard Form	Insurance Evidence Flood
Settlement Service Provider List (2015)	Standard Form	2015 Settlement Service Pr
Settlement Service Providers	Standard Form	Settlement Service List of P

- Verify:
 - All other charges are accurate as of the current date
 - Line 802 credit or discount is accurate, even if the interest rate is not locked

8. Loan Estimate -- Page 1

- Check the **Changed Circumstance box** in LE Page 1
 - LE Date Issued = current date
 - Check the applicable **Reason box**
 - Check the valid **Changed Circumstance** that applies from the **dropdown** (magnifying glass)
 - Add supporting explanation in the **Comments box**



Loan Details

LE Date Issued: 

- The **Redisclose Loan Estimate (Changed Circumstance) Alert** will fire:
 - The **Changes Received Date** and **Revised LE Due Date** populate automatically
 - Watch **Estimated Closing Date**, especially if we are not sending the revised LE on the event date
 - Be sure there is still enough time to deliver the Closing Disclosure at least three business days before the Closing Date
 - If the interest rate is locked, lock information will auto-populate in the LE

Loan ID#		<input type="text" value="4254568902"/>
Rate Lock	<input type="checkbox"/> Yes	Locked Date <input type="text" value="//"/> 
		Lock Expiration Date <input type="text" value="//"/> 
	at 	<input type="text" value="5:00 PM"/>  <input type="text" value="PST"/>
Closing Costs Estimate Expiration Date		
	<input type="text" value="09/17/2015"/> 	at  <input type="text" value="5:00 PM"/>  <input type="text" value="PDT"/>

9. eDisclose LE

- We are required to disclose the **LE** only to the primary consumer
 - If a primary consumer can be identified; otherwise, deliver LE to all consumers
 - If the initial LE was delivered only to one consumer, follow suit on the revised LE
 - If the initial LE was delivered to all consumers, follow suit with that as well
- Do not need to schedule **Fulfillment** if we already have consumer's eConsent
 - If we do **not** have consumer's eConsent -- or consumer does not use email -- schedule **Fulfillment** for General **Business Day 3**
 - LE must go out no later than third business day after changed circumstance takes place
 - Fulfillment cannot be scheduled for the same day that LE is eSent

- Mailbox Rule:
 - Disclosures are presumed received on the third business day following the date the LE is sent electronically
 - “Specific Business Days” for purposes of determining delivery of the LE and wait periods:
 - **Include** Saturdays (follow the rescission rule)
 - **Exclude** Sundays and Federal Holidays
 - The LE is considered delivered earlier than the third business day, as long as we have:
 - Evidence that the consumer received it sooner, and
 - The consumer’s **eConsent prior to delivering the COC LE**

Disclosure Details

Details | Reasons | eDisclosure Tracking

Disclosure Information Loan Estimate Disclosed by Broker

Disclosure Type	Initial	Borrower	
Sent Date	09/01/2015	Received Method	eFolder eDisclosures
By	Kathy Theriault (ktheriault)	Presumed Received Date	09/04/2015
Sent Method	eFolder eDisclosures	Actual Received Date	09/01/2015