

PREPARING YOUR CLIENTS FOR THE NEW TRANSACTION PROCESS

LENDERS:

- Lender is responsible and liable for acts of **all** their services providers
- How will Lenders scrutinize the services providers? Will they do Audits?
- Will they review Industry Best Practices or create their own guidelines?
- Deliver the Loan Estimate within 3 business days of application – How, Who
- Deliver the Closing Disclosure 3 business days prior to closing – How, Who
- Complete workflow change in how accurate the terms of the transaction need to be
- Very little can change from the time of application to the actual closing
- Changes in the Government Sponsored Enterprises (GSE's)
- Adhering to the 3% cap on fees – changes is cap and fees – fluid rules

REALTORS:

- Protect the information contained in the Contract or Offer to Purchase and how it is being shared and delivered – Get a copy of the contract or agreement for reference
- Understand how the lenders will now issue Pre-Approval letters and properly prequalifying your borrowers within the new guidelines
- Learning ATR, QM, QRM, GSE, CFPB and the three day delivery & waiting period
- Be aware and careful with whom earnest money is being held, how it is being held and what safeguards are on those accounts
- Scrutinize how non public personal information (NPPI) is handled, shared and delivered throughout the transaction – Gramm Leach Bliley Act - 1999 (GLB)
- CFPB proposing to institute a 'cure' mechanism for the 3% cap on fees and points and CFPB considering a similar policy for exceeding the 43% Debt to Income (DTI) cap

ATTORNEYS:

- Protect the information contained in the Contract or Offer to Purchase and how it is being shared and delivered
- Be aware and careful with whom earnest money is being held, how it is being held and what safeguards are on those accounts
- Scrutinize how non public personal information (NPPI) is handled, shared and delivered throughout the transaction - GLB
- Complete process change in how closings are scheduled and rethinking the consequences of back to back closing for their clients
- Knowing how and when your clients will receive their closing figures
- Fulfillment of ALL of the ALTA Best Practices as an attorney agent or representing your seller or buyer in the transaction

ALL OF THE ABOVE:

- Communicate throughout
- Stay active in the workflow
- Plan ahead with all