

DISCLAIMER

THE CONCLUSIONS SET FORTH HEREIN DO NOT NECESSARILY REFLECT HOW COURTS AND REGULATORS, INCLUDING THE CFPB, MAY VIEW LIABILITY FOR TILA VIOLATIONS PRESENTLY, OR IN THE FUTURE. THIS IS NOT INTENDED TO BE LEGAL ADVICE AND IS STRICTLY FOR GENERAL INFORMATIONAL PURPOSES ONLY AND SHALL NOT BE RELIED ON BY ANY THIRD PARTY AS LEGAL ADVICE. IF YOU HAVE RECEIVED THIS INFORMATION AND HAVE QUESTIONS ABOUT ANY SPECIFIC TRANSACTION OR GENERALLY ABOUT LAWS APPLICABLE TO YOU, YOUR BUSINESS, OR A PARTICULAR TRANSACTION, YOU SHOULD CONSULT WITH YOUR LEGAL COUNSEL.

The goal of the fourth version of the SFA Third Party Review (TPR) Scope documentation is to clarify previous versions of the TPR Scope (AKA “TRID Grid”) by implementing evolving industry consensus on Truth-In-Lending Act liability interpretations and best practices. These clarifications are based on our understanding of prevailing legal precedent and informal written guidance and webinars offered by the CFPB, as applied to the Know Before You Owe / TILA RESPA Integrated Disclosure (“TRID”) Rule (78 FR 79730, as amended) across TPR firms. The primary alterations to this version of the TPR Scope clarify and update certain topics with significant focus on the Additional Considerations and Remediation Considerations sections. This version also adds an Appendix with helpful examples and scenarios.

The original and subsequent versions of the TRID Grid establish a best practices approach to pre-securitization testing scope and outcomes that will drive the due diligence conducted by TPRs. This TRID Grid v4.0 is based upon informal CFPB guidance and legal precedent from several court decisions. There may be shifts in these requirements should there be future CFPB rulemakings or formal guidance and caselaw developments.

One key principle considered when creating this version of the TRID Grid is reflected below:

Correcting Before Closing. TILA and Regulation Z require absolute compliance in the sense that even technical violations on the final CD provided at closing (the “Final CD”) give rise to a private right of action for statutory damages (and potentially rescission). Nevertheless, mathematical and legal perfection on every disclosure provided throughout the origination process is difficult to achieve in certain instances. For this reason, creditors will “correct” errors on Loan Estimates (“LE”) via Revised LEs and Closing Disclosures (“CD”) via Revised CDs throughout the origination process with the goal of ensuring that the Final CD, accurately provides material and other disclosure elements.

Although TRID generally anticipates creditors and consumers will engage with each other in a linear progression: Application -> Loan Estimate -> Closing Disclosure -> Closing, there are times when the interaction is less linear and can appear more disorganized. Consumers may switch requested disclosure delivery channels from mail to electronic (and vice versa) or request different closing dates, in close proximity to TRID mandated disclosure timeframes. To accommodate the non-linear behavior of consumers, creditors may provide disclosures via different communication channels (with different timing implications) and move closing dates.

The Structured Finance Association (formerly SFIG) published the first iteration of the TRID Compliance Review Scope[®] documentation on June 15, 2016, to facilitate uniform testing standards based on the Truth-In-Lending Act liability interpretation according to the understanding of prevailing legal precedent, informal written guidance, and webinars hosted by the CFPB.

The second version of the Compliance Review Scope was published on October 18, 2018. The changes in that version were based on recent regulatory updates and statutory changes with mandatory compliance for applications on or after October 1, 2018. Revisions primarily focused on addressing updates to the so-called “black hole” timing requirements of the Loan Estimate and Closing Disclosure.

The third version of the Compliance Review Scope, known as the SFA TRID Compliance Review Scope (“TRID Grid 3.0”), was published on December 5, 2019. That version’s focus was on the elimination or alteration of testing areas that may carry assignee liability, but where the probability of actual losses is minimal.

This fourth version, TRID Grid 4.0 primarily provides additional clarifications on certain sections of the matrix including disclosure timing, dates, escrow considerations, remediation requirements, etc.

SFA and its members continue to work with the CFPB toward establishing formal guidance to address real time circumstances for the benefit of consumers and the primary, and secondary mortgage markets.

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For questions regarding SFA’s TRID Grid publication, contact Dallin.Merrill@structuredfinance.org or Jeff.Gudiel@structuredfinance.org.

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
1	Loan Estimate "LE"	19(e)(1)(i)	Requires creditor to provide LE.	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	Includes the Verification of borrower(s) and address to ensure the LE is provided to borrower. (Unless LE is provided electronically)
2	Loan Estimate "LE"	19(e)(1)(ii)	Requires mortgage broker or creditor to provide LE if mortgage broker receives an application.	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	
3	Loan Estimate "LE"	19(e)(1)(iii)	Timing, within three business days after application	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	<p>3-day timing test starts upon receipt of the application (as defined under 1026.2(a)(3) and related commentary) by the originator. On wholesale transactions, the 3 days starts the date the broker receives the application irrespective of when the lender/creditor was selected, notified, or received the application. 1026.19(e)(1)(ii)</p> <p>If an application is cancelled, denied, or withdrawn, and a new application is submitted by the borrower, the new submission would be considered a new transaction and the 3-day timing starts upon receipt of the new application. Loan file should contain the evidence of the date the new application for the subject transaction was received (loan # on application and LEs can be used to match loan applications with TRID disclosures). TPR may request copy of adverse action notice or additional information surrounding withdrawal of application to support that any disclosures in file from prior application/transaction can be disregarded.</p>
4	Loan Estimate "LE"	19(e)(1)(v)	Waiver for bona fide personal financial emergency	Actual Damages	EV2	No Obvious Cure	EV2	In Scope	<p>The consideration of a waiver as EV2-B, requires the TPR firm to confirm the waiver is not a printed form, that it contains the written statement describing the emergency, specifically waives the waiting period and is executed by the consumer(s). If the waiver does not meet the aforementioned components, then the EV3 level timing exception will be cited.</p> <p><u>The validity of the waiver reason is excluded from the testing scope.</u></p>
5	Loan Estimate "LE"	19(e)(1)(vi)	Written List of Providers	Actual Damages	N/A	N/A	N/A	Outside of Scope, but used for Tolerances	<p>TPR will capture if a SSPL is in file, but an exception will not be cited if missing. Pursuant to Comment 19(e)(3)(iii)-2, if the creditor permits the consumer to shop consistent with § 1026.19(e)(1)(vi)(A) but fails to provide the written list required under § 1026.19(e)(1)(vi)(C), good faith is determined under § 1026.19(e)(3)(ii) instead of § 1026.19(e)(3)(iii) unless the settlement service provider is the creditor or an affiliate of the creditor in which case good faith is determined under § 1026.19(e)(3)(i). Accordingly, if there is a delay or other issues with the SSPL, the TPR firms will consider fees for services the consumer is permitted to shop for using a 10% tolerance. An updated SSPL list that is provided after the initial SSPL list will be considered in making the determination of whether the consumer used a provider on the SSPL or selected their own provider.</p> <p>The inclusion of the fee within Section C of the LE provided to the consumer will be the primary basis for determining whether the consumer was permitted to shop. Presence of an SSPL listing services and providers, does not, in and of itself, serve as evidence that the consumer was permitted to shop for these services or other title services particularly when such services are listed in Section B of the LE ("Services you CANNOT shop for").</p> <p>Treatment of same provider name on SSPL but different address (example: SSPL lists First American Title 100 Main St. Irvine, CA. Provider on CD is First American Title 1600 First St. Chicago, IL.) Default approach is to treat as same provider. Consideration that entities are not the same provider will require a lender attestation or additional supporting documentation to evidence 1) borrower shopped and selected different provider office location 2) fee variances result from selection of different provider office</p> <p>For additional clarification on fee tolerance considerations on shoppable services, see Row 34 of Additional Considerations Section (Fee Tolerance Considerations - Title Fees and Fees for Services Outsourced by Borrower Selected Providers).</p>
6	Loan Estimate "LE"	19(e)(2)(i)	Pre-disclosure fee restriction	Neither	N/A	N/A	N/A	Outside of Scope	
7	Loan Estimate "LE"	19(e)(2)(ii)	Worksheet disclaimer	Actual	N/A	N/A	N/A	Outside of Scope	
8	Loan Estimate "LE"	19(e)(2)(iii)	Prohibition of requiring verifying information	Neither	N/A	N/A	N/A	Outside of Scope	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
9	Loan Estimate "LE"	19(e)(3)	Tolerances	Statutory Damages	EV3	Letter of Explanation Proof of Refund Corrected PCCD Proof of Delivery See Remediation Type A	EV2	In Scope	See Remediations
10	Loan Estimate "LE"	19(e)(4)(i)	Timing of Revised LEs for "Changed Circumstances," etc.	Statutory Damages	N/A	N/A	N/A	Outside of Scope, but used for Tolerances	If the LE is provided outside of 3 days of CoC when fees increase, baseline for tolerance considerations are not adjusted. CDs issued on or after June 1, 2018 and PRIOR to closing, can be used to rebaseline fees if issued within 3 days of a valid change of circumstance. (Note, CD's issued or received after closing are not permitted to rebaseline fee tolerance amounts)
11	Loan Estimate "LE"	19(e)(4)(ii)	Prohibition on Providing Revised LE after Providing CD, Timing of Final LE, Timing of "Changed Circumstances on CD	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	To clarify the approach: <u>EV3-C exception cited if:</u> 1. an LE issue date is on or after the initial CD issue date; or 2. final LE is received less than 4 business days prior to consummation <u>EV2-B exception cited if:</u> 1. multiple revised LE's are provided and an interim revised LE (not the final LE) receipt date is received less than 4 business days prior to consummation but the final revised LE is received at least 4 business days prior to consummation <u>No LE timing exception cited if:</u> 1. the LE received date is on or after the CD received date, provided a) the LE Issue Date is prior to the initial CD issue date and b) the LE and revised LE's are received at least 4 business days prior to consummation
12	Loan Estimate "LE"	37	General requirement that reflects terms of legal obligation, or if not known, must be in good faith based on best information reasonably available.	Statutory Damages	N/A	N/A	N/A	Outside of Scope	Removed from Scope as the final legal obligation is defined on the Note and Security Instrument
13	Loan Estimate "LE"	37(a)(1)	Form Title	Neither	N/A	N/A	N/A	Outside of Scope	
14	Loan Estimate "LE"	37(a)(2)	Form Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
15	Loan Estimate "LE"	37(a)(3)	Creditor Name	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
16	Loan Estimate "LE"	37(a)(4)	Date Issued	Neither	N/A	N/A	N/A	Outside of Scope	
17	Loan Estimate "LE"	37(a)(5)	Applicants	Neither	N/A	N/A	N/A	Outside of Scope	
18	Loan Estimate "LE"	37(a)(6)	Property	Neither	N/A	N/A	N/A	Outside of Scope	
19	Loan Estimate "LE"	37(a)(7)	Sales Price	Neither	N/A	N/A	N/A	Outside of Scope	
20	Loan Estimate "LE"	37(a)(8)	Loan Term	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
21	Loan Estimate "LE"	37(a)(9)	Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
22	Loan Estimate "LE"	37(a)(10)	Product	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
23	Loan Estimate "LE"	37(a)(11)	Loan Type	Neither	N/A	N/A	N/A	Outside of Scope	
24	Loan Estimate "LE"	37(a)(12)	Loan Identification Number	Neither	N/A	N/A	N/A	Outside of Scope	
25	Loan Estimate "LE"	37(a)(13)	Rate Lock	Neither	N/A	N/A	N/A	Outside of Scope	
26	Loan Estimate "LE"	37(b)(1)	Loan Amount	Neither	N/A	N/A	N/A	Outside of Scope	
27	Loan Estimate "LE"	37(b)(2)	Interest Rate	Neither	N/A	N/A	N/A	Outside of Scope	
28	Loan Estimate "LE"	37(b)(3)	Principal and Interest Payment	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
29	Loan Estimate "LE"	37(b)(4)	Prepayment Penalty	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
30	Loan Estimate "LE"	37(b)(5)	Balloon Payment	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

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31	Loan Estimate "LE"	37(b)(6)	Increases after Consummation	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
32	Loan Estimate "LE"	37(b)(7)	Details about Balloon Payment	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
33	Loan Estimate "LE"	37(b)(7)	Details about Prepayment Penalty	Actual Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
34	Loan Estimate "LE"	37(c)(1)-(3)	Projected Payments	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
35	Loan Estimate "LE"	37(c)(2)(iii) (for items in escrow account)	Projected Payments	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
36	Loan Estimate "LE"	37(c)(4) and (5) (for items not in escrow account)	Estimated Taxes, Insurance, and Assessments	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
37	Loan Estimate "LE"	37(d)(1)	Costs at Closing: Closing Costs	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
38	Loan Estimate "LE"	37(d)(2)	Costs at Closing: Cash to Close	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
39	Loan Estimate "LE"	37(e)	Website	Neither	N/A	N/A	N/A	Outside of Scope	
40	Loan Estimate "LE"	37(f)(1)	Loan Costs: Origination Charges	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	See Row 35 of Additional Considerations section for discussion on fee tolerance testing impact of inconsistent fee naming conventions across LEs/CDs
41	Loan Estimate "LE"	37(f)(2) to (4)	Loan Costs: Itemization of Services You Can and Cannot Shop For and Subtotal of Loan Costs	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	See Row 35 of Additional Considerations section for discussion on fee tolerance testing impact of inconsistent fee naming conventions across LEs/CDs
42	Loan Estimate "LE"	37(f)(5)	Loan Costs: Item Description and Ordering	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
43	Loan Estimate "LE"	37(f)(6)	Loan Costs: Use of Addenda in Addition to Form	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
44	Loan Estimate "LE"	37(g)(1) to (6)	Other Costs: Taxes, Prepaids, Escrow, Other, Lender Credits, Subtotal of Other Costs, Lender Credits and Total Closing Costs	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
45	Loan Estimate "LE"	37(g)(7)	Other Costs: Item Description and Ordering	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
46	Loan Estimate "LE"	37(g)(8)	Other Costs: Use of Addenda in Addition to Form	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
47	Loan Estimate "LE"	37(h)	Calculating Cash to Close	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
48	Loan Estimate "LE"	37(i)	Adjustable Payment Table	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
49	Loan Estimate "LE"	37(j)	Adjustable Interest Rate Table	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
50	Loan Estimate "LE"	37(k)	Contact Information - NMLS ID Disclosure	Statutory Damages	N/A	N/A	N/A	Outside of Scope	Do not cite for missing information from the Loan Estimate, if the information is not present on the CD, that will warrant an EV3 level exception.
51	Loan Estimate "LE"	37(k)	Contact Information - name, address, email, phone, etc.	Neither	N/A	N/A	N/A	Outside of Scope	
52	Loan Estimate "LE"	37(l)(1)	In 5 Years	Statutory Damages	EV2	No Obvious Cure	EV1	Based on LE, test that value was provided, test accuracy on CD	The totals in 5 years are the precursor to the Total of Payments on the Closing Disclosure. Cite an EV2-B exception if the totals in 5 years are not provided. The accuracy of these values will not be cited as the testing of the TOP value on the Closing Disclosure will test for accuracy. Test this field's population - not recalculation. EV-2 assessed if left blank on final LE.
53	Loan Estimate "LE"	37(l)(2)	Annual Percentage Rate	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	Does not include LE's APR tolerance testing. Initial CD is required to be disclosed 3 days prior to consummation. Test initial CD and any subsequent CDs for MDIA tolerance requirements and re-disclosure requirements per TRID.
54	Loan Estimate "LE"	37(l)(3)	Total Interest Percentage	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

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55	Loan Estimate "LE"	37(m)(1)	Appraisal (1 ECOA & 2 TRID)	Neither	N/A	N/A	N/A	Outside of Scope	Not tested for TRID, but ECOA testing can be verified with statement on LE or a stand-alone Right to Receive Appraisal disclosure.
56	Loan Estimate "LE"	37(m)(1)	Appraisal (1026.35 HPML)	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	This is not directly related to the TRID Scope... the issue relates to the Appraisal requirement applicable to HPML loans and therefore should be tested for HPML threshold loans...
57	Loan Estimate "LE"	37(m)(2)	Assumption	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
58	Loan Estimate "LE"	37(m)(3)	Homeowner's Insurance	Neither	N/A	N/A	N/A	Outside of Scope	
59	Loan Estimate "LE"	37(m)(4)	Late Payment	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
60	Loan Estimate "LE"	37(m)(5)	Refinance	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	
61	Loan Estimate "LE"	37(m)(6)	Servicing	Neither	N/A	N/A	N/A	Outside of Scope	
62	Loan Estimate "LE"	37(m)(7)	Liability After Foreclosure	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	TPR firms check to confirm that the disclosure is populated, but not the accuracy of the disclosed value.
63	Loan Estimate "LE"	37(n)	Signature Statement	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
64	Loan Estimate "LE"	37(o)(1)	General form requirements; clear and conspicuous; form consumer can keep; segregated; only required information and same order as Form H-24.	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
65	Loan Estimate "LE"	37(o)(2)	"Estimated" in headings and labels	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
66	Loan Estimate "LE"	37(o)(3)(i)	Standard form requirements	Neither	N/A	N/A	N/A	Outside of Scope	
67	Loan Estimate "LE"	37(o)(3)(ii)	Model form requirements	Statutory Damages	N/A	N/A	N/A	Based on LE, Outside of Scope, will test on CD	Failure to provide an LE is a material exception that is addressed with row 2 above. 19(e)(1)(i)
68	Loan Estimate "LE"	37(o)(3)(iii)	E-SIGN	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	The failure to obtain proper consent is the equivalent of the disclosures never being sent, this can result in timing exceptions and impact fee tolerance considerations that would be EV3 level exceptions. If there is no evidence the CD was sent electronically, the assumption is that it was sent by regular mail. See additional Considerations Item # 32
69	Loan Estimate "LE"	37(o)(4)	Rounding	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	The rounding requirements will be outside of scope for the LE. Tolerance testing is covered separately.
70	Loan Estimate "LE"	37(o)(5)	Exceptions	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
71	Closing Disclosure "CD"	19(f)(1)(i)	Creditor must provide CD	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	This is an evaluation that there is one CD, and it will be graded an EV3-C if that is not the case. If there is one CD, then this will be considered out of scope.
72	Closing Disclosure "CD"	19(f)(1)(ii)(A)	Timing of CD	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	
73	Closing Disclosure "CD"	19(f)(1)(ii)(B)	Special Timing of CD for Timeshares	Neither	N/A	N/A	N/A	Outside of Scope	
74	Closing Disclosure "CD"	19(f)(1)(iv)	Waiver for Bona Fide Personal Financial Emergency	Statutory Damages	EV2	No Obvious Cure	EV2	In Scope	Reference Row 73, which should take priority. The consideration of a waiver as EV2-B, requires the TPR firm to confirm the waiver is not a printed form, that it contains the written statement describing the emergency, specifically waives the waiting period and is executed by the consumer(s). If the waiver does not meet the aforementioned components, then the EV3 level timing exception will be cited. <u>The validity of the waiver reason is excluded from the testing scope.</u>
75	Closing Disclosure "CD"	19(f)(2)(i) and (ii)	Timing of corrected CDs (including one-day right to inspect)	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	19(f)(2)(i) and (ii) Timing of corrected CDs for the one-day right to inspect are only tested when the file contains explicit evidence of the consumers request. Due to its rare nature, this was deemed "barely in scope"
76	Closing Disclosure "CD"	19(f)(2)(iii)	Post-consummation corrected CDs	Neither	N/A	N/A	N/A	Outside of Scope	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

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77	Closing Disclosure "CD"	19(f)(2)(v)	Tolerance Cures	Statutory Damages	EV3	Letter of Explanation Proof of Refund Corrected PCCD Proof of Delivery See Remediation Type A	EV2	Final CD is within Scope, Interim CDs out of Scope	See Remediations
78	Closing Disclosure "CD"	19(f)(3)(i)	Must be actual charge received by service provider	Statutory Damages	N/A	N/A	N/A	Outside of Scope	Outside of Scope per Additional Considerations Item # 27. It was removed from scope because charges may be remitted to the lender, and ALTA's datafields do not compare to the CD.
79	Closing Disclosure "CD"	19(f)(3)(ii)	Average Charge	Statutory Damages	N/A	N/A	N/A	Outside of Scope	Outside of Scope per Additional Considerations Item # 27 (Average Charge would not be identified)
80	Closing Disclosure "CD"	19(f)(5)	No Fee for Preparation of LE and CD	Neither	N/A	N/A	N/A	Outside of Scope	
81	Closing Disclosure "CD"	19(g)	Special Information Booklet	Neither	N/A	N/A	N/A	Outside of Scope	
82	Closing Disclosure "CD"	38	General requirement that reflects terms of legal obligation, or if not known, use estimates.	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	To clarify, this testing would not include components such as the closing date or prepaid interest date, but rather would be based on the terms of the legal obligation between the lender and the consumer.
83	Closing Disclosure "CD"	38(a)(1)	Form Title	Neither	N/A	N/A	N/A	Outside of Scope	
84	Closing Disclosure "CD"	38(a)(2)	Form Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
85	Closing Disclosure "CD"	38(a)(3)	Closing Information	Neither	N/A	N/A	N/A	Outside of Scope	
86	Closing Disclosure "CD"	38(a)(4)(i) and (ii)	Transaction Information	Actual Damages	N/A	N/A	N/A	Outside of Scope	
87	Closing Disclosure "CD"	38(a)(4)(iii)	Transaction Information: Creditor	Actual Damages	N/A	N/A	N/A	Outside of Scope	
88	Closing Disclosure "CD"	38(a)(5)(i)	Loan Information: Loan Term	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	Rescission impact is based on the CFPB reliance on, among other sections of statutory authority, TILA 128(a)(6). TPR's are relying on non-binding CFPB guidance, as well as a published citation document from May, 2016 for material disclosure consideration. TPR's should test this as a material disclosure field and in the event that there's a defect, rescission should be reopened.
89	Closing Disclosure "CD"	38(a)(5)(ii)	Loan Information: Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
90	Closing Disclosure "CD"	38(a)(5)(iii)	Loan Information: Product	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Test Final CD (Will impact 3 day testing considerations.) To further clarify, although the testing of the accuracy of the Product from the interim CDs is outside of scope, the product disclosed will impact the testing of the timing requirement to disclose the final loan product to the consumer at least 3 days prior to consummation.
91	Closing Disclosure "CD"	38(a)(5)(iv)	Loan Information: Loan Type	Neither	N/A	N/A	N/A	Outside of Scope	
92	Closing Disclosure "CD"	38(a)(5)(v)	Loan Information: Loan Identification Number	Neither	N/A	N/A	N/A	Outside of Scope	
93	Closing Disclosure "CD"	38(a)(5)(vi)	Loan Information: Mortgage Insurance Case Number	Neither	N/A	N/A	N/A	Outside of Scope	
94	Closing Disclosure "CD"	38(b)	Loan Terms		N/A	N/A	N/A	Outside of Scope	
95	Closing Disclosure "CD"	38(b) see 37(b)(1)	Loan Amount	Neither	N/A	N/A	N/A	Outside of Scope	
96	Closing Disclosure "CD"	38(b) see 37(b)(2)	Interest Rate	Neither	N/A	N/A	N/A	Outside of Scope	
97	Closing Disclosure "CD"	38(b) see 37(b)(3)	Principal and Interest Payment	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	Rescission impact is based on the CFPB reliance on, among other sections of statutory authority, TILA 128(a)(6). Though there can be a formatting issue regarding dashes vs. zero's, this would not require reopening rescission.

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
98	Closing Disclosure "CD"	38(b) see 37(b)(4)	Prepayment Penalty	Actual Damages	EV2	Letter of Explanation Re-Disclose Correct Information See Remediations Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Retained as EV2, even though exposure for actual damages is remote. EV2s with limited damages removed from scope, but this EV2 has actual damages, therefore this could be elevated to an actual damage claim. Test Final CD (Will impact 3 day testing considerations.) To further clarify, although the testing of the accuracy of the Prepayment Penalty from the interim CDs is outside of scope, the introduction of a prepayment penalty on the final CD will impact the testing of the prepayment penalty timing requirement at least 3 days prior to consummation.
99	Closing Disclosure "CD"	38(b) see 37(b)(5)	Balloon Payment	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	Rescission impact is based on the CFPB reliance on, among other sections of statutory authority, TILA 128(a)(6).
100	Closing Disclosure "CD"	38(b) see 37(b)(6)	Increases after Consummation	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	
101	Closing Disclosure "CD"	38(b) see 37(b)(7)	Details about Balloon Payment	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	Rescission impact is based on the CFPB reliance on, among other sections of statutory authority, TILA 128(a)(6).
102	Closing Disclosure "CD"	38(b) see 37(b)(7)	Details about Prepayment Penalty	Actual Damages	EV2	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Retained as EV2, even though exposure for actual damages is remote.
103	Closing Disclosure "CD"	38(c)	Projected Payments	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	See Remediations
104	Closing Disclosure "CD"	37(c)(1)-(3)	Projected Payments	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	See Remediations
105	Closing Disclosure "CD"	37(c)(2)(iii) (for items in escrow account)	Projected Payments	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Proof of Delivery See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Although the escrows are within the projected payment columns, the disclosure of an incorrect monthly escrow payment would not require the reopening of rescission or deemed to be an inaccurate material disclosure. See item #33 of Additional Considerations

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
106	Closing Disclosure "CD"	37(c)(4) and (5) (for items not in escrow account)	Estimated Taxes, Insurance, and Assessments	Actual Damages	N/A	N/A	N/A	Outside of Scope	Based on the number of payments to be collected during the 1st year after consummation, acceptable amounts would include 10 months, 11 months or 12 months for escrow fees 1 year after consummation on page 4. This was considered non-material because it is not part of the payment schedule, but it has to be collected, even though there does not have to be an exception. The disclosure requirements for estimated escrows on page 1 of the CD under 1026.38(c)(2) determined to have different liability from disclosure requirements for escrow table on page 4 of the CD under 1026.38(l). Accordingly, estimated amounts for non-escrow items on page 1 of the CD are out of scope, whereas both escrowed and non-escrowed amounts on page 4 of the CD are in scope. See row 126 for additional information.
107	Closing Disclosure "CD"	38(d)(1)	Costs at Closing: Closing Costs	Actual Damages	N/A	N/A	N/A	Outside of Scope	
108	Closing Disclosure "CD"	38(d)(2)	Costs at Closing: Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
109	Closing Disclosure "CD"	38(e)	Alternative Calculating Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
110	Closing Disclosure "CD"	38(f)(1)	Loan Costs: Origination Charges	Actual Damages	N/A	N/A	N/A	Outside of Scope	See Row 35 of Additional Considerations section for discussion on fee tolerance testing impact of inconsistent fee naming conventions across LEs/CDs
111	Closing Disclosure "CD"	38(f)(2) to (5)	Loan Costs: Services Borrower Did and Did Not Shop For; Subtotal and Total of Loan Costs	Actual Damages	N/A	N/A	N/A	Outside of Scope	See Row 35 of Additional Considerations section for discussion on fee tolerance testing impact of inconsistent fee naming conventions across LEs/CDs
112	Closing Disclosure "CD"	38(g)(1) to (6)	Other Costs: Taxes, Prepaids, Escrow, Other, Lender Credits, Subtotal and Total of Other Costs	Actual Damages	N/A	N/A	N/A	Outside of Scope	
113	Closing Disclosure "CD"	38(h)(1) and (2)	Closing Cost Totals	Actual Damages	N/A	N/A	N/A	Outside of Scope	
114	Closing Disclosure "CD"	§ 1026.38(h)(3)	Closing Cost Totals: Lender Credits	Actual Damages	N/A	N/A	N/A	Outside of Scope	
115	Closing Disclosure "CD"	§ 1026.38(h)(4)	Closing Cost Totals: Same Descriptions and Ordering for Charges as on Loan Estimate	Actual Damages	N/A	N/A	N/A	Outside of Scope	
116	Closing Disclosure "CD"	38(i)	Calculating Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
117	Closing Disclosure "CD"	38(j)	Summaries of Transactions: Borrower's Transaction	Actual Damages	N/A	N/A	N/A	Outside of Scope	
118	Closing Disclosure "CD"	38(k)	Summaries of Transactions: Seller's Transaction	Neither	N/A	N/A	N/A	Outside of Scope	
119	Closing Disclosure "CD"	38(l)(1)	Assumption	Actual Damages	N/A	N/A	N/A	Outside of Scope	
120	Closing Disclosure "CD"	38(l)(2)	Demand Feature	Actual Damages	N/A	N/A	N/A	Outside of Scope	
121	Closing Disclosure "CD"	38(l)(3)	Late Payment	Actual Damages	N/A	N/A	N/A	Outside of Scope	
122	Closing Disclosure "CD"	38(l)(4)	Negative Amortization	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	
123	Closing Disclosure "CD"	38(l)(5)	Partial Payment Policy	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information	EV2	Final CD is within Scope, Interim CDs out of Scope	
124	Closing Disclosure "CD"	38(l)(6)	Security Interest	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	This is only impacted if an incorrect address impacts a consumer's ability to receive an LE or CD.

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
125	Closing Disclosure "CD"	38(l)(7)	Escrow Account	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Acceptable amounts of 10, 11, or 12 months escrow fees 1 year after consummation on page 4. The monthly escrow payment considered can be sourced from the IEADS. If disclosed amount includes amounts paid by party other than borrower, EV2 exception will be cited. It was agreed that there should be a \$1 tolerance for undisclosure and no penalty for overdisclosure. In no case shall it exceed 12 months, and it would not be expected to be shorter than 9 months. To clarify the approach: <u>EV3-C exception cited if:</u> Year 1 escrow/non-escrow amounts that are less than or equal to 9 months or greater than 12 months (based on monthly escrow/non-escrow amounts disclosed on page 1 of CD or monthly escrow payment based on IEADS) <u>No exception cited if:</u> Over disclosure results from over disclosed monthly escrow/non-escrow amount
126	Closing Disclosure "CD"	38(m)	Adjustable Payment Table	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	
127	Closing Disclosure "CD"	38(n)	Adjustable Interest Rate Table	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Test Final CD. Based on CFPB feedback: EV3. Accuracy is at issue, not testing. If the Index can have several values based on # of months or another factor, the distinguishing factor should be disclosed. For example, 1-month, 3-month, 6-month or 12-month LIBOR rather than only disclosing "LIBOR."
128	Closing Disclosure "CD"	38(o)(1)	Total of Payments	Statutory Damages	EV3	Letter of Explanation Proof of Restitution Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type B and D	EV2	Final CD is within Scope, Interim CDs out of Scope	Overdisclosed TOP values that exceed the calculated TOP value will not warrant an exception. Only underdisclosed TOP values will warrant an exception. See items #7 and #8 of Additional Considerations
129	Closing Disclosure "CD"	38(o)(2)	Finance Charge	Statutory Damages	EV3	Letter of Explanation Proof of Restitution Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type B and D	EV2	Final CD is within Scope, Interim CDs out of Scope	See Remediations
130	Closing Disclosure "CD"	38(o)(3)	Amount Financed	Statutory Damages	EV3	Letter of Explanation Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type C and D	EV2	Final CD is within Scope, Interim CDs out of Scope	A misstatement of the amount financed does not violate TILA if it is related to a disclosed Finance Charge that is within the permissible tolerance
131	Closing Disclosure "CD"	38(o)(4)	Annual Percentage Rate	Statutory Damages	EV3	Letter of Explanation Proof of Restitution Disclose Correct Information Re-open Rescission If Applicable Proof of Delivery See Remediation Type B and D	EV2	Final CD is within Scope, Interim CDs out of Scope	See Row 129. Clarification pertaining to future ARM changes causing underdisclosed APR remediations. In place of the refund check component, the lender can modify the terms of the loan to ensure the consumer does not pay more than that which was disclosed. (This is often accomplished through a reduction in the ARM margin.) The other documentation is still required as is the modification to the note altering the ARM terms. See Remediations
132	Closing Disclosure "CD"	38(o)(5)	Total Interest Percentage	Actual Damages	N/A	N/A	N/A	Outside of Scope	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Disclosure Provisions

Row	Disclosure	Provision of 12 C.F.R. Part 1026	Description of Provision	Assignee Liability	Initial Grade	Remediation	Final Grade	In Scope to Test	Discussion Comments
133	Closing Disclosure "CD"	38(p)(1)	Appraisal	Neither	N/A	N/A	N/A	Outside of Scope	
134	Closing Disclosure "CD"	38(p)(1)	Appraisal (1026.35 HPML)	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	This is not directly related to the TRID Scope... the issue relates to the Appraisal requirement applicable to HPML loans and therefore should be tested for HPML threshold loans... This is typically addressed with the language on the LE, but the CD will be tested if the LE is missing
135	Closing Disclosure "CD"	38(p)(2)	Contract Details	Actual Damages	N/A	N/A	N/A	Outside of Scope	
136	Closing Disclosure "CD"	38(p)(3)	Liability After Foreclosure	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	
137	Closing Disclosure "CD"	38(p)(4)	Refinance	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	
138	Closing Disclosure "CD"	38(p)(5)	Tax Deductions	Actual Damages	N/A	N/A	N/A	Outside of Scope	
139	Closing Disclosure "CD"	38(q)	Questions Notice	Neither	N/A	N/A	N/A	Outside of Scope	
140	Closing Disclosure "CD"	38(r)	Contact Information - NMLS ID Disclosure	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	The TPRs will consider the redisclosure to the consumer of the corrected information on a subsequent CD or a post close CD as resolving the exception to an EV2. Only review final (pre-close) CD, making the interim out of scope, but the post-close would be a curative action. For wholesale loans, the Lender's LO Contact name and LO NMLS number may be omitted on the Closing Disclosure if the Broker was the primary contact point with the consumer. (Although not a best practice, the lender's inclusion of the broker individual contact information under the lender's column will not warrant an exception.)
141	Closing Disclosure "CD"	38(r)	Contact Information- name, address, email, phone, etc.	Neither	N/A	N/A	N/A	Outside of Scope	
142	Closing Disclosure "CD"	38(s)	Signature Statement	Actual Damages	N/A	N/A	N/A	Outside of Scope	
143	Closing Disclosure "CD"	38(t)(1)	General form requirements; clear and conspicuous; form consumer can keep; segregated; only required information and same order as Form H-25.	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	To trigger this, it has to be a formatting error that causes a misunderstanding of the disclosure.
144	Closing Disclosure "CD"	38(t)(2)	"Estimated" in headings and labels	Actual Damages	N/A	N/A	N/A	Outside of Scope	
145	Closing Disclosure "CD"	38(t)(3)(i)	Standard form requirement	Neither	N/A	N/A	N/A	Outside of Scope	
146	Closing Disclosure "CD"	38(t)(3)(ii)	Model form requirement	Statutory Damages	EV3	Letter of Explanation Re-Disclose Correct Information See Remediation Type C	EV2	Final CD is within Scope, Interim CDs out of Scope	Significant variance from model form would justify an exception.
147	Closing Disclosure "CD"	38(t)(3)(iii)	E-Sign	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	The failure to obtain proper consent is the equivalent of the disclosures never being sent, this can result in timing exceptions and impact fee tolerance considerations that would be EV3 level exceptions. If there is no evidence the CD was sent electronically, the assumption is that it was sent by regular mail. See additional Considerations Item # 32
148	Closing Disclosure "CD"	38(t)(4)	Rounding	Actual Damages	N/A	N/A	N/A	Outside of Scope	
149	Closing Disclosure "CD"	38(t)(5)	Exceptions	Actual Damages	N/A	N/A	N/A	Outside of Scope	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

1.)	TRID Worksheet Although a TRID worksheet may be required as part of a client overlay, the baseline scope will not set an exception for any loan in which a TRID worksheet is not provided.
2.)	Good Faith Fee Violations Outside of Scope for Version 3.0. The workgroup will discuss the best method to test this for the next iteration of the TRID Grid. The prior iteration included a 20% threshold test reference that was not realistic and resulted in significant false positives rendering exceptions that could not be disproved through loan file documentation.
3.)	LEs/CDs Not Provided/Received by Consumer The TPR firm can exclude an LE or CD from consideration if it was not provided to the consumer. Acceptable documentation is a lender attestation that it was not provided to the consumer. (This is only applicable if the document is not acknowledged by the consumer.)
4.)	Signature on CD Although some clients will require a final Closing Disclosure to be wet signed by all consumers with an ownership interest in the property, the baseline scope will not set an exception for loans in which the Final CD is not signed, including rescindable transactions. (The signature and date can be useful for evidentiary purposes.) Will monitor for future CFPB guidance and/or industry considerations of this as a requirement.
5.)	CD Re-Disclosure for changes due to events occurring after consummation Requirement to provide corrected CD reflecting post consummation changes within 30 days of closing (e.g. a recording fee increase) under 1026.19(f)(iii) is out of scope. Note, however, revised amounts due to changes occurring after consummation reflected on PCCD issued for other cures that are within scope are considered in tolerance testing, APR, finance charge, and TOP calculations, and various points and fees testing.
6.)	Fee Tolerance Consideration - Rounding Fee tolerance considerations in relation to 0% and 10% fees that are rounded on initial LEs, the tolerance evaluation will be based on the consideration of the possibility the LE figures disclosed were rounded at time of LE disclosure and only issue an exception if the difference is outside the permissible rounded value considerations of rounding to the nearest dollar. (e.g. the LE discloses a fee for a service the consumer cannot shop for, the credit report. On the LE it reflects a charge of \$8 and the CD reflects \$8.46. The fee would not generate an exception. However, in the event the LE reflects 8 and the charge on the CD is 8.50 this would warrant an exception.)
7.)	Total of Payment Calculation Methodologies TOP calculation will include negative per diem interest and only include borrower paid fees. Option B to exclude negative per diem (on prior versions of SFA TRID Grid) is removed pursuant to clarification in CFPB 6/9/2020 FAQ https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/tila-respa-integrated-disclosures/tila-respa-integrated-disclosure-faqs/#total-of-payments General / lump sum lender/seller/other credits will not be considered in the TOP calculation <u>Total of Payment Calculation:</u> The calculated “Total of Payments,” is the total the consumer will have paid after making all payments of principal, interest, mortgage insurance, and loan costs, as scheduled. This includes the Total Principal and Interest payment calculated for entire loan term, Total Payment stream MI for entire loan term, Total Loan Costs (Borrower Paid) from D of the CD, Borrower Paid Prepaid Interest, (including negative per diem), from F of the CD, Borrower Paid Mortgage Insurance from F of the CD, and Borrower Paid Mortgage Insurance from G of the CD.
8.)	Total of Payments Thresholds for Accuracy Total of Payments under disclosure tolerances for loans that are closed on or after October 10, 2017, will be \$100.00 for non-rescindable transactions and \$35.00 for loans subject to rescission. For loans with a consummation date prior to 10/10/2017, the TOP tolerance considerations will allow an underdisclosure of less than (\$0.02 * Number of payments) (e.g. \$0.02 * 360 months = \$7.20). For loans with a consummation date on or after 10/10/2017, the applicable underdisclosure tolerance will be \$35.00 for rescindable transactions and \$100.00 for non-rescindable transactions.
9.)	Use of Initial or Interim CDs to Rebaseline Fee Tolerance Amounts Effective June 1, 2018, loans that have not been consummated will allow the use of an initial or subsequent CD that is issued on or after 6/1/2018 and PRIOR to closing to rebaseline tolerance fees as long as the CD is issued within 3 days of a valid change of circumstance (note, CD’s issued or received after closing are not permitted to rebaseline fee tolerance amounts). For all TRID loans irrespective of consummation date, fee reductions on subsequent disclosures will not rebaseline amount used for good faith fee tolerance testing with the exception of reductions of interest rate dependent charges disclosed on a subsequent disclosure resulting from an interest rate type changed circumstance (e.g. reduction in discount points reflected on an LE/CD following a rate lock will reset discount points baseline for tolerance testing) pursuant to 19(e)(3)(iv)(D)

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

10.)	Non-Borrower Paid Fees Excluded From Tolerance Testing Fee considerations for 0% and 10% fees, exclude fees from tolerance evaluations when the fees are not paid by the consumer. Treating like Seller Points for Finance Charges. If the seller does not pay the fee, then it would be a tolerance issue when it is required to be paid by the consumer. Although this is the default approach for reviews, clients can opt to have seller and third party paid fees included in tolerance considerations.
11.)	Seller Fees on Borrower CD Although the seller paid fees are required to be disclosed on page 2 of the consumers CD, if the seller paid fees are not reflected on the Consumer’s CD, but the fees can be sourced from an alternative document, (Seller CD or Settlement Statement), then the exception cited will be an EV1-A level exception reflecting the alternative source. If the Seller paid fees cannot be sourced from an alternative document, then the exception cited will clarify the missing information required for compliance testing is the basis for the EV3-C level exception. Note some purchase transactions may not have any seller paid fees, if this is confirmed, the exception can be cleared.
12.)	ALTA/Final Settlement Statement The review and evaluation of the ALTA Settlement Statement, or similar document, for the purpose of comparing figures to the CD, is not within the scope of review. However, in the event a creditor rebuts a fee related exception asserting that the values on the disclosed CD were inaccurate, TPR may request a copy of final ALTA Settlement Statement to confirm actual amounts charged at consummation.
13.)	General Lender/Seller Credits on CD As a default waterfall, general lender and/or general seller credits can be applied to non-finance charges first. (Remaining credit amounts could then be applied to offset finance charges for purposes of TILA finance charge evaluations.) Specific Lender credits or Seller Credits reflected in the columns on page 2 for the specific fee line items would not be considered as paid by the consumer and therefore would not be considered as finance charges. At the client request, the TPR firm can apply the general credits, whether lender or seller as follows: 1) allocate to finance charges first, or 2) allocate against specific fee(s) based on an itemization, LOS Screen print, or other means of documenting the allocation Although both allocation methods are considered permissible and will impact the finance charge evaluations, <u>neither</u> one will warrant a separate exception identifying the methodology employed. (Clients can opt to have an exception cited as EV2) For purposes of QM points and fees, high cost, and other anti-predatory lending points and fees tests, TPR firm will accept a separate itemization of credits document to apply credits reflected as general/lump sum credits on the CD. If there is no document itemizing credits, the most conservative waterfall will be used to allocate credits. Generally: 1) Non-finance charge that are NOT QM/high cost/APL 2) Finance charges that are NOT QM/high cost/APL points and fees 3) QM/high cost/APL points and fees (using most conservative application)
14.)	Changed Circumstance Documentation A recent CFPB Supervisory Highlight (see Appendix section) has increased focus on the sufficiency of Change of Circumstance ("COC") documentation. When a lender issues a revised loan estimate reflecting an increase in fee(s) subject to tolerance, sufficient COC documentation is required to rebaseline fee amounts. The regulation provides that “the creditor must be able to show compliance with § 1026.19(e) by documenting the original estimate of the cost at issue, explaining the reason for revision and how it affected settlement costs, showing that the corrected disclosure increased the estimate only to the extent that the reason for revision actually increased the cost, and showing that the timing requirements of § 1026.19(e)(4) were satisfied.” To comply with the COC requirements and rebaseline fee amounts, TPRs will look to the COC documentation in file to include the components enumerated within the regulations as set forth in the preceding paragraph. The COC documentation, at a minimum, should include: 1) The original estimate of the cost (can be documented through fee amounts disclosed on the initial LE); 2) specific reason for the revision and how it impacted the specific fee(s) that increased; 3) the revised amount (can be documented through fee amounts disclosed on the revised LE/CD but increase must correspond with actual change resulting from documented COC and only fees related to the specific COC are considered for rebaseline); and 4) the date of the changed circumstance (i.e. the date the creditor received information sufficient to establish that one of the reasons for revision provided under § 1026.19(e)(3)(iv)(A) through (F) has occurred) The COC information can be contained on multiple documents (COC doc, screenshot of notes on an LOS or 1008, rate lock agreement, communication logs, etc.) but ideally centralized in the file for an efficient review. Documentation of borrower requested changes should include the date of the borrower’s change request and be documented in writing through copy of borrower emails, communication logs, screenshot of LO notes in LOS, etc. See Appendix for examples of sufficient and insufficient COC documentation.

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

15.)	<p>Fee Tolerance Consideration - Fees not previously disclosed</p> <p><u>Lump Sum Fees on LE Itemized on CD</u></p> <p>Fees that have a more detailed breakdown on the CD than the fee breakdowns from the LE, will allow for the inclusion of the additional fee line items in the same tolerance category as the parent/lump sum fee when the same provider is used for the services with the more detailed breakdown. (Example: LE discloses \$1000 Title Insurance in Section C, Final CD reflects \$750 Title Insurance, \$200 Title Exam and \$60 Title Endorsement in Section B all paid to same provider as Title Insurance. Title Exam and Title Endorsement , while not disclosed on the LE, will be included in will be included in 10% tolerance category if paid to a provider on the SSPL, or no tolerance if paid to a provider not on the SSPL.</p> <p><u>Outsourced Fees</u></p> <p>Additional third party fees that may have a different provider, but would still be included in the 10% category would be ancillary serviced procured by the settlement provider that borrower was permitted to shop for. Examples to include Courier fee, Notary Fee, document signing fee, Doc Prep Fee, Recording Service fee, etc. Note, to be included in 10% or no tolerance categories, borrower must be permitted to shop for settlement service provider (at least one service performed by settlement provider is disclosed in Section C of the LE or other evidence that consumer is permitted to shop). SSPL listing service without corresponding service disclosed in Section C of the LE does not constitute evidence that borrower was permitted to shop.</p>
16.)	<p>TRID Applicability to Trusts and Co-ops</p> <p>TRID disclosures will be required for loans to Trusts or on COOPs for all loans on or after 10/1/2018. (Prior to the mandatory effective date, the requirement for COOPS will vary by state.)</p>
17.)	<p>Affiliate Fees Not Limited to 0% Tolerance if Permitted to Shop</p> <p>Pursuant to 1026.19(e)(3)(iii)(D), effective 10/10/17, To the extent the consumer is permitted to shop for the service and the consumer chooses the third party provider that is not on the Written Settlement Service Provider list, the fee would not be limited to the 0% tolerance category even if the provider is an affiliate of the creditor or broker as it would be in good faith if it is consistent with the best information available standard.</p>
18.)	<p>Rounding and Formatting</p> <p>Rounding alterations and numeric representations for percentages with an optional compliance date of October 10, 2017, allows the lender to round values to three decimal positions and then omit any trailing zeros, which is required for applications on or after 10/1/2018. Although the numeric testing of the values disclosed is in scope, the removal of trailing 0's are not within the testing scope.</p>
19.)	<p>CD One-Day Right to Inspect</p> <p>19(f)(2)(i) and (ii) Timing of corrected CDs for the one-day right to inspect are only tested when the file contains explicit evidence of the consumers request.</p>
20.)	<p>Post Close CD - Material Disclosures Accuracy Test:</p> <p>Prior to TRID, material disclosures disclosed on the final TIL provided to the borrower at or before closing are compared to figures disclosed on most recent HUD-1 (issued pre or post close). Similarly, for TRID loans, TPRs will assume at initial review that fee changes reflected on PCCDs are corrections (similar to corrected HUD-1s), not updates of fees resulting from changes occurring after closing (lender incorrectly disclosed fees they were aware of or should have been aware of on final CD and issued a PCCD reflecting actual fees that should have been disclosed on final CD). Accordingly, TPR will calculate the APR, Finance Charge and TOP based on corrected fees on PCCD and cite exceptions if APR, Finance Charge and TOP disclosed on final CD are inaccurate based on fees shown on PCCD, an EV3-C exception will be cited if APR, Finance Charge, TOP on final CD are outside of tolerance for accuracy based on fees on most recent PCCD issued within 60 days of consummation (PCCD greater than 60 days from consummation will require accompanying ALTA settlement statement to confirm figures disclosed to be used for testing) unless: 1) discrepancy results from change in interim interest due to difference in anticipated vs. actual disbursement date; or 2) there is a corresponding lender credit/cure for the amount of the increase in fees paid by borrower reflected on PCCD; Otherwise, TILA 130(b) correction with LOE, refund or adjustment to ensure borrower does not pay more than amount disclosed, and proof of delivery required to cure to EV2-B. For rescindable transactions, re-opening of rescission and proof of receipt by borrower also required.</p>
21.)	<p>Post Close CD - Anti-Predatory Lending (“APL”) Tests:</p> <p>Prior to TRID, high cost and other anti-predatory lending tests are performed based on fees on most recent HUD (issued pre or post close). For TRID loans, post close CDs are required to be provided under 1026.19(f) to reflect: 1) changes due to events occurring within 30 days of consummation affecting fee amounts (1026.19(f)(2)(iii)); 2) Changes due to clerical errors (1026.19(f)(2)(iii)); 3) Refunds related to good faith analysis (TRID fee tolerance cures) ((1026.19(f)(2)(v)). These three (3) TRID CD re-disclosure requirements pose a challenge for determining final figures and actual charges at consummation particularly when PCCD reflects cure amounts and credits provided post-consummation. However, as PCCD is still the most current documentation in file that should be reflective of actual charges at consummation, TPR will perform all high cost and APL tests based on most recent PCCD issued within 60 days of consummation (PCCD greater than 60 days from consummation will require accompanying ALTA settlement statement to confirm figures disclosed to be used for testing) disregarding any post-consummation cure amounts or lender credits/refunds provided post-consummation. Any post consummation refunds/cures reflected on the PCCD will be considered with respect to remediation/curative action where available but will not impact APL compliance testing which is performed and cited based on amounts charged at consummation.</p>
22.)	<p>Post Close CD - Good Faith Tolerance:</p> <p>Fees disclosed on most recent post close CDs issued within 60 days of consummation (PCCD greater than 60 days from consummation will require accompanying ALTA settlement statement to confirm figures disclosed to be used for testing) will be tested for 0% and/or 10% aggregate tolerance as applicable under § 1026.19(e)(3) and any corresponding tolerance exceptions cited. PCCDs will not be permitted to rebaseline fee tolerance amounts despite occurrence of a valid changed circumstance (see example in Comment 19(f)(2)(iii)-1(ii))</p>

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

23.)	<p>New 3-Day Waiting Period for APR Changes</p> <p>If the APR disclosed on the initial CD becomes inaccurate (increases or decreases beyond tolerance for accuracy set forth under 1026.22, a revised CD and an additional 3-day waiting period is required.</p> <p>APR reductions will require the additional 3 day waiting period unless the overstated APR was based on an overstated finance charge, based on CFPB FAQs (Posted February 2019, https://www.consumerfinance.gov/policy-compliance/guidance/tila-respa-disclosure-rule/tila-respa-integrated-disclosure-faqs/)</p> <p>The following describes the methodology used for testing APR changes. Also see examples and scenarios for illustrative purposes in Appendix:</p> <p><u>New 3-day Waiting Period Test:</u></p> <ul style="list-style-type: none">• The APR disclosed on each subsequent CDs is compared to the APR disclosed on the prior CD. A new 3-day waiting period will be required for any CD reflecting a change in APR that is not within the tolerance for accuracy* from the previously disclosed APR (see <i>Scenario 6 in Appendix</i>)• Default testing will assume a disclosed APR was accurate at the time of disclosure and any change in APR corresponds to a subsequent change and was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.).• Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change. If the subsequently disclosed APR did not result from an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure), a new 3-day waiting period may not be required but a separate APR over/under disclosure will be cited if the error is on the Final CD at or before to consummation (see <i>Scenarios 1-5 in Appendix</i>)• If the APR on the Final CD is inaccurate* compared to the actual APR at consummation, default testing will assume there was a change in the loan terms or fees resulting in the APR becoming inaccurate and a 3-day waiting period exception will be cited. Upon rebuttal, TPR will review scenarios where there was no subsequent change that resulted in the APR becoming inaccurate triggering 1026.19(f)(2)(ii). If the APR disclosed was inaccurate from the start and there were no subsequent changes to the loan impacting the APR (as determined through supporting documentation of the loan terms and fees at the time of disclosure vs. at consummation), a new 3-day waiting period may not be required but a separate APR over/under disclosure will be cited as applicable (see Scenarios 7 and 8 in Appendix)• If the APR on the Final CD is accurate* compared to the actual APR at consummation and the final CD was received at least 3 business days prior to consummation, loan complies with the new 3-day waiting period requirement and no exception is cited <p>*Determination of whether an APR is accurate is based on the thresholds set forth in 1026.22</p>
24.)	<p>Seller Credits (Comments 37(h)(1)(vi)-1 and -2, and 38(i)(7)(iii)(A)-1) - If there is a difference between the amount of seller credits disclosed on the Loan Estimate and those disclosed on the Closing Disclosure, not attributed to rounding, there must be a statement on the Closing Disclosure that the consumer should see the details of the credits. (Comment 38(i)(7)(iii)(A)-1) (See 117)</p> <p>The review will confirm the two amounts are reflected on the final CD and the indication of whether they changed corresponds to the two amounts reflected on the CD.</p>
25.)	<p>Seller Credits Revised Comments 37(h)(1)(vi) clarify that creditors continue to have two options for disclosing seller credits on the Loan Estimate based on information known to the creditor at the time of disclosure: General non-specific credits are disclosed as a lump sum credit while credits for specific charges are disclosed by either reducing the amount of the charge by the amount of credit allocated for that specific fee or removing the fee altogether if the seller will pay for the fee in its entirety. Tolerance considerations will apply to either disclosure method subject to a valid justification for the increase under § 1026.19(e)(3)(iv) and § 1026.19(e)(4). While a change in seller credit amount or fee allocation of credits based on ongoing negotiations between buyer and seller would be considered a valid changed circumstance, the loan file images must contain documentation or evidence of seller/RE broker/borrower communicating any changes to seller credits from the time initial LE was issue to rebaseline increases to borrower paid amounts resulting from seller credit changes. (Ex. At the time initial LE was prepared, seller agreed to pay for entire amount of appraisal fee (\$500), therefore, creditor did not disclose appraisal on initial LE. If seller later reduces credit designated for appraisal to \$400, creditor may disclose a revised LE reflecting \$100 appraisal paid by borrower and reset appraisal fee baseline with documentation of creditor receiving information regarding seller credit change within 3 days of revised LE)</p>
26.)	<p>Lender Credits (Comment 19(e)(3)(i)-5 and -6) Zero percent tolerance violation when a change in lender credit results in an increased charge to the consumer, when the total amount of lender credits, whether specific or general, actually provided to the consumer is compared to the amount of the "lender credits" disclosed in the Total Closing Costs on the LE. For purposes of determining lender credit tolerance, lender credit on the CD is calculated by adding the lump sum lender credit disclosed on Section J of the CD (less any amounts designated for tolerance cures) and total of itemized fees paid by lender as reflected in paid by others column but only if the fee was previously disclosed to consumer on the loan estimate or applied to a fee that is not otherwise subject to tolerance. This methodology captures potential circumvention of tolerance violations through the addition of fees shown as lender paid on the CD that were not contemplated by the consumer at the time the lump sum lender credit was disclosed on the LE. (Example: LE disclosed \$1000 origination fee and \$500 appraisal fee and \$1500 lender credit. Final CD shows \$1000 origination fee paid by lender, \$200 processing fee paid by lender and \$300 appraisal fee paid by lender and \$0 lump sum credit in Section J. While total amount of lender paid fees is still \$1500, appraisal fee decreased by \$200 but instead of consumer receiving \$200 lump sum credit for the decrease in actual amount of appraisal fee, creditor added a \$200 processing fee which is an increase in cost to the consumer (refer to examples in Comment 19(e)(3)(i)-5)).</p>
27.)	<p>Actual Charge/Invoice for Third Party Fees</p> <p>Although some clients will require additional testing to perform a comparison of invoices for third party services correspond with the actual charges reflected on the final CD, for TRID compliance testing, the baseline scope will not check to confirm that the third party invoices are present in the loan images or a verification of the amounts reflected on the invoices correspond to the charges reflected on the CD.</p>
28.)	<p>TRID Home Loan Toolkit: (1026.19(g)(1) Special information booklet: The standard testing does not include the confirmation the Home Loan Toolkit was sent to the consumer. Can be requested as custom scope by clients</p>

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

29.)	<p>LE/CD Issued within 3-days of Rate Lock</p> <p>1026.19(e)(3)(iv)(D) Interest Rate Dependent Charges.</p> <p>Although TPR firms do not cite an exception if the lender does not issue an LE or CD to the consumer within 3 days of the rate lock, any fee increases would not be considered for fee re-baselining.</p>
30.)	<p>Timing Requirements (E-Sign and Fee Tolerance Testing)</p> <p><u>E-Sign Impact to Timing Requirements</u></p> <ul style="list-style-type: none">• If e-consent is not in file or e-consent date is missing, TPR will assume consent was received timely but not documented. E-consent will be assumed to be obtained on the date of application for compliance testing purposes.• If dated e-consent is in file, TPR will evaluate and cite any TRID timing exceptions resulting from e-disclosures provided prior to e-consent date. If the borrower does not provide e-consent within the disclosure timing period, disclosure will not be considered to be sent timely even if provided/e-mailed by creditor within the delivery timeframe (19(e)(1)(iv)-2)). Example: A loan with 10/1 app date, initial LE e-mailed by creditor on 10/2, borrower opened email and provided e-consent on 10/7 and viewed LE on same day, would generate an initial LE 3-day timing exception unless creditor provides evidence that disclosures were provided in a different manner (mail or in person) in accordance with the timing requirements of § 1026.19(e)(1)(iii). <p><u>E-Sign Impact to Good Faith Estimate of fees (assuming all LEs/CDs were only delivered electronically)</u></p> <ul style="list-style-type: none">• Fee amounts disclosed on the initial LE will be used to set baseline amounts for Good Faith Tolerance testing purposes irrespective of e-consent date• Any subsequent disclosures provided electronically will not be used to rebaseline good faith tolerance estimates if revised disclosure issue date is prior to e-consent date <p><u>General LE/CD Timing Requirements Impact to Good Faith Estimate of Fees and Tolerance Testing</u></p> <ul style="list-style-type: none">• If no LE is provided, baseline for all fees will be set to \$0 for good faith tolerance testing purposes and the corresponding tolerance violations cited for all charges reflected on the final CD used for fees.• Fee amounts disclosed on the initial LE will be used to set baseline amounts for fee tolerance testing purposes. Compliance with LE 3-day and 7-day timing requirements under 1026.19(e)(1)(iii)(A) and (B) does not impact fee tolerance baseline determination.• Pursuant to 1026.19(e)(4)(i), any subsequent revised LE will be permitted to rebaseline estimates if 1) the revised disclosure* is provided within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies; and 2) the revised disclosure and complies with the timing requirements under 1026.19(e)(4)(ii) (revised loan estimate must be received at least 4 business days prior to consummation to rebaseline)• Pursuant to 1026.19(e)(4)(i), a CD will be permitted to rebaseline estimates if 1) the revised disclosure* is provided within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies; and 2) the consumer receives the CD at or before to consummation. Compliance with CD 3-day timing requirement under 1026.19(f)(1)(ii) does not impact fee tolerance baseline determination.• Initial and subsequent CDs* received more than 4 business days prior to consummation will be allowed to rebaseline tolerance fees for CDs issued on or after 6/1/2018 that are prior to consummation and within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies <p>*Disclosures provided electronically will not be used to rebaseline good faith tolerance estimates if revised disclosure issue date is prior to e-consent date</p>
31.)	<p>Treatment of Existing Exceptions</p> <p>Exceptions cited on loans previously reviewed, that have not been securitized, that are impacted by changes under the new Grid.</p> <p>1) Exceptions that have been moved out of scope under the new Grid will be regraded to an EV1-A with the comment referencing the removal from Scope under SFA TRID Grid V 3.0.</p> <p>2) Exceptions with grade changes from EV3-C to EV2-B under the new Grid will be regraded with the comment referencing the modified exception grading under SFA TRID Grid V 3.0.</p>
32.)	<p>CD Escrow Table (Page 4)</p> <p>1026.38(l)(7)(i)(A)(1) and 1026.38(l)(7)(i)(A)(2) Although the amounts that the consumer will be required to pay over the first year after consummation are within the scope of testing, the descriptive name of each charge to be paid from the escrow account or the descriptive name of the charges that the consumer may have to pay for non-escrowed items is not within the scope of testing.</p>

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Additional Considerations

33.)	<p>Projected Payments Table - Estimated Escrows</p> <p>1. If IEADS is in file and the escrow payment disclosed in the projected payments table matches the IEADS monthly payment, then no exception is warranted. (If they do not match or IEADS is not in file, see item 2 below.)</p> <p>2. If IEADS is not in file OR the escrow payment amount on the Projected Payment Column does not match the monthly payment on the IEADS that is located within the loan file, the escrow payment amount from the projected payments is compared to the actual costs documented within the loan file*, the monthly escrow payment amount must be accurate within \$1.00.</p> <p> i. If the escrow payment disclosed is overstated by more than \$1.00, then if exception is set, issue an EV1-A Severity</p> <p> ii. If the escrow payment disclosed is Understated by more than \$1.00, then the exception is an EV3-C Severity</p> <p>*The actual costs within the loan file will be sourced via a waterfall method from third party source documents. (e.g. Tax Certs, Insurance binders/policies, tax bills, etc....)</p> <p>Although the escrows are within the projected payment columns, the disclosure of an incorrect monthly escrow payment would not require the reopening of rescission or deemed to be an inaccurate material disclosure. Unlike Finance Charges or Total of payments, the escrow payment portion is an estimate of the monthly portion and expected to vary over time. Re-disclosure of the accurate values is sufficient to remediate the inaccurate escrow payment amount.</p>
34.)	<p>Fee Tolerance Consideration - Missing SSPL and Fees Not Disclosed on the LE</p> <p>1. <u>Tolerance for shoppable fees when SSPL is missing</u> - If the creditor permits the consumer to shop for a service but fails to provide the SSPL, the service is subject to a 10% tolerance regardless of the provider selected by the consumer (unless the provider is the creditor, or an affiliate of the creditor in which case fee is subject to 0% tolerance). 1026.19(e)(3)(iii)-2. If the creditor does not permit the consumer to shop, fee is subject to 0% tolerance regardless of SSPL.</p> <p>2. <u>Tolerance for Itemized Title Fees Not Specifically Named or Omitted on the LE</u> - If a lender discloses a title fee as a single line item on the LE and breaks down the components into itemized services and fees on the CD, or discloses other title fees on the CD that were not reflected on the LE, TPR will test the itemized title fees on the CD using the same tolerance category that would apply to the Title fee disclosed on the LE.</p>
35.)	<p>Fee Tolerance Considerations - Fee Name Changes / Inconsistent Naming Conventions / Fee Placement</p> <p>While fee naming conventions is outside of scope, for purposes of fee tolerance testing, creditors should ensure that fee names used are substantially consistent across all disclosures and describes the actual service or function representing the cost. The regulations require creditors to label the loan costs using terminology that describes each item clearly and conspicuously and describes the service or administrative function that the charge pays for in a manner that is reasonably understood by consumers 37(f)(5)-1</p> <p>In loan files where fee names/descriptions change from one disclosure to another, to the extent the fee names used are substantially similar in description and function and can be reasonably matched to prior estimates, TPRs will consider these the same fee(s) for tolerance testing purposes. Example: LE discloses \$500 "Settlement/Closing Fee" while CD discloses \$450 "Title - Escrow Closing Fee"; or LE discloses \$100 "Mobile Notary Fee" while CD discloses \$125 "Mobile Signing Fee"</p> <p>However, for distinctly different fees or fee descriptions that represent different costs or services or purpose, TPRs will NOT consider these the same fee(s) for tolerance testing purposes. Additional documentation or, if name was incorrectly disclosed on the CD, a revised disclosures to reflect actual name for fees/services provided, will be required to address fee tolerance and other violations resulting from incorrect or inconsistent use of fee names. A verbal explanation or rebuttal comment indicating that certain fees are the same will not be sufficient. Example: LE discloses \$1000 Origination Fee; CD discloses \$1000 discount points; or LE discloses \$200 "Admin Fee" while CD discloses \$200 "Doc Prep Fee"</p> <p>Similarly, while fee placement is out of scope, the same treatment outlined above in determining whether the fee would be considered the same fee will be applied to fees that move from one section of the CD to another (example, from Section H to Section B). Treatment of fees that move from one section of the CD to another section on a subsequent CD for fee tolerance considerations is determined based on facts and circumstances documented in the loan file. Generally, as provided in Row 22 of Additional Considerations, fees disclosed on the most recent post close CDs issued within 60 days of consummation (PCCD greater than 60 days from consummation will require accompanying ALTA settlement statement to confirm figures disclosed to be used for testing) will be tested for tolerance under § 1026.19(e)(3) and any corresponding tolerance exceptions cited.</p>
36.)	<p>Application Date</p> <p>All references to the "Application" or Application Date" in this document pertains to an application as defined under 1026.2(a)(3):</p> <p><i>(3) (i) Application means the submission of a consumer's financial information for the purposes of obtaining an extension of credit.</i></p> <p><i>(ii) For transactions subject to § 1026.19(e), (f), or (g) of this part, an application consists of the submission of the consumer's name, the consumer's income, the consumer's social security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought.</i></p> <p><i>1. In general. An application means the submission of a consumer's financial information for purposes of obtaining an extension of credit. For transactions subject to § 1026.19(e), (f), or (g) of this part, the term consists of the consumer's name, the consumer's income, the consumer's social security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought. This definition does not prevent a creditor from collecting whatever additional information it deems necessary in connection with the request for the extension of credit. However, once a creditor has received these six pieces of information, it has an application for purposes of the requirements of Regulation Z. A submission may be in written or electronic format and includes a written record of an oral application.</i></p>

A)	<p>Good Faith Fee Tolerance Cure <u>Within 60 days of consummation (1026.19(f)(2) Cure)</u></p> <ol style="list-style-type: none"> 1. Proof of Refund or, (if closed on or after 10/10/17) Principal Reduction 2. Corrected PCCD 3. Proof of Delivery (see row 6 of "Remediation Considerations") <p><u>More than 60 days from consummation but within 60 days of discovery (TILA 130(b) Correction)</u></p> <ol style="list-style-type: none"> 1. Letter of Explanation (other evidence of borrower notification of the error will be considered) 2. Proof of Refund or Principal Reduction 3. Corrected PCCD or detailed LOE re-disclosing correct information 4. Proof of Delivery (see row 6 of "Remediation Considerations") <p><u>More than 60 days from discovery – No cure available</u></p>
B)	<p>TILA Section 130(b) Correction – With Restitution <u>Within 60 days of discovery</u></p> <ol style="list-style-type: none"> 1. Letter of Explanation (other evidence of borrower notification of the error will be considered.) 2. Proof of Refund or Principal Reduction or Loan Modification (if permissible – see Row 7 of Remediation Considerations) 3. Corrected PCCD or detailed LOE re-disclosing correct information 4. Proof of Delivery (material disclosure exceptions on rescindable transactions require proof of consumer receipt, see D) below and row 6 of "Remediation Considerations") <p><u>More than 60 days from discovery – No cure available</u></p>
C)	<p>TILA Section 130(b) Correction – Without Restitution (Re-Disclosure Only) <u>Within 60 days of discovery</u></p> <ol style="list-style-type: none"> 1. Letter of Explanation (Other evidence of borrower notification of the error will be considered.) 2. Corrected PCCD or detailed LOE re-disclosing correct information <p>*Material disclosure exceptions on rescindable transactions require proof of consumer receipt, see D) below and row 6 of "Remediation Considerations"</p> <p><u>More than 60 days from discovery – No cure available</u></p>
D)	<p>Re-open Rescission for Material Disclosure Violations (Rescindable Transactions Only) <u>Within three (3) years of consummation (extended rescission period)</u></p> <ol style="list-style-type: none"> 1. Letter of Explanation (not required if new NORTC is signed) 2. Corrected PCCD or detailed LOE re-disclosing correct information 3. Re-open Rescission (new NORTC and new 3-day rescission period) 4. Proof of Delivery (see row 6 and 9 of "Remediation Considerations")

1.)	Remediation post-closing prior to TPR file review: i. Good faith fee tolerance cures under 1026.19(f)(2) within 60 days of consummation accompanied by a post close CD - no exception cited ii. Other remediations for items remaining in scope (other than Good Faith fee tolerances) - EV2-B cured exception (assumes violation was not previously discovered/identified by creditor/assignee/other TPR)
2.)	Remediation after TPR file review i. Within 60 days of discovery - EV2-B ii. More than 60 days after discovery - remain EV3-C *Discovery is generally defined as date TPR sends initial report of violation to lender/assignee. See Row 12 of Remediation Considerations
3.)	Good Faith Fee Tolerance Remediations prior to closing The fee tolerances will be tested against the most recent CD within 60 days of consummation (see Row 22 of Additional Considerations section) to confirm the consumer did not pay more than the permissible 0% and 10% tolerances permit. Tolerance cures through settlement, prior to disbursement, will be an EV1 and will not require the LOE, proof of delivery, or refund check.
4.)	Improper Disclosure of Cure on PCCD Final CDs and or Post Close CDs - TPRs will not cite additional exceptions when cure refunds are provided for tolerance violations, or principal curtailment cures but the corrected CD does not properly reflect cure in Section J and comparison table or if the cure is provided in the form of principal reduction, but not accurately disclosed as such on the post closing CD.
5.)	Detailed LOE in Lieu of PCCD 130(b) based corrections can be completed through a detailed LOE that specifically identifies the corrected data point, or data points, can be used in place of an additional Post close CD. If the LOE is not specific, then a PCCD will need to accompany the LOE.
6.)	Proof of Delivery / Proof of Receipt <u>Evidence of delivery (proof of mailing) required:</u> If the remediation includes funds going to the consumer of more than \$35.00, then the proof of shipment for check refunds is required to evidence the remediation package was in transit via a carrier such as FedEx, UPS, USPS, etc. (Exception status and regrading to a cured EV2-B can be completed prior to the package receipt by the consumer.) <u>Evidence of consumer receipt required:</u> Remediation for Material Disclosure violations on rescindable transactions require <u>proof of receipt</u> . Proof of consumer receipt can be evidenced through receipt/delivery confirmation from courier, executed NORTC, email acknowledgement, confirmation of electronic receipt, etc. <u>No evidence or delivery or receipt required:</u> Refunds less than or equal to \$35.00 will not require the evidence of shipment or receipt (proof of refund - copy of refund check or principal curtailment is still required). If the remediation includes principal curtailments performed post-closing, the servicing screen-print of the applied reduction will serve as evidence. Other than cures for material disclosure exceptions on loans subject to rescission which require evidence of consumer receipt, if the remediation was performed post closing and prior to the TPR file review, the TPR would not require proof of delivery or receipt.
7.)	Loan Modification as Restitution for inaccurate APR, Finance Charge, or TOP If the Finance Charge, TOP, or APR are inaccurate beyond tolerance for accuracy, and the inaccuracy results solely from future ARM adjustments, the lender can modify the terms of the loan to ensure the consumer does not pay more than that which was disclosed in place of a refund or principal curtailment. This is often accomplished through a reduction in the ARM margin.) The other documentation is still required as is the modification to the note altering the ARM terms. Note, inaccurate APR, Finance Charge, or TOP resulting from fee-related under disclosures will require a refund check to cure and cannot be cured with a loan modification (principal curtailments are not permissible). In the case of under disclosures resulting from both fees and incorrect MI or margin used to calculate TOP, remediation can be in the form of one lump sum refund cash/check or lender/assignee can cure using a combination of remediation methods (ex. check and margin reduction; check and principal curtailment; check and lender paid MI).
8.)	Principal Reduction as Cure for TRID Fee Tolerances Principal curtailments for TRID fee tolerance cure considerations will be accepted for loans with a consummation date on or after October 10, 2017. Although the curtailment should be reflected on the final CD or Post Close CD in the correct section with applicable curative language, the cure can still be considered if the purpose of the curtailment can be ascertained. Lender to include a copy of the screen print reflecting the curtailment of the principal if the cure is completed post settlement.

9.)	<p>Material Disclosure Cures on Rescindable Transactions</p> <p>For rescindable transactions with exceptions related to one of the Material Disclosures ("material disclosures" means the required disclosures of the annual percentage rate, the finance charge, the amount financed, the total of payments, the payment schedule, and the disclosures and limitations referred to in §§ 1026.32(c) and (d) and 1026.43(g)), <u>evidence of consumer receipt</u> of cure package including a new NORTC reflecting a new 3-day rescission period is required.</p> <p>If the remediation was sent timely (within 60 days of discovery) and includes all cure components except for evidence that rescission was reopened or the new NORTC does not provide for an new 3-day waiting period, the TRID exception can be considered a cured EV2-B but a separate EV3-C exception for extended rescission rights will be cited (exception will be regraded to EV2-B 3 years from consummation or upon receipt of evidence that rescission was re-opened and borrower received new NORTC, whichever is earlier). Proof of receipt of the new NORTC notices can be evidenced through receipt/delivery confirmation from courier, executed NORTC, email acknowledgement, confirmation of electronic receipt, etc. Confirmation that borrower did not elect to rescind the transaction is not required and exception status and regrading to a cured EV2-B can be completed prior to expiration of new 3-day rescission period.</p> <p>In cases where there is a good faith fee tolerance violation as well as a material disclosure violation resulting the same fee(s), the remediation requirements applicable to material disclosures will supersede good faith fee tolerance remediation requirements.</p>
10.)	<p>Cures by Assignee</p> <p>Remediation performed by a Purchaser / Assignee will be considered the same as if performed by the Originating lender and is subject to the cure documentation and timing requirements (including cure periods based on discovery dates – see Row 2 of Remediation Considerations).</p>
11.)	<p>Fee Increases on PCCD for Fees Not Subject to Tolerance and No Impact to Finance Charge, APR, or TOP.</p> <p>Corrected CDs issued to reflect actual amounts charged at consummation will not require refunds to the consumer for increase in fee amounts that do not impact the Finance Charge, APR, or Total of Payments, and are not subject to 0% or 10% tolerance thresholds (e.g. if the Realtor Admin Fee disclosed in Section H of \$250.00 at closing was updated to \$375.00 on a post close CD, the fee that does not impact finance charges, APR, TOP, 0% or 10% fee tolerances, therefore, would not require a refund of the increased amount of \$125.00)</p>
12.)	<p>Discovery Date</p> <p>Discovery is generally defined as date TPR sends initial report of violation to lender/assignee.</p> <p><u>Additional Considerations:</u></p> <ul style="list-style-type: none"> - If the seller/lender/entity curing the exception is different from the client initial reports were sent to, and there is evidence seller/lender/entity curing the exception first received notice of the violation at a later date, discovery date may be adjusted to the date seller/lender/entity curing the exception was first notified of the violation. - If the amount of overage/refund changes, discovery date is updated to the date the revised finding was reported (see Appendix for example) - Discovery date is NOT adjusted based on the date the lender/seller/purchaser agreed with the finding. - If a cure is provided outside the applicable cure period, the discovery date is not adjusted and a new cure window does not become available. Example: Finance Charge under disclosure violation with initial reporting/discovery date of 2/1/22 was cured by the creditor on 5/15/22 (outside the 60 day cure period). TPR report reflecting finance charge under disclosure was subsequently provided to ABC Company prior to acquisition. In this scenario, a new cure period does not become available and finding will remain Open - Unable to Cure.

This section includes scenarios and references intended to provide additional clarification and illustrative examples to supplement the commentary and additional considerations provided within the SFA TRID Compliance Review Scope document. The examples and conclusions set forth herein outlines the standard best practices approach to pre-securitization testing logic that will drive the due diligence conducted by TPRs and do not necessarily reflect how courts and regulators, including the CFPB, may interpret TILA requirements presently, or in the future. This is not intended to be legal advice, and is strictly for general informational purposes only and shall not be relied on by any third party as legal advice.

The Section and Row columns indicate which section and row of the SFA TRID Compliance Review Scope document the references and examples are intended to supplement.

Section	Row	Topic	References and Illustrative Examples
Disclosure Provisions	126	Escrow Table (CD Page 4)	<p><u>Example:</u></p> <p>Escrowed Amounts: Property Taxes - \$300/mo; Homeowner's Insurance - \$100/mo</p> <p>Non-Escrowed Amounts - HOA \$70/mo</p> <p>Scenario 1: Lender disclosed Escrowed Property Costs Over Year1 as \$4300 (disclosed based on 10 months but over disclosed due to over estimated property taxes in the amount of \$30/mo) - No violation for over disclosures resulting from over disclosed monthly escrow/non-escrow amount.</p> <p>Scenario 2: Lender disclosed Non-Escrowed Property Costs Over Year1 as \$910 (over disclosed based on 13 months) - EV3-C exception for Year 1 escrow/non-escrow amounts that is greater than 12 months</p>
Disclosure Provisions	4	Application Date	<p>An application means the consumer's submission of six pieces of information outlined in 1026.2(a)(3)(ii).</p> <p>On a wholesale transaction if the broker received the 6 pieces of information on a specific date, then the broker or creditor must provide the consumer with an LE within 3 business days of the brokers receipt of the 6 pieces of data to be considered an application.</p> <p>While 1026.19(b) permits the consideration of the creditors receipt date as the application date, this section addresses disclosures applicable to certain variable-rate transactions (i.e. the CHARM and the variable rate disclosures). The Loan Estimate timing is governed under 1026.19(e)(1), which provides:</p> <p><u>Final Rule</u></p> <p>The Bureau has considered the comments and is modifying the final rule to reflect more closely the current requirements under Regulation X that permit mortgage brokers to provide the RESPA GFE. The Bureau believes these modifications will preserve the ability of consumers to work with mortgage brokers with whom they have a relationship and ensure that consumers will receive the Loan Estimate in a timely manner, thus mirroring current Regulation X, while providing clarity that will facilitate compliance and address commenters' concerns. <u>In response to the concern that the proposed rule does not require mortgage brokers to issue a Loan Estimate after the mortgage broker receives a consumer's application for a mortgage loan for which a Loan Estimate must be provided within three days of receipt, § 1026.19(e)(1)(ii)(A) provides</u></p> <p>261</p>

Section	Row	Topic	References and Illustrative Examples
Additional Considerations	36	Application Date	<p>1026.19(e)(1)(ii) Mortgage broker. Official Interpretation</p> <p>1. Mortgage broker responsibilities. Section 1026.19(e)(1)(ii)(A) provides that if a mortgage broker receives a consumer's application, either the creditor or the mortgage broker must provide the consumer with the disclosures required under § 1026.19(e)(1)(i) in accordance with § 1026.19(e)(1)(iii). Section 1026.19(e)(1)(ii)(A) also provides that if the mortgage broker provides the required disclosures, it must comply with all relevant requirements of § 1026.19(e). This means that “mortgage broker” should be read in the place of “creditor” for all provisions of § 1026.19(e), except to the extent that such a reading would create responsibility for mortgage brokers under § 1026.19(f).</p> <p>Also, see included excerpts from Pages 261-262 of https://files.consumerfinance.gov/f/201311_cfpb_final-rule_integrated-mortgage-disclosures.pdf</p>

that if a mortgage broker receives a consumer’s application, either the creditor or the mortgage broker shall provide a consumer with the Loan Estimate within three business days of receipt. This requirement is substantially similar to the requirement on mortgage brokers to provide the RESPA GFE in § 1024.7(b), and thus, the Bureau believes that it will facilitate compliance.

The Bureau, however, declines to adopt some industry commenters’ suggestion that for creditors that receive consumer applications from mortgage brokers, the three-business-day period should not begin until such creditors receive consumer applications from mortgage brokers. The Bureau believes that making such a distinction would disadvantage consumers who work with mortgage brokers because compared to consumers who submit mortgage applications directly to creditors, consumers who submit mortgage applications to mortgage brokers would wait longer to receive a Loan Estimate. Additionally, the Bureau believes that treating creditors that receive applications directly from the consumer differently from creditors that receive consumer applications from mortgage brokers would disadvantage creditors that have direct relationships with consumers because they would have less time to provide the Loan Estimate.

Section	Row	Topic	References and Illustrative Examples
Additional Considerations	14	Changed of Circumstance	To illustrate, see examples of sufficient vs. insufficient COC reasons:
		Documentation	<p><u>Recording Fee</u></p> <ul style="list-style-type: none">- Insufficient – Received invoice reflecting a higher amount- Sufficient – Recording fee increased by \$75 due to addition of a POA requested by borrower on [date]; or County recorder’s office increased its fees after initial disclosure. <p><u>Appraisal Fee</u></p> <ul style="list-style-type: none">- Insufficient – Market fluctuations; or Borrower Requested change (with no additional documentation); or Loan Program/Investor Change (with no additional information); or Appraisal Rush or Reinspection order/invoice received (with no additional information)- Sufficient – Appraiser discovered that home was PUD rather than SFR and notified borrower of \$150 increase in appraisal cost on [date]; or Borrower email documenting request for appraisal rush on [date]; or Appraisal came in lower resulting in higher LTV. Borrower no longer qualifies for the same investor program due to LTV. New program/investor determined on [date] requires AVM increasing appraisal cost. <p><u>Excerpts from page 20 of https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-26_2022-04.pdf</u></p> <p>2.6.2 Insufficient documentation for changed circumstance</p> <p>Regulation Z requires a creditor to provide the consumer with good faith estimates on the Loan Estimate for certain transactions. The closing cost estimates are generally considered to be in good faith if the amount paid by or imposed on the consumer does not exceed the amount originally disclosed.(12 C.F.R. § 1026.19(e)(3)(i)) A creditor is permitted to use a revised estimate of a charge instead of the estimate of the charge originally disclosed to reset tolerances when there is a valid changed circumstance permitted by Regulation Z that resulted in the increased costs. (12 C.F.R. § 1026.19(e)(3)(iv)) One such valid changed circumstance is where the consumer requests revisions to the credit terms. (12 C.F.R. § 1026.19(e)(3)(iv)(C)) For a creditor to successfully reset tolerances as permitted by Regulation Z, it must, among other things, maintain documentation explaining the reason for revision. (12 C.F.R. pt. 1026, Supp. I, comment 19(e)(3)(iv)-3)</p> <p>Examiners found that certain lenders failed to retain sufficient documentation to establish the changed circumstance’s validity. Specifically, the lenders disclosed an appraisal fee on initial Loan Estimates and subsequently disclosed appraisal rush fees, in a higher amount, on revised Loan Estimates. The lenders claimed the rush appraisals, which led to the appraisal rush fees, were requested by consumers. However, in each instance, the lender failed to maintain sufficient documentation evidencing the consumer’s request of the rush appraisals; in fact, the documentation maintained reflected that either the appraisal management company notified the lenders that a rush appraisal would be needed or the lenders’ loan officers requested the rush appraisal. In certain instances, the lenders’ documentation included only a checked box indicating the consumer requested the rush appraisal, but there was no other evidence retained reflecting this occurred. In response to these findings, the lenders agreed to remediate affected consumers, revise their policies and procedures to ensure relevant documentation is obtained and maintained, and strengthen relevant quality control audit functions.</p>

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Appendix

Section	Row	Topic	References and Illustrative Examples
Additional Considerations	34	Fee Tolerance Considerations - Title Fees and Fees for Services Outsourced by Borrower Selected Providers	<p>Example 1: Lender discloses \$1000 Title Insurance in Section C of the LE as shoppable*. Borrower selected their own title provider, CD discloses \$700 Title Insurance, \$200 Title Endorsement, \$150 Title Doc Prep Fee, \$100 CPL in Section C of the LE all paid to a provider not listed on the SSPL. The itemized or new title fees reflected on Section C of the CD that are paid to the same borrower selected provider not on the SSPL (or to a provider selected by the borrower chosen title provider (outsourced fees)) will be considered in the same tolerance category as the shoppable Title fee (in this case, unlimited tolerance as borrower was permitted to shop for and did shop/select their own title provider). 19(e)(3)(ii)-2</p> <p>Example 2: Lender discloses \$500 Title Settlement/Closing in Section B of the LE as a non-shoppable* fee and \$1000 Title Insurance in Section C as shoppable*. CD reflects \$500 Title Settlement/Closing in Section C paid to a provider not on the SSPL – subject to 0% tolerance as consumer was not permitted to shop (fee was disclosed in Section B of the LE as non-shoppable and no other documentation supporting that consumer may shop) 19(e)(3)(ii)--6 CD reflects \$800 Title Insurance and \$200 Title Endorsement in Section C paid to a provider listed on the SSPL – subject to 10% tolerance as consumer was permitted to shop (title insurance disclosed in Section C of the LE) but did not. While fee is listed in Section C of the CD under "Services borrower DID shop for", the borrower chose a provider identified by the creditor on the SSPL, accordingly, fee is subject to 10% tolerance pursuant to 19(e)(3)(ii)-3</p> <p>Example 3: Lender discloses \$500 Title Settlement/Closing and \$1000 Title Insurance in Section C of the LE as shoppable*. CD reflects \$500 Title Settlement/Closing in Section B paid to a provider on the SSPL – subject to 10% tolerance as consumer was permitted to shop but did not and the borrower chose a provider identified by the creditor on the SSPL 19(e)(3)(ii)-3 CD reflects \$800 Title Insurance and \$200 Title Endorsement in Section B paid to a provider not on the SSPL – subject to 10% tolerance as consumer was permitted to shop (fee was disclosed in Section C of the LE as shoppable) but did not. While provider is not identified on the SSPL, the lender's disclosure of the fee in Section B of the CD under "Services Borrower did NOT shop for" indicates that the borrower did not shop and did not choose their own provider. If the borrower did in fact choose the provider and the lender incorrectly disclosed the fee in Section B of the CD, an LOE, revised CD, or additional documentation will be required to support that borrower selected the provider. Provider not identified on the SSPL is not sufficient documentation by itself when a fee is disclosed in Section B of CD as one the borrower did not shop for.</p> <p>*As noted in comment 19(e)(1)(vi)-1, whether the creditor permits the consumer to shop consistent with § 1026.19(e)(1)(vi)(A) is determined based on all the relevant facts and circumstances. The disclosure of a fee/service in Section C of the LE provided to the consumer will be the primary basis for determining whether the consumer was permitted to shop. Presence of an SSPL listing services and providers, does not, in and of itself, serve as evidence that the consumer was permitted to shop for these services or other title services particularly when such services are listed in Section B of the LE ("Services you CANNOT shop for").</p>
	2	Discovery Date for Revised TPR Findings	<p>If the amount of overage/refund changes, discovery date is updated to the date the revised finding was reported. Example:</p> <ul style="list-style-type: none">- Finance charge under disclosure in the amount of \$250 reported on 6/1/2022- Rebuttal response and/or additional documentation received on 6/5 supporting exclusion of certain fee(s) from finance charge resulting in a revised under disclosure amount- Finance Charge under disclosure exception revised to reflect under disclosure of \$200 reported on 6/15 <p>Discovery date in the above scenario is: 6/15</p>

Additional
Considerations

23

New 3-Day
Waiting Period for
APR Changes

See examples below

SCENARIO 1:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	8.292%	\$529,160.03	
Final CD dated 12/24/19	9%	\$529,160.03	<p>The APR disclosed on each subsequent CDs is compared to the APR disclosed on the prior CD. Default testing assumes the change in APR from 8.292% on the initial CD to 9% on the final CD was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.). The Final CD APR is also inaccurate compared to actual APR at consummation, therefore a 3-day waiting period exception is cited.</p> <p>Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure).</p> <p>In this scenario, if the 9% APR on the 12/24 CD is determined to be a clerical error that does not corespond to an actual change in APR based on loan terms, then the disclosed APR on the initial CD did not 'become inaccurate' and the comparison would be the 12/16 CD vs the actual consummation APR. Since the 8.292% APR disclosed on the initial CD is within the tolerance of the actual consummation APR of 8.2586% and was received at least 3 business days prior to consummation, an additional 3-day waiting period would not be required. However, at consummation, the final 12/24 CD should have reflected the actual consummation of APR 8.2586%. Given that it instead reflected 9%, a separate APR overdisclosure would be cited and can be corrected under 130(b).</p>
Actual/Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

SCENARIO 2:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	8.292%	\$529,160.03	
Final CD dated 12/24/19	7%	\$529,160.03	<p>The APR disclosed on each subsequent CDs is compared to the APR disclosed on the prior CD. Default testing assumes the change in APR from 8.292% on the initial CD to 7% on the final CD was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.). The Final CD APR is also inaccurate compared to actual APR at consummation, therefore a 3-day waiting period exception is cited.</p> <p>Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure).</p> <p>In this scenario, if the 7% APR on the 12/24 CD is determined to be a clerical error that does not corespond to an actual change in APR based on loan terms, then the disclosed APR on the initial CD did not 'become inaccurate' and the comparison would be the 12/16 CD vs the actual consummation APR. Since the 8.292% APR disclosed on the initial CD is within the tolerance of the actual consummation APR of 8.2586% AND was received at least 3 business days prior to consummation, an additional 3-day waiting period would not be required. However, at consummation, the final 12/24 CD should have reflected the actual consummation of APR 8.2586%. Given that it instead reflected 7%, a separate APR overdisclosure would be cited and corrected under 130(b).</p>
Actual/Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

SCENARIO 3:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	8.292%	\$529,160.03	
Final CD dated 12/24/19	0% or BLANK	\$529,160.03	<p>The APR disclosed on each subsequent CDs is compared to the APR disclosed on the prior CD.</p> <p>In this scenario, TPR will request an explanation or attestation from lender and if the 0% or blank APR on the 12/24 CD is determined to be a clerical error that does not corespond to an actual change in APR based on loan terms, then the disclosed APR on the initial CD did not 'become inaccurate' and the comparison would be the 12/16 CD vs the actual consummation APR. Since the 8.292% APR disclosed on the initial CD is within the tolerance of the actual consummation APR of 8.2586% AND was received at least 3 business days prior to consummation, an additional 3-day waiting period would not be required. However, at consummation, the final 12/24 CD should have reflected the actual consummation of APR 8.2586%. The clerical error disclosed "0" or blank APR on the final CD is arguably defensible under 130(c) assuming the creditor can show they have procedures in place to ensure that the APR properly populated in the CD.</p>
Actual/Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Appendix

SCENARIO 4:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	8.292%	\$529,160.03	
Interim CD dated 12/22/19	7%	\$529,160.03	<p>The APR on the subsequent 12/22 CD is compared to the APR on the previously disclosed 12/16 Initial CD. Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 12/16 to 12/22 (assume APR change from 8.292% to 7% was not based on an overstated finance charge)</p> <p>Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure).</p> <p>In this scenario, assume the lender attests that the 7% APR disclosed on the 12/22 CD was a typo rather than an actual APR change and documentation in file support that there were no change in loan terms or fees that would result in a change in APR from 8.292% on the 12/16 CD to 7% on the 12/22 CD (ex. interest rate, loan terms, APR impacting fees, and Finance Charges and TOP on the 12/16 CD and 12/22 CD are the same or substantially similar). Provided the actual APR stayed within tolerance, there would not be a requirement for an additional 3-day waiting period. If, however, documentation in file indicates the change was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.) or there is insufficient documentation to support that the 7% APR was a typo, then a new 3-day waiting period is required.</p>
Final CD dated 12/24/19	8.9770%	\$608,235.00	<p>The APR on the subsequent 12/24 CD (8.9770%) is compared to the APR on the previously disclosed 12/22 CD (7%). Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 12/22 to 12/24.</p> <p>In this scenario, regardless of whether the 7% APR disclosed on the 12/22 CD is a typo, because the APR disclosed to the borrower on 12/16 and 12/22 became inaccurate beyond the tolerance for accuracy compared to the actual APR at consummation disclosed on the 12/24 CD, an additional 3-day waiting period is required.</p>
Actual/Calculated Values at Consummation (12/24/19)	8.9770%	\$608,235.00	

SCENARIO 5:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	8.292%	\$529,160.03	
Interim CD dated 12/22/19 (9:45am)	7.000%	\$529,160.03	<p>The APR on the subsequent 12/22 CD is compared to the APR on the previously disclosed 12/16 CD. Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 12/16 to 12/22 (assume APR change from 8.292% to 7% was not based on an overstated finance charge)</p> <p>Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure).</p> <p>In this scenario, assume the lender indicates that the 7% APR disclosed on the 12/22 CD was a typo rather than an actual APR change. However, documentation in file indicates the 7% APR is an actual APR that corresponds to a change in loan terms (interest rate and Finance Charges disclosed on the 12/22 CD corresponds with a 7% APR). Accordingly, as the 7% APR disclosed appears to be an actual APR, a new 3-day waiting period is required.</p>
Interim CD dated 12/22/19 (1:29pm)	8.292%	\$529,160.03	<p>The APR on the subsequent 12/22 CD (provided later in the day) is compared to the APR on the previously disclosed 12/22 CD (provided earlier in the day). Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from the 12/22 CD disclosed earlier in the day to the 12/22 CD disclosed later in the day.</p> <p>Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure).</p> <p>In this scenario, assume the lender indicates that the 7% APR disclosed on the 12/22 CD earlier in the day results from an APR that corresponds with the borrower requested loan product and loan term change. However, upon review of the associated monthly payment, the borrower requested to revert back to the prior loan product and term. As there was a subsequent change that resulted in the previously disclosed APR becoming inaccurate, a new 3 day waiting period is required.</p>
Final CD dated 12/24/19	8.2586%	\$528,345.51	<p>The APR on the subsequent 12/24 CD (8.2586%) is compared to the APR on the previously disclosed 12/22 CD (8.292%). As the APR disclosed on the 12/24 CD is within tolerance of the APR disclosed on the 12/22 CD, there would not be a new 3-day waiting period required.</p> <p>Note, however, in this scenario, an exception would be cited for the 12/22 CD triggering a new 3-day waiting period requirement and not being received at least 3 business days prior to consummation.</p>
Actual/Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0
Appendix

SCENARIO 6:


Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 12/16/19	7.0000%	\$449,653.26	
Interim CD dated 12/17/19	7.9000%	\$568,345.51	The APR on the subsequent 12/17 CD is compared to the APR on the previously disclosed 12/16 Initial CD. Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 12/16 to 12/17. In this scenario, assuming the mailbox rule is used, since the 12/17 CD is received more than 3 business days prior to consummation (12/24), this APR change would not result in a 3-day waiting period exception
Interim CD dated 12/20/19	8.2000%	\$623,844.25	The APR on the subsequent 12/20 CD is compared to the APR on the previously disclosed 12/17 CD. Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 12/17 to 12/20. In this scenario, assuming the mailbox rule is used, since the 12/20 CD is received less than than 3 business days prior to consummation (12/24), this APR change would result in a 3-day waiting period exception.
Final CD dated 12/22/19	8.2586%	\$528,345.51	The APR on the subsequent 12/22 CD is compared to the APR on the previously disclosed 12/20 CD. As the APR on the 12/22 CD is within tolerance of the APR disclosed on the 12/18 CD, a new 3-day waiting period would not be required for the APR change from 12/20 to 12/22.
Actual/ Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

SCENARIO 7:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial CD dated 8/4/19	8.0000%	\$507,254.30	
Interim CD dated 8/10/19	9.0000%	\$628,952.51	The APR on the subsequent 8/10 CD is compared to the APR on the previously disclosed 8/4 CD. Default testing will assume any change in APR is based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.), accordingly, a new 3-day waiting period would be required for the APR change from 8% on the 8/4 CD to 9% on the 8/10 CD.
Final CD dated 8/14/19	9.0000%	\$628,952.51	There is no change from the APR disclosed on the 8/10 CD to the APR disclosed on the 8/14 CD. However, the Final CD APR is inaccurate compared to the actual APR at consummation. In this scenario, the initially disclosed APR of 8% on the 8/4 CD became inaccurate triggering the requirement to provide a corrected disclosure reflecting an accurate APR and a new 3-day waiting period. Since there was a subsequent change and the re-disclosed APR of 9% on the 8/10 and 8/14 CD is inaccurate compared to the actual APR at consummation, the lender does not meet the requirement to provide corrected disclosures reflecting an accurate APR as required under 1026.19(f)(2)(ii). Accordingly, a 3-day waiting period exception is cited in addition to an APR under disclosure exception.
Actual/ Calculated Values at Consummation (8/14/19)	9.3000%	\$634,952.51	

SCENARIO 8:

Description	APR	Finance Charge	Summary / 3-day waiting period analysis
Initial and only CD dated 12/16/19	8.0000%	\$507,254.30	Final CD APR is inaccurate compared to the actual APR at consummation. Default testing will assume the initially disclosed APR was accurate at the time of disclosure and any change in APR corresponds to a subsequent change and was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.). Accordingly, a 3-day waiting period exception is cited. Upon rebuttal, TPR will review scenarios where there was no subsequent change that resulted in the APR becoming inaccurate triggering 1026.19(f)(2)(ii). If the APR disclosed was inaccurate from the start and there were no subsequent changes to the loan impacting the APR (as determined through supporting documentation of the loan terms and fees at the time of disclosure vs. at consummation), a new 3-day waiting period may not be required but a separate APR over/under disclosure will be cited as applicable. In this scenario, there was only one CD provided and the APR disclosed on the CD is inaccurate compared to the actual APR at consummation. Assume the disclosed APR of 8% was accurate based on the loan terms at the time of disclosure on 12/16, and a subsequent change (ex. change in fees) resulted in the disclosed APR becoming inaccurate at consummation. Accordingly, a 3-day waiting period exception is cited. If, upon rebuttal, lender provides documentation that there was no subsequent change and the disclosed APR was disclosed inaccurately from the start, a new 3-day waiting period may not be required.
Actual/ Calculated Values at Consummation (12/24/19)	8.2586%	\$528,345.51	

		SFA RMBS Compliance Review Scope 2023 - TRID GRID 4.0 Revision Summary v4	
Tab	Row	Topic	Brief Description/Summary of Revision
Introduction	2	Introduction	Updates to introduction, change reference from third to fourth version of grid. Enumerate primary alteration to this version.
Appendix (NEW)	N/A	Examples/Scenarios	Add an Appendix to SFA TRID Grid similar to Appendix section of SFA VSH Considerations doc which will include illustrative examples and scenarios
Disclosure Provisions Final	4	LE Timing	Add clarification for wholesale transactions that receipt of application as defined in 1026.2(a)(3) by either broker or lender triggers 3-day timing requirement regardless of when broker sends application to the lender. Also added clarification for documentation requirements for new applications submitted following adverse action.
Disclosure Provisions Final	41, 42, 111, 112	LE/CD Loan Costs – Naming Convention	Add “See Row 35 of Additional Considerations section for discussion on fee tolerance testing impact of inconsistent fee naming conventions across LEs/CDs”
Disclosure Provisions Final	106	Projected Payments (for items in escrow account)	Change Reference to row in Additional Considerations section from Row 35 to Row 33
Additional Considerations	14	Change of Circumstance (COC) Documentation	Clarification on documentation requirements for changed circumstance. Examples of sufficient vs. insufficient COC reasons. Include excerpts from CFPB Supervisory Highlights
Additional Considerations	35	Treatment of fee name changes/inconsistent naming conventions.	In loan files where fee names/descriptions change from one disclosure to another, to the extent the fee names used are substantially similar in description and function and can be reasonably matched to prior estimates, TPRs will consider these the same fee(s) for tolerance testing purposes.
Additional Considerations	36	Application Date	Add: “All references to the "Application" or Application Date" in this document pertains to an application as defined under 1026.2(a)(3)” along with excerpt of application definition from regulation
Remediation Types	1,2, 3	Remediation Types	Add reference to corresponding rows in Remediation Considerations section
Remediation Considerations	1	Post-close cures prior to TPR review	Add reference to section of regulation containing cure provision (1026.19(f)(2))
Remediation Considerations	3	Pre-close cures	Clarify CD used to source fees for tolerance testing and add reference to existing row 22 of Additional Considerations section for additional detail.
Remediation Considerations	6	Proof of Delivery vs Proof of Receipt	Clarify through formatting which scenarios require proof of delivery (mailing) vs. receipt. Clarify receipt can be evidenced through confirmation of electronic receipt.
Remediation Considerations	7	Refund required for fee related under-disclosures	Clarify refund checks are required for material disclosure remediation/restitution that result from fee related under disclosures (principal curtailments and loan modifications are not permissible)
Remediation Considerations	9	Separate exception for extended rescission	Clarify effect of material disclosure violations cured under 130b for rescindable transactions when rescission is not re-opened. The TRID exception can be considered a cured EV2-B but a separate EV3-C exception for extended rescission rights will be cited.
Disclosure Provisions Final	12	Prohibition on Providing Revised LE after Providing CD, Timing of Final LE, Timing of "Changed Circumstances" on CD	Timing Considerations - EV2-B exception cited when multiple revised LE's are provided and an interim revised LE (not the final LE) receipt date is received less than 4 business days prior to consummation but the final revised LE is received at least 4 business days prior to consummation
Disclosure Provisions Final	6	Written List of Providers / Settlement Service Provider List (SSPL)	Scope – Leave presence of SSPL out of scope at this time and revisit at a later date Fee Baseline Considerations – Clarification that shoppable fees are subject to 10% tolerance if SSPL is missing. Presence of SSPL is not, in and of itself, evidence that consumer was permitted to shop. Disclosure in Section C of LE is used as primary basis of “shoppable” determination. Add reference to new Row 34 of Additional Consideration section Treatment of same provider name on SSPL but different address (example: SSPL lists First American Title 100 Main St. Irvine, CA. Provider on CD is First American Title 1600 First St. Chicago, IL.) Default approach is to treat as same provider. Consideration that entities are not the same provider will require lender attestation or additional supporting documentation to evidence 1) borrower shopped and selected different provider office location 2) fee variances result from selection of different provider office
Additional Considerations	7	TOP Calculation	Prior grid provided 2 options for TOP calculation. Option B (exclude negative per diem interest from calculations) will be removed based on CFPB FAQ specifically indicating negative per diem interest are to be included in TOP calculations
Disclosure Provisions Final	126	Escrow Account (Page 4 of CD)	Commentary on current SFA grid requires clarification on when an exception is warranted, particularly for over disclosures. Commentary on current SFA grid requires clarification on when an exception is warranted, particularly for over disclosures. Added the following to commentary to clarify: 1 No violation for over disclosures resulting from over disclosed monthly escrow/non-escrow amount. 2. EV3-C exception for Year 1 escrow/non-escrow amounts that are less than or equal to 9 months or greater than 12 months (based on monthly escrow/non-escrow amounts disclosed on page 1 of CD or monthly escrow payment based on IEADS) Example: Escrowed Amounts: Property Taxes - \$300/mo; Homeowner's Insurance - \$100/mo Non-Escrowed Amounts - HOA \$70/mo Scenario 1: Lender disclosed Escrowed Property Costs Over Year1 as \$4300 (disclosed based on 10 months but over disclosed due to over estimated property taxes in the amount of \$30/mo) - No violation for over disclosures resulting from over disclosed monthly escrow/non-escrow amount. Scenario 2: Lender disclosed Non-Escrowed Property Costs Over Year1 as \$910 (over disclosed based on 13 months) - EV3-C exception for Year 1 escrow/non-escrow amounts that is greater than 12 months

Tab	Row	Topic	Brief Description/Summary of Revision
Disclosure Provisions Final	107	Escrows (Page 1 of CD)	<p>Clarify commentary and relation to page 4 escrow account</p> <p>Revised commentary to read: The disclosure requirements for estimated escrows on page 1 of the CD under 1026.38(c)(2) determined to have different liability from disclosure requirements for escrow table on page 4 of the CD under 1026.38(l). Accordingly, estimated amounts for non-escrow items on page 1 of the CD are out of scope, whereas both escrowed and non-escrowed amounts on page 4 of the CD are in scope. See row 126 for additional information.</p>
Remediation Considerations	10	Cures by Assignee	<p>Clarify that purchasers and assignees are subject to the same cure documentation and timing requirements applicable to lenders</p> <p>Revised commentary to read: Remediation performed by a Purchaser / Assignee will be considered the same as if performed by the Originating lender and is subject to the cure documentation and timing requirements (including cure periods based on discovery dates – see Row 2 of Remediation Considerations).</p>
Additional Considerations	34	Fee Tolerance Considerations - Title Fees and Fees for Services Outsourced by Borrower Selected Providers	<p>Add clarification and examples for TPR approach for fee tolerance considerations related to Title Fees and Fees for Services Outsourced by Borrower Selected Providers. Added the following:</p> <p>1. Tolerance for shoppable fees when SSPL is missing - If the creditor permits the consumer to shop for a service but fails to provide the SSPL, the service is subject to a 10% tolerance regardless of the provider selected by the consumer (unless the provider is the creditor, or an affiliate of the creditor in which case fee is subject to 0% tolerance). 1026.19(e)(3)(iii)-2. If the creditor does not permit the consumer to shop, fee is subject to 0% tolerance regardless of SSPL.</p> <p>*Note, broker was inadvertently included in prior versions and was subsequently removed based on the reference to creditor and creditor affiliate only in 1026.19(e)(3)(ii) and (iii)</p>
Remediation Considerations	12 (NEW)	Discovery Date	<p>Add new row for Discovery Date considerations and clarify circumstances that could result in adjusted discovery dates and provide examples:</p> <p>Add the following commentary: If the seller/lender/entity curing the exception is different from the client initial reports were sent to, and there is evidence seller/lender/entity curing the exception first received notice of the violation at a later date, discovery date may be adjusted to the date seller/lender/entity curing the exception was first notified of the violation.</p> <p>If the amount of overage/refund changes, discovery date is updated to the date the revised finding was reported.</p> <p>Example: - Finance charge under disclosure in the amount of \$250 reported on 6/1/2022 - Rebuttal response and/or additional documentation received on 6/5 supporting exclusion of certain fee(s) from finance charge resulting in a revised under disclosure amount - Finance Charge under disclosure exception revised to reflect under disclosure of \$200 reported on 6/15 Discovery date in the above scenario is: 6/15</p> <p>Discovery date is not adjusted based on the date the lender/seller/purchaser agreed with the finding.</p> <p>If a cure is provided outside the applicable cure period, the discovery date is not adjusted and a new cure window does not become available. Example: Finance Charge under disclosure violation with initial reporting/discovery date of 2/1/22 was cured by the creditor on 5/15/22 (outside the 60 day cure period). TPR report reflecting finance charge under disclosure was subsequently provided to ABC Company prior to acquisition. In this scenario, a new cure period does not become available and finding will remain Open - Unable to Cure.</p> <p>*Note - updates above were originally added as revisions to Row 2, but later added as a separate row under the heading "Disovery Date"</p>
Additional Considerations	35	Fee Tolerance Considerations - Fee Name Changes / Inconsistent Naming Conventions / Fee Placement	<p>Clarify treatment of fees that move from one section of the CD to another.</p> <p>Add the following to commentary: Similarly, while fee placement is out of scope, the same treatment outlined above in determining whether the fee would be considered the same fee will be applied to fees that move from one section of the CD to another (example, from Section H to Section B). Treatment of fees that move from one section of the CD to another section on a subsequent CD for fee tolerance considerations is determined based on facts and circumstances documented in the loan file. Generally, as provided in Row 22 of Additional Considerations, fees disclosed on the most recent post close CDs issued within 60 days of consummation (PCCD greater than 60 days from consummation will require accompanying ALTA settlement statement to confirm figures disclosed to be used for testing) will be tested for tolerance under § 1026.19(e)(3) and any corresponding tolerance exceptions cited.</p>

Tab	Row	Topic	Brief Description/Summary of Revision
Additional Considerations	23	3-day waiting period for APR changes	<p>Clarify methodology used to determine when an additional 3-day waiting period is required for APR changes</p> <p>Revised commentary to read:</p> <p>If the APR disclosed on the initial CD becomes inaccurate (increases or decreases beyond tolerance for accuracy set forth under 1026.22, a revised CD and an additional 3-day waiting period is required.</p> <p>APR reductions will require the additional 3 day waiting period unless the overstated APR was based on an overstated finance charge, based on CFPB FAQs (Posted February 2019, https://www.consumerfinance.gov/policy-compliance/guidance/tila-respa-disclosure-rule/tila-respa-integrated-disclosure-faqs/)</p> <p>The following describes the methodology used for testing APR changes. Also see examples and scenarios in Appendix:</p> <p>New 3-day Waiting Period Test:</p> <ul style="list-style-type: none">• The APR disclosed on each subsequent CDs is compared to the APR disclosed on the prior CD. A new 3-day waiting period will be required for any CD reflecting a change in APR that is not within the tolerance for accuracy* from the previously disclosed APR (see Scenario 6 in Appendix)• Default testing will assume a disclosed APR was accurate at the time of disclosure and any change in APR corresponds to a subsequent change and was based on an actual APR (resulting from a change in interest rate, loan terms, fees, etc.).• Upon rebuttal, TPR will review scenarios where a change in APR is a typo/scrivener's error rather than an actual change. If the subsequently disclosed APR did not result from an actual change (as determined through supporting documentation and/or analysis of the corresponding loan terms, finance charge, TOP and Amount Financed on the same disclosure), a new 3-day waiting period may not be required but a separate APR over/under disclosure will be cited if the error is on the Final CD at or before to consummation (see Scenarios 1-5 in Appendix)• If the APR on the Final CD is inaccurate* compared to the actual APR at consummation, default testing will assume there was a change in the loan terms or fees resulting in the APR becoming inaccurate and a 3-day waiting period exception will be cited. Upon rebuttal, TPR will review scenarios where there was no subsequent change that resulted in the APR becoming inaccurate triggering 1026.19(f)(2)(ii). If the APR disclosed was inaccurate from the start and there were no subsequent changes to the loan impacting the APR (as determined through supporting documentation of the loan terms and fees at the time of disclosure vs. at consummation), a new 3-day waiting period may not be required but a separate APR over/under disclosure will be cited as applicable (see Scenarios 7 and 8 in Appendix)• If the APR on the Final CD is accurate* compared to the actual APR at consummation and the final CD was received at least 3 business days prior to consummation, loan complies with the new 3-day waiting period requirement and no exception is cited <p>*Determination of whether an APR is accurate is based on the thresholds set forth in 1026.22</p>
Additional Considerations	30	Timing Requirements Impact to Fee Tolerance Baseline/Testing	<p>Current commentary is specific to E-Signed documents. Clarify how LE/CD timing requirements impacts fee tolerance testing in general.</p> <p>Added the following to commentary:</p> <p>General LE/CD Timing Requirements Impact to Good Faith Estimate of Fees and Tolerance Testing</p> <ul style="list-style-type: none">• If no LE is provided, baseline for all fees will be set to \$0 for good faith tolerance testing purposes and the corresponding tolerance violations cited for all charges reflected on the final CD used for fees.• Fee amounts disclosed on the initial LE will be used to set baseline amounts for fee tolerance testing purposes. Compliance with LE 3-day and 7-day timing requirements under 1026.19(e)(1)(iii)(A) and (B) does not impact fee tolerance baseline determination.• Pursuant to 1026.19(e)(4)(i), any subsequent revised LE will be permitted to rebaseline estimates if 1) the revised disclosure* is provided within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies; and 2) the revised disclosure and complies with the timing requirements under 1026.19(e)(4)(ii) (revised loan estimate must be received at least 4 business days prior to consummation to rebaseline)• Pursuant to 1026.19(e)(4)(i), a CD will be permitted to rebaseline estimates if 1) the revised disclosure* is provided within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies; and 2) the consumer receives the CD at or before to consummation. Compliance with CD 3-day timing requirement under 1026.19(f)(1)(ii) does not impact fee tolerance baseline determination.• Initial and subsequent CDs* received more than 4 business days prior to consummation will be allowed to rebaseline tolerance fees for CDs issued on or after 6/1/2018 that are prior to consummation and within 3 business days of receiving information sufficient to establish that one of the reasons for revision provided under paragraphs (e)(3)(iv)(A) through (F) applies <p>*Disclosures provided electronically will not be used to rebaseline good faith tolerance estimates if revised disclosure issue date is prior to e-consent date</p>