

Important Note: The goal of the third version of the SFA Third Party Review (TPR) Scope documentation is to create a uniform testing standard as a result of a consistent Truth-In-Lending Act liability interpretation according to our understanding of prevailing legal precedent and informal written guidance and webinars offered by the CFPB, as it applies to the Know Before You Owe / TILA RESPA Integrated Disclosure Rule (78 FR 79730, as amended) across TPR firms.

The original version and subsequent version were based on the underlying premise this documentation establishes a best practices approach to pre-securitization testing logic that will drive the due diligence conducted by TPRs. Due to the fact that the logic driving the content of this document is based upon informal CFPB guidance, and legal precedent from several court decisions, there may be shifts in the requirements should there be future CFPB rulemakings or formal guidance, and as caselaw develops following the passage of the Know Before You Owe / TILA RESPA Integrated Disclosure Rule.

The primary alteration to this version of the Grid is to remove testing components from scope that do not carry Statutory Damage considerations. Note that 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 matrix, 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.

We may alter the guidance set forth in this proposal as regulatory developments warrant.

SFA and its membership continue to work with the CFPB toward the goal of providing formal guidance for the benefit of the consumer, primary, and secondary mortgage markets.

**SFA TRID Compliance Review Scope ("TRID Grid 3.0")
Disclosure Provisions Final**

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
2	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)
3	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	
4	Loan Estimate "LE"	19(e)(1)(iii)	Timing, within three business days after application	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	
5	Loan Estimate "LE"	19(e)(1)(v)	Waiver for bona fide personal financial emergency	Actual Damages	EV2	No Obvious Cure	EV2	In Scope	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. The validity of the waiver reason is excluded from the testing scope.
6	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	If there is a delay or other issues with the SSPL, the TPR firms will consider the fees associated with the services using a 10% tolerance if the consumer was permitted to shop. (As indicated on the LE/CD). An updated SSPL list that is provided after the initial SSPL list will still be considered in making the determination of whether the consumer was provided the opportunity to shop for a specific fee. The inclusion of the fee within Section C of the most recent LE provided to the consumer will still carry the primary basis for consideration of whether the consumer was permitted to shop.
7	Loan Estimate "LE"	19(e)(2)(i)	Pre-disclosure fee restriction	Neither	N/A	N/A	N/A	Outside of Scope	
8	Loan Estimate "LE"	19(e)(2)(ii)	Worksheet disclaimer	Actual Damages	N/A	N/A	N/A	Outside of Scope	
9	Loan Estimate "LE"	19(e)(2)(iii)	Prohibition of requiring verifying information	Neither	N/A	N/A	N/A	Outside of Scope	
10	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
11	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)
12	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, if the LE Issue Date is on or after the CD issue date, EV3 Exception. However, if the LE Issue Date is prior to the CD issue date, but the LE received date may be on or after the CD received date, do not cite an EV2 Exception. An EV3 exception will be issued if the revised LE is received less than 4 business days prior to consummation. Initial and subsequent CDs received more than 4 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 days of a valid CoC
13	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	Remove from Scope as the final legal obligation is defined on the Note and Security Instrument
14	Loan Estimate "LE"	37(a)(1)	Form Title	Neither	N/A	N/A	N/A	Outside of Scope	
15	Loan Estimate "LE"	37(a)(2)	Form Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
16	Loan Estimate "LE"	37(a)(3)	Creditor Name	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
17	Loan Estimate "LE"	37(a)(4)	Date Issued	Neither	N/A	N/A	N/A	Outside of Scope	
18	Loan Estimate "LE"	37(a)(5)	Applicants	Neither	N/A	N/A	N/A	Outside of Scope	
19	Loan Estimate "LE"	37(a)(6)	Property	Neither	N/A	N/A	N/A	Outside of Scope	
20	Loan Estimate "LE"	37(a)(7)	Sales Price	Neither	N/A	N/A	N/A	Outside of Scope	
21	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	
22	Loan Estimate "LE"	37(a)(9)	Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
23	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	
24	Loan Estimate "LE"	37(a)(11)	Loan Type	Neither	N/A	N/A	N/A	Outside of Scope	
25	Loan Estimate "LE"	37(a)(12)	Loan Identification Number	Neither	N/A	N/A	N/A	Outside of Scope	

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26	Loan Estimate "LE"	37(a)(13)	Rate Lock	Neither	N/A	N/A	N/A	Outside of Scope	
27	Loan Estimate "LE"	37(b)(1)	Loan Amount	Neither	N/A	N/A	N/A	Outside of Scope	
28	Loan Estimate "LE"	37(b)(2)	Interest Rate	Neither	N/A	N/A	N/A	Outside of Scope	
29	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	
30	Loan Estimate "LE"	37(b)(4)	Prepayment Penalty	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
31	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	
32	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	
33	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	
34	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	
35	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	
36	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	
37	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	
38	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	
39	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	
40	Loan Estimate "LE"	37(e)	Website	Neither	N/A	N/A	N/A	Outside of Scope	
41	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	Tests to exclude is alphabetical testing, fee naming conventions, etc. Tolerance testing would still consider all fees disclosed on LE's and CD's.
42	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	Tests to exclude is alphabetical testing, fee naming conventions, etc. Tolerance testing would still consider all fees disclosed on LE's and CD's.
43	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	
44	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	
45	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	
46	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	
47	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	
48	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	
49	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	
50	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	
51	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.
52	Loan Estimate "LE"	37(k)	Contact Information - name, address, email, phone, etc.	Neither	N/A	N/A	N/A	Outside of Scope	
53	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.
54	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.

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55	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	
56	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.
57	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...
58	Loan Estimate "LE"	37(m)(2)	Assumption	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
59	Loan Estimate "LE"	37(m)(3)	Homeowner's Insurance	Neither	N/A	N/A	N/A	Outside of Scope	
60	Loan Estimate "LE"	37(m)(4)	Late Payment	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
61	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	
62	Loan Estimate "LE"	37(m)(6)	Servicing	Neither	N/A	N/A	N/A	Outside of Scope	
63	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.
64	Loan Estimate "LE"	37(n)	Signature Statement	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
65	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	
66	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	
67	Loan Estimate "LE"	37(o)(3)(i)	Standard form requirements	Neither	N/A	N/A	N/A	Outside of Scope	
68	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)
69	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 # 30
70	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.
71	Loan Estimate "LE"	37(o)(5)	Exceptions	Actual Damages	N/A	N/A	N/A	Based on LE and EV2, Outside of Scope	
72	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.
73	Closing Disclosure "CD"	19(f)(1)(ii)(A)	Timing of CD	Statutory Damages	EV3	No Obvious Cure	EV3	In Scope	
74	Closing Disclosure "CD"	19(f)(1)(ii)(B)	Special Timing of CD for Timeshares	Neither	N/A	N/A	N/A	Outside of Scope	
75	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. The validity of the waiver reason is excluded from the testing scope.
76	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"
77	Closing Disclosure "CD"	19(f)(2)(iii)	Post-consummation corrected CDs	Neither	N/A	N/A	N/A	Outside of Scope	

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78	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
79	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 data fields do not compare to the CD.
80	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)
81	Closing Disclosure "CD"	19(f)(5)	No Fee for Preparation of LE and CD	Neither	N/A	N/A	N/A	Outside of Scope	
82	Closing Disclosure "CD"	19(g)	Special Information Booklet	Neither	N/A	N/A	N/A	Outside of Scope	
83	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.
84	Closing Disclosure "CD"	38(a)(1)	Form Title	Neither	N/A	N/A	N/A	Outside of Scope	
85	Closing Disclosure "CD"	38(a)(2)	Form Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
86	Closing Disclosure "CD"	38(a)(3)	Closing Information	Neither	N/A	N/A	N/A	Outside of Scope	
87	Closing Disclosure "CD"	38(a)(4)(i) and (ii)	Transaction Information	Actual Damages	N/A	N/A	N/A	Outside of Scope	
88	Closing Disclosure "CD"	38(a)(4)(iii)	Transaction Information: Creditor	Actual Damages	N/A	N/A	N/A	Outside of Scope	
89 - Updated	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.
90	Closing Disclosure "CD"	38(a)(5)(ii)	Loan Information: Purpose	Neither	N/A	N/A	N/A	Outside of Scope	
91	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.
92	Closing Disclosure "CD"	38(a)(5)(iv)	Loan Information: Loan Type	Neither	N/A	N/A	N/A	Outside of Scope	
93	Closing Disclosure "CD"	38(a)(5)(v)	Loan Information: Loan Identification Number	Neither	N/A	N/A	N/A	Outside of Scope	
94	Closing Disclosure "CD"	38(a)(5)(vi)	Loan Information: Mortgage Insurance Case Number	Neither	N/A	N/A	N/A	Outside of Scope	
95	Closing Disclosure "CD"	38(b)	Loan Terms	Neither	N/A	N/A	N/A	Outside of Scope	
96	Closing Disclosure "CD"	38(b) see 37(b)(1)	Loan Amount	Neither	N/A	N/A	N/A	Outside of Scope	
97	Closing Disclosure "CD"	38(b) see 37(b)(2)	Interest Rate	Neither	N/A	N/A	N/A	Outside of Scope	
98	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.
99	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.
100	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).
101	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	

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102	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).
103	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.
104	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
105	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
106	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
107	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.
108	Closing Disclosure "CD"	38(d)(1)	Costs at Closing: Closing Costs	Actual Damages	N/A	N/A	N/A	Outside of Scope	
109	Closing Disclosure "CD"	38(d)(2)	Costs at Closing: Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
110	Closing Disclosure "CD"	38(e)	Alternative Calculating Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
111	Closing Disclosure "CD"	38(f)(1)	Loan Costs: Origination Charges	Actual Damages	N/A	N/A	N/A	Outside of Scope	
112	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	
113	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	
114	Closing Disclosure "CD"	38(h)(1) and (2)	Closing Cost Totals	Actual Damages	N/A	N/A	N/A	Outside of Scope	
115	Closing Disclosure "CD"	§ 1026.38(h)(3)	Closing Cost Totals: Lender Credits	Actual Damages	N/A	N/A	N/A	Outside of Scope	
116	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	
117	Closing Disclosure "CD"	38(i)	Calculating Cash to Close	Actual Damages	N/A	N/A	N/A	Outside of Scope	
118	Closing Disclosure "CD"	38(j)	Summaries of Transactions: Borrower's Transaction	Actual Damages	N/A	N/A	N/A	Outside of Scope	
119	Closing Disclosure "CD"	38(k)	Summaries of Transactions: Seller's Transaction	Neither	N/A	N/A	N/A	Outside of Scope	
120	Closing Disclosure "CD"	38(l)(1)	Assumption	Actual Damages	N/A	N/A	N/A	Outside of Scope	
121	Closing Disclosure "CD"	38(l)(2)	Demand Feature	Actual Damages	N/A	N/A	N/A	Outside of Scope	
122	Closing Disclosure "CD"	38(l)(3)	Late Payment	Actual Damages	N/A	N/A	N/A	Outside of Scope	
123	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	
124	Closing Disclosure "CD"	38(l)(5)	Partial Payment Policy	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	

**SFA TRID Compliance Review Scope ("TRID Grid 3.0")
Disclosure Provisions Final**

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)(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.
126	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 underdisclosure 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.
127	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	
128	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."
129	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 <u>underdisclosed</u> TOP values will warrant an exception. See items #7 and #8 of Additional Considerations
130	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
131	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
132	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
133	Closing Disclosure "CD"	38(o)(5)	Total Interest Percentage	Actual Damages	N/A	N/A	N/A	Outside of Scope	
134	Closing Disclosure "CD"	38(p)(1)	Appraisal	Neither	N/A	N/A	N/A	Outside of Scope	
135	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
136	Closing Disclosure "CD"	38(p)(2)	Contract Details	Actual Damages	N/A	N/A	N/A	Outside of Scope	
137	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	
138	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	
139	Closing Disclosure "CD"	38(p)(5)	Tax Deductions	Actual Damages	N/A	N/A	N/A	Outside of Scope	

**SFA TRID Compliance Review Scope ("TRID Grid 3.0")
Disclosure Provisions Final**

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
140	Closing Disclosure "CD"	38(q)	Questions Notice	Neither	N/A	N/A	N/A	Outside of Scope	
141	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.)
142	Closing Disclosure "CD"	38(r)	Contact Information- name, address, email, phone, etc.	Neither	N/A	N/A	N/A	Outside of Scope	
143	Closing Disclosure "CD"	38(s)	Signature Statement	Actual Damages	N/A	N/A	N/A	Outside of Scope	
144	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.
145	Closing Disclosure "CD"	38(t)(2)	"Estimated" in headings and labels	Actual Damages	N/A	N/A	N/A	Outside of Scope	
146	Closing Disclosure "CD"	38(t)(3)(i)	Standard form requirement	Neither	N/A	N/A	N/A	Outside of Scope	
147	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.
148	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 # 30
149	Closing Disclosure "CD"	38(t)(4)	Rounding	Actual Damages	N/A	N/A	N/A	Outside of Scope	
150	Closing Disclosure "CD"	38(t)(5)	Exceptions	Actual Damages	N/A	N/A	N/A	Outside of Scope	

**SFA TRID Compliance Review Scope (“TRID Grid 3.0”)
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 The Default approach for TOP exceptions will only be generated if the amount disclosed is less than the total calculated under Option A. Reviews using Option B only at a client's request Option A: Include negative per diem interest and Only include borrower paid fees (General / lump sum lender/seller/other credits will not be considered in the TOP calculation) Option B: Exclude negative per diem interest and only include borrower paid fees (General / lump sum lender/seller/other credits will not be considered in the TOP calculation) Default Total of Payment Calculation 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)
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.

**SFA TRID Compliance Review Scope (“TRID Grid 3.0”)
Additional Considerations**

11.)	<p>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.</p>
12.)	<p>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.</p>
13.)	<p>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</p> <p>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)</p> <p>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)</p>
14.)	<p>Changed Circumstance Documentation Sufficient documentation of Changed Circumstance, Consumer requested revisions, and interest rate dependent charges will at a minimum include the date of the change and a description of the change to tie out to the specific fees impacted.</p>
15.)	<p>Fee Tolerance Consideration - Fees not previously disclosed <u>Lump Sum Fees on LE Itemized on CD</u> 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> 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 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 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 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 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>

**SFA TRID Compliance Review Scope (“TRID Grid 3.0”)
Additional Considerations**

20.)	<p>Post Close CD - Material Disclosures Accuracy Test: 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: 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: 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 tolerance 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>
23.)	<p>3-Day Waiting Period for APR Decreases 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>
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) 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 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 TRID Compliance Review Scope (“TRID Grid 3.0”)
Additional Considerations**

29.)	<p>LE/CD Issued within 3-days of Rate Lock 1026.19(e)(3)(iv)(D) Interest Rate Dependent Charges. 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>E-Sign Impact to Timing Requirements</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>E-Sign Impact to Good Faith Estimate of fees (assuming all LEs/CDs were only delivered electronically)</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
31.)	<p>Treatment of Existing Exceptions Exceptions cited on loans previously reviewed, that have not been securitized, that are impacted by changes under the new Grid.</p> <ol style="list-style-type: none"> 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. 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.
32.)	<p>CD Escrow Table (Page 4) 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>
33.)	<p>Projected Payments Table - Estimated Escrows</p> <ol style="list-style-type: none"> 1. If IEADS is in file and the escrow payment disclosed in the projected payments table matches the IEADS monthly payment, (within \$1.00 for the total monthly escrow payment), then no exception is warranted. (If they do not match or IEADS is not in file, see item 2 below.) 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. (The tolerance is \$1.00 for the total monthly escrow payment, not per impounded line item.) <ol style="list-style-type: none"> i. If the escrow payment disclosed is overstated by more than \$1.00, then if exception is set, issue an EV1-A Severity ii. If the escrow payment disclosed is Understated by more than \$1.00, then the exception is anEV3-C Severity iii. If the escrow payment disclosed is Understated or Overstated by \$1.00 or less, then no exception is cited. <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>

	<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 <p>A) <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>
	<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 6 of Remediation Considerations) 3. Corrected PCCD or detailed LOE re-disclosing correct information 4. Proof of Delivery (see row 6 of “Remediation Considerations”) <p>B) <u>More than 60 days from discovery – No cure available</u></p>
	<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>C) <u>More than 60 days from discovery – No cure available</u></p>
	<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”) <p>D)</p>

**SFA TRID Compliance Review Scope (“TRID Grid 3.0”)
Remediation Considerations**

1.)	<p>Remediation post-closing prior to TPR file review:</p> <ul style="list-style-type: none"> i. Good Faith fee tolerance cures 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.)	<p>Remediation after TPR file review</p> <ul style="list-style-type: none"> i. Within 60 days of discovery - EV2-B ii. More than 60 days after discovery - remain EV3-C <p>*Discovery is defined as date TPR sends initial report of violation to lender/assignee</p>
3.)	<p>Good Faith Fee Tolerance Remediations prior to closing</p> <p>The fee tolerances will be tested against the final CD and post close CDs 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.</p>
4.)	<p>Improper Disclosure of Cure on PCCD</p> <p>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.</p>
5.)	<p>Detailed LOE in Lieu of PCCD</p> <p>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.</p>
6.)	<p>Proof of Delivery / Proof of Receipt</p> <p>If the remediation includes funds going to the consumer of more than \$35.00, then the proof of shipment for check refunds would include evidence the remediation package was in transit via a carrier such as FedEx, UPS, USPS, etc. (Remediation can be completed prior to the package receipt by the consumer.)</p> <p>Refunds less than or equal to \$35.00 will not require the evidence of shipment via courier. If the remediation includes principal curtailments performed post-closing, then the servicing screen-print of the applied reduction will serve as evidence.</p> <p>If the remediation was performed post closing and prior to the TPR file review, the TPR would not require evidence the remediation package was sent via a carrier such as FedEx, UPS, USPS, etc. (Excluding Material Disclosure exceptions on loans subject to rescission.)</p> <p>Remediation for Material Disclosure violations on rescindable transactions require <u>proof of receipt</u>. Proof of receipt can be evidenced through receipt/delivery confirmation from courier, executed NORTC, email acknowledgement, etc.</p>
7.)	<p>Loan Modification as Restitution for inaccurate APR, Finance Charge, or TOP</p> <p>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.</p> <p>Note, inaccurate APR, Finance Charge, or TOP resulting from fee-related under disclosures will require refund or principal curtailment to cure and cannot be cured with a loan modification.</p>
8.)	<p>Principal Reduction as Cure for TRID Fee Tolerances</p> <p>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.</p>
9.)	<p>Material Disclosure Cures on Rescindable Transactions</p> <p>For 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).) on rescindable transactions, a separate EV3-C exception for extended rescission rights will be cited if the remediation does not include evidence the lender re-opened rescission (exception will be regraded to EV2-B 3 years from consummation). Proof of receipt of the new NORTC notices can be evidenced through receipt/delivery confirmation from courier, executed NORTC, email acknowledgement, etc.</p>
10.)	<p>Cures by Assignee</p> <p>Remediation performed by an Assignee will be considered the same as if performed by the Originating lender and requires the same evidence as referenced above.</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>