



Wells Fargo

Settlement Agent Communications

News for Wells Fargo Settlement Agents

March 23, 2017

Welcome to spring?

The first quarter of 2017 has flown by for many of us in a year that will bring even more change to our industry. Future editions of this newsletter will include content about some of these changes, such as the UCD (Uniform Closing Dataset) requirements which become effective for lenders in 2018.

If you have specific topics or questions that you would like us to address in future editions, we welcome your requests and ideas. We will also continue to use this publication to communicate important reminders on existing Wells Fargo requirements, updates on activities in progress and to alert you on changes that are coming.

Closing Insight™ update

We are in the home stretch to complete updated Closing Insight training for Wells Fargo teams in our Pacific Division (California, Oregon, Nevada and Hawaii) within the next few weeks! At that time, all Wells Fargo teams nationwide will have received updated training – a very important milestone which establishes a consistent process expectation across all Wells Fargo teams. In addition, enhanced reporting is now available to our operations teams providing key Closing Insight utilization information and metrics for our internal teams and our external closing partners. This information will be extremely valuable for our use to identify those who are doing well, and to zero in on those who may need additional assistance to work through challenges that may be preventing them from gaining proficiency when using the Closing Insight process for Wells Fargo loans.

The number of settlement agents who are using Closing Insight on Wells Fargo loans continues to expand, which is great news. We extend a huge thank you to those who continue to support our relaunch activities, and also to those who are just beginning to use the Closing Insight process.

What should you expect and do?

- Accept the electronic closing order when received.
- Watch for a "222" request (this is the event that signifies a comment with action required) asking you to provide specific fee information for the transaction, along with any other information needed.
- Respond by sending the "180" event (this is the event that signifies a document is being sent by the provider), attaching your fee sheet applicable to the specific transaction. We understand that you will typically not know all closing fees at this point in time, but send your title and settlement fee information plus whatever else you may already know to begin the collaboration process.
- Wells Fargo's closer will use the specific fee information you have provided to update our loan processing system, prior to initiating the Closing Insight collaboration process. This means that you should see your fee information from the very start of the collaboration, making it more efficient for all.

- If you are just getting started, please take advantage of the support available at RealEC's Closing Insight Resource Center website at <http://www.closinginsightresourcecenter.com> or contact them at CISupport@realec.com or 800-893-3241.
- If you have previously tried to use the Closing Insight process but experienced challenges or frustration, please try again!
- If your experience with Wells Fargo is not aligned to these expectations, please let us know. Manager contact information is now included at the bottom of any email from Wells Fargo operations teams, or write to us at WellsFargoSettlementAgentCommunications@wellsfargo.com

Changes to the Wells Fargo approved settlement agent list process

Wells Fargo has been consistent in communicating our goal to provide our customers with local, regional and national choices for their settlement service provider. Our customers expect their settlement agent to be knowledgeable and experienced in facilitating a smooth loan closing experience. Wells Fargo expects the settlement agent to also be familiar and compliant with our loan closing instructions. Communication of these expectations has been provided in the written closing instructions included with each transaction, through this newsletter – which is sent quarterly to all active settlement agents – and through our active participation at many industry conferences, agent meetings, panels and roundtable forums.

Internal and external expectations have expanded to stay in synch with new and changing regulations and the overall risk environment. As the lender, Wells Fargo is responsible for compliance. Wells Fargo policy also requires specific activities to monitor and manage the performance of all third party service providers including settlement agents – title companies, escrow companies and attorneys – who close our loans.

All of these factors have prompted us to carefully evaluate the population of settlement agents who closed our loans in the past 12 months, including details on missing documents, execution errors and other frequent problems that impact our customers and require curative work after closing. In our experience, settlement agents with a track record from multiple, recent Wells Fargo closings have more familiarity and commitment to our process and instructions, resulting in better outcomes at closing and in the post-closing stage. For these reasons, Wells Fargo has made a decision that we will concentrate on those settlement agents who close Wells Fargo loans frequently, with results that demonstrate alignment with our requirements.

Implementation of this change has been occurring in a phased approach, with completion targeted by end of June 2017. Please note the following details:

- Companies or law firms impacted will receive a letter notifying them that they are being removed from our list of approved settlement agents. Although they will no longer be within the network of settlement agents approved to close future Wells Fargo residential transactions, the change will not impact their eligibility to close loans for other lenders who sell loans to Wells Fargo Funding.
- This change will not impact the customer's ability to choose their settlement agent. If the customer's choice is to close with a settlement agent who is not within our network of approved settlement agents, processes exist to accommodate the customer's choice for their closing, subject to Wells Fargo's review and reasonable approval.
- No customers with loan applications already in progress will be impacted.
- Steps are taken to ensure that we retain settlement agent options for our customers in all locations

where we do business.

- For attorneys, their ability to act as counsel for customers obtaining financing through Wells Fargo will not be impacted by this status change.

We understand that this change may prompt other questions. If so, please write us at WellsFargoSettlementAgentCommunications@wellsfargo.com.

Please respond to requests for Master Closing Instructions acknowledgment

As communicated in our June 2, 2016 newsletter, work has been in progress in waves to obtain acknowledgment of our Master Closing Instructions from a senior management contact for all active and approved settlement companies. The acknowledgment process is very easy to execute. Acknowledgment requests are sent via email, including instructions to execute a simple e-sign acknowledgment form.

Thanks to all who have already received and responded to this acknowledgement request. Settlement agents who have already been sent acknowledgment requests but have not responded after multiple reminder emails will receive a final communication informing them that they will become ineligible to close Wells Fargo loans until the acknowledgment is received.

If you have not yet received your acknowledgment request email, the final waves of this process are targeted for completion later this year. Thank you in advance to your prompt attention to the acknowledgment request when it arrives.

Thank you for your time to review this important information. Please share this with your staff and management teams. To request copies of any past newsletter editions, subscribe to future editions, or to provide suggestions, questions and comments please write to us at: WellsFargoSettlementAgentCommunications@wellsfargo.com.

Regards,

Wells Fargo & Company