



Wells Fargo

## Settlement Agent Communications

News for Wells Fargo Settlement Agents

September 22, 2016

### Thanks for a busy summer!

As summer transitions into fall, closing activity has remained strong from both purchase and refinance transactions. We understand that increased closing volume can add stress to operations – even more so when combined with new processes. Wells Fargo would like to thank you for all that you have done to work through this busy environment with us, and for your continued commitment to provide high levels of service to our customers at closing.

### "Know Before You Owe" update

It is hard to believe that implementation of the TILA-RESPA Integrated Disclosure Rule will soon reach its one year anniversary. Looking back, our industry can be proud of what was achieved by working together to implement what some refer to as the most significant compliance change in decades, to help customers "know before they owe."

With each month that passes, hands-on experience continues to increase overall familiarity and confidence to work with new disclosures and processes. Some challenges still remain, but the data and feedback we are able to analyze from actual closing results is helping us focus attention where it is needed – on specific challenges related to process details, common local practices and fees, and sometimes to individual settlement agents.

Processes for handling changes - prior to signing, at signing and post-closing - continue to be one of these challenges. **Any change that impacts the borrower Closing Disclosure (CD) or the transaction details must be communicated to Wells Fargo.** Requirements for handling changes are included in our Master Closing Instructions, along with reminders published in past editions of this newsletter and again here:

- Any changes known before document signing must be communicated to the Wells Fargo closer. This includes any change to the planned signing date, planned disbursement date, or applicable fees. Wells Fargo's closer will provide an updated borrower CD and other updated documents, as applicable, which must then become the versions to be executed by the borrower(s).
- Any changes detected after document signing/post-closing must be communicated to [SAPostClosingCommunications@wellsfargo.com](mailto:SAPostClosingCommunications@wellsfargo.com)

**Another challenge is our receipt of a copy of the seller CD on all purchase transactions. To address this, a process change applicable for all Wells Fargo purchase transactions has just been implemented making our receipt of the seller CD required prior to Wells Fargo authorizing disbursement. This means that a copy of the seller CD must now be provided to the Wells Fargo closer along with other "prior to disbursement" documents specified in the Transactional Loan Closing Instructions.** Note that the signed borrower CD is already a required "prior to disbursement" document, along with the signed Right to Cancel document for refinance transactions.

Please help us resolve these challenges by communicating with your staff to validate that all changes

are consistently being communicated on all Wells Fargo transactions, and to make them aware of the seller CD process change that is now effective.

### **Closing Insight™ use continues to expand**

As described in our June newsletter edition, activities to deliver updated training materials and other support for use of Closing Insight are in progress in a phased rollout that has now reached teams supporting Wells Fargo closings in more than 20 states, in addition to our centralized business teams. Feedback on this updated training and support has been very positive, with increasing numbers of Closing Insight users each week. Thank you to all who have contributed to this progress by participating in the training sessions and by using the Closing Insight process along with Wells Fargo's closers.

How will you know when the updated Closing Insight training is available for you? Wells Fargo's system places the Closing Insight closing order automatically. This occurs for any transaction where the assigned settlement agent has a RealEC® "provider ID", indicating that they have completed the RealEC/Closing Insight registration and onboarding process. For transactions where the settlement agent has accepted this closing order, Wells Fargo closers who have completed their updated Closing Insight training will begin to send a transaction-level "222" event and message via Closing Insight. This "222" message lets you know that they are ready for you to use Closing Insight to provide fee and closing information needed for our borrower CD preparation on that transaction. It is critical for you to respond within 48 hours after receiving this message. Wells Fargo teams, along with RealEC support, will be engaged to assist you as needed, and soon you will be using the Closing Insight process routinely. Your support and participation is appreciated!

Additional information is available to you at any time by visiting RealEC's Closing Insight Resource Center website at <http://www.closinginsightresourcecenter.com> or contact them at [CISupport@realec.com](mailto:CISupport@realec.com) or 800-893-3241.

### **Changes to the Addendum to the Uniform Residential Loan Application (URLA) document (HUD-92-900-A/VA 26-1802a)**

Beginning with FHA case numbers assigned on or after August 1, FHA lenders are required to use an updated HUD/VA Addendum to the Uniform Residential Loan Application (URLA) HUD-92-900-A document for FHA transactions. You will continue to see the old version of the form for several weeks for FHA transactions with case numbers assigned before August 1.

VA will accept the new version of the VA 26-1802a form but does not yet require its use on VA transactions. Wells Fargo will use the new version for all VA loan applications received on or after August 1.

Although there are no changes to the closing process, the following information about the form changes may be helpful to you:

- The form has been reformatted with a larger font and more white space.
- More user-friendly terminology is used.
- New fields have been added, and redundant fields removed.
- Other changes are applicable only to the lender.

Please note the following reminders when obtaining signatures on the revised form:

- Be sure that all required borrower signatures are obtained and dated.
- For VA transactions, be sure that the occupancy section is completed by the veteran borrower, as well as the signature of the veteran's spouse when applicable.

We appreciate your attention to these details to avoid the need to contact the customer for missed signatures post-closing.

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](mailto:WellsFargoSettlementAgentCommunications@wellsfargo.com)

Regards,

Wells Fargo & Company