

## Section A: General Chase Specific Questions

**QA1. Will there be any changes to the current lock procedures?**

No.

**QA2. Will there be any changes to the fee names or structure of the Purchase Advice?**

No.

**QA3. Will Chase accept electronic signatures in compliance of the E-Sign Act as confirmation?**

Standard electronic signature requirements apply regarding the receipt of an electronic signature on an initial document. Chase requires a wet signature on all final documents.

**QA4. What is Chase's policy for investment loans not subject to Regulation Z (loans exempt from Regulation Z pursuant to Supplement I of section 1026.3 of Regulation Z – non-owner occupied rental property)? Will these investment loans need to comply with TRID Requirements?**

Chase requires that loans secured by investment properties must provide TRID Disclosures. For more information, visit ChaseLoanManager > Online Guide > Compliance Related Topics.

**QA5. Will Chase grant exceptions to the TRID disclosure timing requirements?**

No exceptions will be made by Chase.

**QA6. Will Chase Correspondent accept the alternate LE and CD forms?**

Yes. There are two versions of both the LE and the CD; and CFPB rules require that version use be consistent. This means that if the originator uses the alternate LE, the originator must use the alternate CD. Please follow TRID requirements as to when the alternate form may be used.

**QA7. Would Chase accept loan packages with a Settlement Service Provider List issued for Service Providers with the category that provider is for (i.e. Escrow-Settlement Agent) without a breakdown for specific services provided (i.e. Closing Fee) and no fee amount listed?**

Chase does not have overlays on the Settlement Provider List.

**QA8. Is a verbal Intent to Proceed from the customers acceptable?**

Chase does not have an overlay but recommends that if the customer indicated the Intent to Proceed verbally, you retain a record of such in the loan file.

**QA9. Will Chase follow the same closing guidelines pertaining to issuance and receipt of the closing disclosure as the new rule outlines? For example, if a last minute re-disclosure is needed and it is not one of the three scenarios that would re-set the 3 day waiting period, will you allow for a re-disclosure of that change and a same day closing as long as it complies with TRID rules or will you require any additional wait times after issuing a re-disclosure to close?**

Chase defers to CFPB guidelines regarding pre-consummation changes to the CD and the Commentary addressing when a CD can be used to reflect changes arising from a valid changed circumstance. Chase does not have an overlay.

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**QA10. Does Chase have specific requirements regarding the Assumption Check Boxes?**

The Assumption Check Box on the LE and CD should be marked based on assumption language as outlined in the applicable Chase Online Guide > Product Guide and not based on Correspondent Lender practice.

**Section B: Delivery of the LE and CD****QB1. Will Chase require documentation in the closed loan file regarding delivery timing of the Loan Estimate (LE) and the Closing Disclosure (CD)?**

Yes. Chase requires evidence that the LE and CD were delivered timely in accordance with TRID Requirements.

**QB2. Will Chase place a requirement on who delivers the Closing Disclosure (Lender or Settlement Agent)?**

Chase will defer to CFPB requirements on this issue. Chase does not have an overlay.

**QB3. Will Chase require documentation in the closed loan file confirming borrower receipt of the Loan Estimate?**

Chase will defer to CFPB requirements on this issue. Chase does not have an overlay.

**QB4. Will Chase accept a hand-signed and dated document as confirmation (in the case of hand delivery)?**

Yes.

**QB5. Will Chase accept a Processor's Certification stating they confirmed with the borrower that the document has been received?**

No. This is not sufficient as evidence of compliance.

**QB6. Will Chase accept a confirmation through DocMagic's disclosure electronic tracking console that evidences that the borrower has received and opened the document?**

Yes.

**Section C: Loan Estimate****QC1. How will Chase determine that the LE was provided to the consumer in accordance with the TRID regulation?**

Lender must deliver the LE to the borrower(s) within 3 business days of receiving an application and not less than seven business days from consummation. Chase will use the Funding Request Form to determine the application date. The consummation date is defined as the date the consumer becomes contractually obligated on the loan. Therefore, Chase will use the latest signature date on the Note and/or Mortgage to determine the consummation date.

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**QC2. Page 3 of the Loan Estimate (LE) has a field for lender name, which only displays a limited number of characters. If we input the entire legal company name in our system, it could be truncated on the actual form depending on the length of the name. Will Chase accept the truncated company name?**

Chase does not have any particular requirements or overlays regarding the manner in which the originator's name must be displayed on the LE. Provided there are enough characters to identify the originator, Chase will accept.

**QC3. If the borrower chooses a service provider that is not a provider on our list, are we required to re-disclose new fees to the borrower through the Loan Estimate as a valid change of circumstance or is it our choice to disclose?**

It is the Correspondent's choice to re-disclose. Service providers that are "off list" are "no tolerance," thus, no re-disclosure is needed to rebaseline, but re-disclosure is permitted.

**QC4. Prior to issuance of the CD, if changes are made to a loan's fees that impact the 10% tolerance bucket, yet the 10% tolerance has not been exceeded, will Chase require evidence of the fee change to borrower within 3 days, even though no revised LE is allowed to go out (per CFPB guidance)?**

Chase will not require revised LEs for charges below the 10% threshold.

**QC5. What information must be completed on the Loan Estimate (LE)?**

Correspondent must provide a **fully completed** CFPB-compliant LE on all loans subject to TRID.

Examples of incomplete information include:

- Missing Loan ID#
- Incomplete checkboxes in the **Other Considerations** section, specifically the **Assumption** and **Servicing** fields
- **Projected Payments** section must include the appropriate number of columns based on the loan type (e.g. four columns for indexed ARMs, more than one column for Interest Only, etc.)

**QC6. When is it okay to adjust the lender credit on the LE?**

The lender credit is a zero tolerance charge. As such, it needs to be treated as a charge that can change only because of a valid change in circumstance that impacts that charge.

**QC7. Are HOA monthly dues required to be disclosed in the Projected Payments Table on the LE and CD as a non-escrowed item?**

Yes. These values are included in the calculation of "Estimated Taxes, Insurance & Assessments" and are disclosed as part of that value. The calculation for that particular disclosure is prescribed by law to include values that are related to the credit transaction, and homeowners association dues are identified by name as a value included as part of the calculation.

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**QC8. How is Single Paid MI required to be listed on the Loan Estimate?**

Single paid MI that is not escrowed and that does not represent the prepayment of a recurring periodic payment is disclosed in Category B (Services You Cannot Shop For). Per the TRID Guides to Forms: **Services You Cannot Shop For** might include an upfront mortgage insurance fee (unless the fee is a prepayment of future premiums or a payment into an escrow account). (Comment 37(f)(2)-2). Prepaid items (Category F) include interest due at consummation and certain periodic charges that are required to be paid at consummation. Therefore, since Single Paid MI is not escrowed and is not a periodic charge, it should be listed as Services You Cannot Shop For.

**QC9. Can the TIP (Total Interest Percentage) be rounded on the Loan Estimate and Closing Disclosure?**

The TIP cannot be rounded (to the second decimal point) and must be disclosed to either the second or third decimal point. If the amount is a whole number, it must be truncated at the decimal point. If the percentage contains more than three decimal points, it must be rounded to the third decimal point. For example, 77.0056 is disclosed as "77.00%" or "77.006." Additionally, a rate of 77.0000% is disclosed as "77%." Chase does not have an overlay.

**Section D: Closing Disclosure****QD1. Does Chase have specific requirement for Partial Payments on the Closing Disclosure?**

The Partial Payments section of the Closing Disclosure should be completed in accordance with your partial payment requirements.

**QD2. In the situation where a revised Closing Disclosure is issued, will you require a Change of Circumstance Form to accompany the revised Closing Disclosure?**

Although a specific Change of Circumstance form is not required, we do require documentation in the file to support that a Changed Circumstance event occurred. The preferred option is to complete question 20 on the Chase Funding Request Form.

**QD3. In purchase money transactions only, where there are multiple borrowers, will Chase require all borrowers acknowledge receipt of the Closing Disclosure at least three business days prior to closing or is it sufficient for the primary borrower to acknowledge receipt?**

Acknowledgement of receipt of the Closing Disclosure from one primary borrower is acceptable. However, Chase will validate that all individuals required to execute the Closing Disclosure, based on title vesting and/or ownership rights afforded under state law, has signed the Closing Disclosure at the time of consummation.

**QD4. In a regular transaction, does Chase require a revised initial Closing Disclosure if the finance charge increases by more than \$100 (purchase or non-rescindable transaction) or \$35 (rescindable transaction), but the APR does not change outside of the 0.125% tolerance for accuracy?**

Chase will not require a new waiting period for changes that are not outside of tolerance.

**QD5. When providing a Closing Disclosure with both buyer and seller signatures; will Chase require that they sign the same document or will it be acceptable to sign in part? Will it be acceptable if signatures are on two or more copies?**

The Seller's signature is not required on the CD.

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**QD6. A revised CD must be available the day before closing but can happen day of closing if borrower allows it. Will Chase allow the revised CD to be issued the same day as closing?**

Chase will purchase a same day re-disclosure if a new waiting period is not required under CFPB requirements.

**QD7. As the only signature permitted by the rule is an acknowledgment of receipt of the CD, is an electronic signature acceptable, dated at receipt, or does Chase expect an additional copy to be delivered and executed with the loan documents?**

An electronic signature is acceptable on any up-front disclosures. Chase requires a wet signature on all final documents.

**QD8. Can an originator make changes to the CD for acceptable Change in Circumstance Events if the loan closes more than four days from the original CD being issued?**

Originators can rebaseline their costs provided they meet the timing requirements required by TRID Rules and the language contained in the Commentary addressing use of the CD to rebaseline.

**QD9. For the Closing Disclosure, we have the initial CD signed at closing. If we have loans where the funding dates are moved out and a new CD must be sent out post-consummation, are you going to require all subsequent CDs to be signed as well?**

Signature is not required on a CD issued post-closing.

**QD10. How is Chase treating taxes due on a refinance or purchase at closing? Are these in the 0% tolerance or the charges that may change?**

Property taxes are not fees in A, B or C and are not in the tolerance calculation.

**QD11. For purchase transactions where there is a non-borrowing purchaser (meaning an additional party is joining the contract, mortgage and warranty deed but is not on the note), are they required to sign the CD?**

Chase requires the final CD to be signed and dated at consummation by all parties required to execute based on ownership rights due to title vesting or ownership rights afforded under state laws. Signatures must include:

- All individuals with an ownership interest in the property due to title vesting or ownership rights afforded under state law
- All spouses/domestic partners of borrowers and non-borrowing titleholders (in dower/curtesy, homestead, or community property states) (refer to the Trusts Online Guide topic for specific trust signature requirements)

In addition:

- The final CD must be signed at consummation and all signatures must be original (“wet”) signatures. Facsimile and electronic signatures are not allowed
- The following are not allowed:
  - “Final” stamps
  - Written word “final” (or “estimate”)
  - True and Certified stamps

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**QD12. For a non-purchasing spouse in a community property state, do they need to sign the CD?**

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- All individuals with an ownership interest in the property due to title vesting or ownership rights afforded under state law
- All spouses/domestic partners of borrowers and non-borrowing titleholders (in dower/curtesy, homestead, or community property states) (refer to the Trusts Online Guide topic for specific trust signature requirements)

In addition:

- The final CD must be signed at consummation and all signatures must be original (“wet”) signatures. Facsimile and electronic signatures are not allowed
- The following are not allowed:
  - “Final” stamps
  - Written word “final” (or “estimate”)
  - True and Certified stamps

**QD13. Can seller obligated fees be disclosed on the borrower CD or if they are on the seller disclosure that the title company prepares, is that sufficient?**

Providing a separate Seller CD identifying the seller fees complies with the Regulation.

**QD14. Does the Correspondent need to split out cost to cure from the lender credits on the CD?**

CFPB provides the following direction for disclosing credits that are restitution; “When the increase in Total Closing Costs exceeds the legal limits, disclose a statement that an increase in closing costs exceeds the legal limits by the dollar amount of the excess in the **Did this change?** column. (§ 1026.38(i)(1)(iii)(A)(3)) A statement directing the consumer to the **Lender Credit** on page 2 must also be included if a credit to the consumer at closing for the excess amount is provided by the creditor. (Comment 38(i)(1)(iii)(A)-3).” A sample document is provided on model form [H-25F](#).

**QD15. Is Lender Paid MI required to be listed on the Closing Disclosure?**

No. Assuming the cost of Lender Paid MI is passed on to the consumer in the form of the interest rate, rather than a charge, Lender Paid MI is not required to be listed on the CD.

**QD16. When is the seller CD required?**

The Settlement Agent is obligated to provide a Seller CD whenever a seller is involved in the transaction. In all instances when the Settlement Agent is obligated to provide a Seller CD, Chase requires that a copy of the CD be included in the file.

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**QD17. If no escrow reserves are being collected for monthly MI, should Section G line 02- Mortgage Insurance on page 2 of the Closing Disclosure be left blank or list the payment amount with zero number of months?**

Leave it blank. Pursuant to § 1026.37(g)(3), each periodic charge to be included in the escrow or reserve account must be itemized under the “Initial Escrow Payment at Closing” subheading, with a relevant label, monthly payment amount, and number of months expected to be collected at consummation. If an item described in § 1026.37(g)(3)(i) through (iii) is not charged to the consumer, **the monthly payment amount and time period used in the labels are left blank.** Therefore, line G02 should be left blank when no escrow reserves are collected for Mortgage Insurance. Note: however, that modification of the form is not permitted – meaning that the lender must not remove the hardcoded identification of “Homeowners Insurance,” “Mortgage Insurance” and “Property Taxes” from the form. Rather, the lender simply leaves the values for “per month for” and “mo.” blank.

**QD18. Can the TIP (Total Interest Percentage) be rounded on the Loan Estimate and Closing Disclosure?**

The TIP cannot be rounded (to the second decimal point) and must be disclosed to either the second or third decimal point. If the amount is a whole number, it must be truncated at the decimal point. If the percentage contains more than three decimal points, it must be rounded to the third decimal point. For example, 77.0056 is disclosed as “77.00%” or “77.006.” Additionally, a rate of 77.0000% is disclosed as “77%.” Chase does not have an overlay.

**QD19. Is the Cash-to-Close column on LE required to match exactly the Cash-to-Close Column on the CD?**

Yes. Section 1026.38(e)(5)(i) instructs the creditor to populate the Calculating Cash to Close table on page 3 of the standard form CD with the estimated cash to close that was disclosed on the LE under Section 1026.37(h)(2)(iv). Accordingly, the value populated in the Calculating Cash to Close table on page 3 of the CD is populated with the value as disclosed on the last revised LE and those values must match. Chase does not have an overlay.

## Section E: Waiting Period

**QE1. Are re-disclosure and a new 3 day waiting period required if the APR increases?**

The existing rules in Regulation Z regarding APR accuracy have not changed. If an APR increases out of tolerance, the originator must re-disclose and provide a new three day waiting period.

**QE2. A file is re-disclosed due to a decrease in the finance charge. The APR is still within tolerance. The LO sends a re-disclosed CD to the customer. Does this file have to wait 3 business days before closing due to the simple act of sending a non-required CD in the disclosure package?**

Informational CDs that are generated do not require an additional three day waiting period.

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