

## **CFPB Integrated Mortgage Disclosures – Borrower and Lender Selection of Title and Settlement Providers**

### **To: Settlement Agents**

With less than three months to go until the August 1, 2015 implementation of the Consumer Financial Protection Bureau's (CFPB) Integrated Mortgage Disclosures rule, the industry has seen a flurry of activity as lenders, real estate professionals, and settlement service providers continue to prepare.

Bank of America has experienced a notable increase in both the volume and specificity of the questions and feedback submitted by many of you. Several of these questions have been related to how the rule will change the way the buyer/borrower selects their title and settlement provider or the way Bank of America selects the provider in those scenarios where the borrower defers the selection.

This announcement includes answers to those questions and many others. Also included is a recap of key details we shared in December 2014 and March 2015 regarding how you will work with Bank of America for applications received on or after August 1, 2015.

We will continue to share information regarding what you can expect when closing a Bank of America loan through announcements such as these. Please submit your questions to us at [Integrated.Disclosures.Feedback@bankofamerica.com](mailto:Integrated.Disclosures.Feedback@bankofamerica.com). We value your participation in this process, as it will help us all to be better prepared.

Thank you for your partnership.

## Key Details from Prior Announcements

- Bank of America will use Closing Insight™, an industry tool developed by RealEC® Technologies, a division of Black Knight Financial Services, to support the implementation of the CFPB's Integrated Mortgage Disclosures rule.
- All documents, data and information will be exchanged through Closing Insight. This will discontinue the use of email, fax, and other document delivery methods.
- Bank of America will generate and deliver the buyer/borrower Closing Disclosure.
- For purchase transactions, settlement agents will continue to generate and deliver the seller's Closing Disclosure.
- Bank of America will be responsible for ensuring both the accuracy of the buyer/borrower Closing Disclosure and delivery to accommodate the three business day waiting period.
- Bank of America will not require settlement agents to monitor compliance with the three business day waiting period for receipt of either the initial Closing Disclosure or any required re-disclosures.
- Bank of America will require all changes to loan and fee data be submitted for review and approval through Closing Insight prior to proceeding with signing.
- Closing Instructions provided by Bank of America will reflect new requirements pertaining to the Integrated Mortgage Disclosures rule.

## FAQs

### **Q: How do I find out more information about Closing Insight™ and their registration process?**

**A:** For more information about Closing Insight, RealEC® Technologies and the registration process for settlement agents, visit their website at [www.closinginsight.com](http://www.closinginsight.com).

### **Q: After registering with Closing Insight, will I be listed on Bank of America's Written List of Providers (WLP)?**

**A:** No. Registration with Closing Insight means that Bank of America has the capability to send orders to you via Closing Insight. We will continue to follow existing routines for including settlement agents on the WLP.

### **Q: How do I become a Bank of America Title and Settlement Provider listed on the WLP?**

**A:** Settlement agents interested in becoming a Bank of America supplier may apply at [www.bankofamerica.com/suppliers](http://www.bankofamerica.com/suppliers). Completing this process does not guarantee that registrants will automatically be added or considered for addition to the WLP. Sourcing representatives will engage prospective candidates for consideration as opportunities for expanding the supplier base become available. If you are currently a provider there is no need to re-apply.

**Q: What is the cost to use Closing Insight?**

**A:** Bank of America will absorb the full cost to use Closing Insight for the transaction and not pass the fee to the settlement agent or borrower.

**Q: How will Bank of America handle adjustments that rely upon a “final reading”, such as water usage, propane, oil and other utilities or payments resulting from the final walk through on a purchase transaction? Will this prompt the three day waiting period and require the closing to be re-scheduled?**

**A:** The environment after August 1, 2015 will necessitate that all parties to the transaction work to minimize changes and adjustments in the final days and hours leading up to closing. With that said, we do understand that some of these adjustments are unavoidable. It is important to remember, however, that all adjustments must be submitted through Closing Insight in order for a corrected Closing Disclosure to be executed at closing. Dependent upon the change, we will advise whether a new three day waiting period is required. We are working to refine our process for post-closing adjustments and will share additional detail when available.

**Q: Will the settlement agent have the ability to change fees at the Closing table?**

**A:** Both the lender and settlement agent must approve the Closing Disclosure used for consummation/closing. Changes may only be made with Bank of America’s approval. Bank of America will generate a new Closing Disclosure to reflect approved changes. Per CFPB guidance, some changes may result in a new three day review period delaying closing, which will be determined by Bank of America.

**Q: Will the settlement agent be provided with copies of any and all Closing Disclosures provided to the buyer/borrower?**

**A:** The settlement agent will be provided with the buyer/borrower Closing Disclosure that is to be executed at closing. Bank of America will distribute the borrower/buyer's Closing Disclosure to the borrower(s). The settlement agent is responsible for preparing and delivering the seller's Closing Disclosure on a purchase transaction. The settlement agent should continue the practice of providing the Closing Disclosure to the Seller and Real Estate Agent(s), as applicable.

**Q: How will Bank of America deliver the Closing Disclosure to the consumer(s)?**

**A:** Although electronic delivery is permitted, USPS delivery timing is the default outlined by the CFPB. Bank of America will send the initial Closing Disclosure by overnight delivery relying on presumed receipt after three days as outlined in the rule. Using overnight mail allows for the flexibility to expedite the borrower acknowledgement of receipt when needed. Electronic receipts and overnight shipping signatures will not be relied upon to begin the three day review period. Bank of America is exploring other electronic delivery methods for future use.

**Q: How do we communicate with Closing Insight?**

**A:** Bank of America will initiate requests through Closing Insight as the technology will support a variety of notification methods which may vary based on whether you are a web user or accessing the platform via your title & escrow production system. The collaboration to finalize fees for the Closing Disclosure will generally start 10 business days before closing.

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