



September 8, 2015

Dear Service Provider:

New American Funding values our positive working relationship and looks forward to growing our relationship in the future. Our industry is preparing for implementation of the TILA RESPA Integrated Disclosure rule mandated by congress via Dodd-Frank legislation. This 'TRID' rule becomes effective for applications taken October 3, 2015 and impacts the lender – settlement agent relationship by changing the responsibilities of the lender and the settlement agent at closing.

**Preparation of the Closing Disclosure:**

For loans subject to the TILA RESPA Integrated Disclosure rule, a HUD-1 is no longer prepared. The HUD-1 and Truth In Lending Disclosure have been combined into a new document, the Closing Disclosure. While Settlement Agents were responsible for the accuracy of the HUD-1, lenders are now responsible for the accuracy of the Closing Disclosure given to the borrower.

New American Funding will prepare and provide the Closing Disclosure to the consumer. The Settlement Agent will not prepare a Closing Disclosure for the borrower/buyer. If a change occurs and causing the Closing Disclosure to be inaccurate, the Settlement Agent will notify New American Funding immediately. The Settlement Agent will not amend the borrower's closing disclosure in any way.

Due to the fact that an initial Closing Disclosure must be provided three days prior to consummation and that multiple Closing Disclosures may be required in a transaction, New American Funding will provide any Closing Disclosures to the consumer and will provide a Closing Disclosure to the Settlement Agent for inclusion with the signing of the loan documents at consummation. Should the consumer request a Closing Disclosure prior to consummation, Settlement Agent will contact New American requesting a consumer copy.

The Settlement Agent will prepare the Seller's Closing Disclosure and provide a copy to New American Funding.

**Closing Instructions:**

Because of the change in responsibilities, the New American Funding will be updating its Closing Instructions to include the following language:

*'Settlement Agent acknowledges this transaction is subject to the Truth-In-Lending Act and Regulation Z, 12 CFR §§ 1026.19(e), 1026.38, and that Creditor is responsible for the borrower's Closing Disclosure and Settlement Agent is responsible for the Seller's Closing Disclosure. By communicating Settlement Agent's fees for services to Creditor and undertaking to close the transaction more particularly described within these instructions,*

*Settlement Agent affirms that it has read, understands and agrees to strictly comply with and satisfy all conditions of these Creditor's Instructions to Settlement Agent, including all exhibits, addenda and attachments (together the "Closing Instructions"). Settlement Agent understands that Creditor sells loans in the secondary market and Settlement Agent agrees that all of Creditor's rights and privileges under these Closing Instructions inure to the benefit of Creditor's successors and assigns. Settlement Agent agrees to be bound by these Closing Instructions in all manner of its performance conducted prior to, during, and subsequent to consummation of the specific transaction(s) covered by these Closing Instructions. Creditor, or Creditor's successors or assigns, will hold Settlement Agent liable for any losses resulting from Settlement Agent's failure to follow these Closing Instructions.*

Failure of the Settlement Agent to abide by the Closing Instructions will cause New American Funding to put the company on its watch list or remove the company from an approved vendor status.

**Post Closing Responsibilities:**

New American Funding will require a final settlement statement after closing that confirms the disbursement date as well as actual fees that may have changed. We understand that sometimes fee amounts such as recording or per diem interest may change, especially in escrow states. Prompt submission of a final settlement statement from the closing agent will enable NAF to prepare any revised closing disclosure in the appropriate timeframe. The ALTA forms available at this location are recommended for this purpose. <http://www.alta.org/cfpb/documents.cfm>

At New American we value our business relationships and look forward to continuing our successful relationship post TRID.

If you have any questions regarding this letter, please contact: Alice Lipkin, NAF Vendor Manager, at [alice.lipkin@nafinc.com](mailto:alice.lipkin@nafinc.com) or 800-450-2010 x 7166

Sincerely,  
New American Funding, Vendor Management

By signing below, I affirm to New American Funding I have the authority to sign this document, bind the company, and such shall be enforceable against the company.

On behalf of \_\_\_\_\_ I agree with the above  
Full Company Name

Authorized Corporate Officer or Owner of Settlement Agent

\_\_\_\_\_  
Printed Name/Signature

\_\_\_\_\_  
Title/Date