

TRID FAQ

This document is intended to assist clients in meeting PennyMac's purchase requirements in regard to delivery of the TILA-RESPA Integrated Disclosures.

PennyMac Interpretation by Topic		
Topic	PennyMac Will Allow:	PennyMac Will Not Allow:
Lender Credits	PennyMac will allow lender credits to offset fees for the purposes of points and fees if those credits are itemized on Closing Disclosure or some other documentation.	PennyMac will not allow lender credits to offset fees for the purposes of points and fees and fee tolerances without documents that verify the application of those credits.
APR Decrease	PennyMac will allow the lender to provide a TRID disclosure with an over-disclosed APR or where the APR decreased from the amount previously disclosed, and will not require the disclosure to be corrected and re-disclosed, if the error is due to a over-disclosed finance charge.	PennyMac will not allow the lender to re-disclose a closing disclosure at closing as a result of an overstated APR and will require a new 3 day waiting period if there is a subsequent decrease in the APR that is more than the applicable tolerance such that the APR is not "accurate" under 1026.22.
APR Increase	PennyMac will allow the lender to re-disclose the closing disclosure at closing, and will not require a new 3 day waiting period, if there is a subsequent increase in the APR that is less the applicable tolerance, making the APR "accurate" under 1026.22.	PennyMac will not allow the lender to re-disclose the closing disclosure at closing, and will require a new 3 day waiting period, if there is a subsequent increase in the APR that is more than the applicable tolerance such that the APR is not "accurate" under 1026.22.
Simultaneous Title Insurance	PennyMac will allow lenders to disclose simultaneous title insurance calculated by taking the full owner's title insurance premium, adding the simultaneous lender's policy premium, and subtracting the full lender's policy premium.	PennyMac will not allow lenders to disclose simultaneous title insurance by applying the discounted insurance rate for the Lender's Title Insurance premium.
Providing Closing Disclosure Instead of Revised Loan Estimate	PennyMac will allow changes related to a valid Change in Circumstances to be disclosed on the Closing Disclosure instead of the Loan Estimate.	PennyMac will not allow a valid Change in Circumstances to be disclosed on the Closing Disclosure after closing has occurred.
Intent to Proceed	PennyMac will allow the lender to charge the borrower fees, provided that evidence documenting the borrower's intent to proceed with the transaction is documented in the loan file. The evidence may be provided in any manner that complies with E-SIGN and other applicable authority.	PennyMac will not allow the lender to charge the borrower for fees without evidence of the borrower's intent to proceed documented in the loan file.
Investment Properties	PennyMac will allow lenders to utilize TRID disclosures for mortgage transactions involving investment properties (or that may be business purpose transactions).	PennyMac will not purchase mortgages for investment properties without the appropriate disclosures. *
TRID Violations and Cures	PennyMac will purchase loans where lenders have cured a TRID fee tolerance violation within 60 days of consummation.	PennyMac will not purchase loans that have not cured any TRID fee tolerance violation within 60 days of consummation.
Re-calculation of the 10% Fee Tolerance Threshold	PennyMac will allow lenders to re-calculate the 10% fee threshold if one or more Change in Circumstance(s) result in an increase of the 10% fees by more than 10%.	PennyMac will not allow lenders to re-calculate the 10% fee threshold if the Change in Circumstance(s) result in less than a 10% fee increase.
Broker Delivered Loan Estimate	PennyMac will purchase loans with the Loan Estimate drafted and/or delivered by a mortgage broker that is otherwise in compliance with TILA.	PennyMac will not purchase loans with a different lender listed on the Disclosures, or with the broker listed in place of the creditor.
Evidence of Receipt of Closing Disclosures	PennyMac will allow the lender to provide evidence of receipt, such as an acknowledgement of receipt, receipt confirmation, or the borrower's signature, to indicate the borrower received a TRID disclosure on an earlier date than would be otherwise indicated by the Mailbox Rule.	PennyMac will not allow the lender to indicate that the borrower received the Closing Disclosure on an earlier date than would be indicated by the Mailbox Rule unless there is evidence of actual receipt, (i.e., mere delivery is not sufficient) documented in the loan file to the contrary.
Signatures on the Disclosures	PennyMac will allow the lender to provide TRID disclosures without signature lines or without signatures, if there is evidence of receipt by the borrower documented in the loan file, except for the final Closing Disclosure. The final Closing Disclosure (i.e., CD provided at closing) must be signed.	PennyMac will not purchase loans without a signed final Closing Disclosure; for other TRID disclosures, PennyMac will not purchase loans without evidence of delivery and or receipt, as applicable, of the TRID disclosures by the borrower.

*For instance, loans that meet the 1026.3 business purpose exemption are also exempt from RESPA, per 1024.5(b)(2).

The purpose of this document is to help Correspondents understand PennyMac's requirements related to the TRID rules. This document is not legal advice and PennyMac does not represent that following this guidance will ensure compliance with any regulatory requirements. This document is not intended to provide a comprehensive account or description of regulatory requirements; Correspondents must consult with their external and internal legal counsel and compliance departments to determine what steps are necessary to ensure compliance with all applicable legal and regulatory requirements. Nothing in this document should be construed as a modification or waiver of the terms of the Loan Purchase Agreement, including any representations and warranties made therein.



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