

Table of Contents

Table of Contents.....	i
Introduction	v
Section 1 - General Position Description – Closer/Settlement Coordinator.....	1
Basic Functions	1
Specific Responsibilities	1
Desired Education and Experience	1
Detailed Duties and Descriptions.....	2
Settlement Coordinator	2
Pre-Settlement Audit.....	2
Procedure	2
Tracking.....	3
Reports/Notification	3
Loan Closing Checklist	3
Settlement Status Tickler Report.....	3
Closed Loan Report.....	3
Closings Pending Report.....	3
Closed Loans by Loan Officer	4
Master Settlement Log.....	4
Exception Card File System	4
Quality Control	5
Ongoing Settlement - Crisis Management.....	5
Post-Settlement Audit	5
Delivery/Investor Guaranty:	5
Policy Enforcement	6
Regulatory Compliance	6
Training	7
Processors and Loan Officers	7
Settlement Personnel	7
Initiation Training	7
Updating Procedures	7
Condominium/PUD Documents.....	8
Procedure for Condominiums and PUDs	8
VA/FHA/Conventional Condominium File Document Checklist	9
Underwriting Project Classifications	10
County/Jurisdiction Maps.....	11
Flood Insurance	11
Insurance Rating Guide	11
Scheduling Closings.....	12
Closing Checklist/Initial Warehousing Package.....	13
Initial Warehousing Package	13
Loan Closing Checklist	13
Tracking.....	14
Maintain Master Settlement Log.....	14
Final Warehouse Package	15
Final Audit/Delivery	16
Section 2 - General Closing Documentation Requirements	17
Title Insurance Requirements	18
Coverage Amount.....	18
Form.....	18
Grantors	18
Acceptable Title Exceptions.....	19

Unacceptable Exceptions	19
Powers of Attorney	21
Standard Endorsements	21
Effective Dates	21
Survey Requirements	22
Hazard Insurance	24
Dwelling Coverage	24
Effective Dates and Period	24
Paid Receipt	24
Mortgagee Clause	24
Other Coverage	25
Binders	25
Insurance for Condominiums	26
Flood Hazard Insurance and Flood Determination	27
Flood Zone Determination	27
Wood Destroying Insects	29
Exceptions	29
Termite - High Rise Condominium	29
Termite - New Construction Properties	29
Termite Report Requirements	29
VA/FHA Loans	29
Conventional Loans	30
Soil Treatment Guarantee and Well System Properties	30
Well and Septic Certification	31
Well Certifications	31
Septic Certifications	31
Borrower's Acknowledgement	31
New Construction	31
Community Water Supplier	32
New Construction	33
All Loans	33
Residential Use Permit/Certificate of Use and Occupancy	33
Conventional Loans	33
FHA/VA Loans	33
Completion Escrows	34
Builder's Warranty	34
Mortgage Insurance	35
Review the Certificate of Insurance	35
Powers of Attorney	36
Refinance	38
Right of Rescission	38
Scheduling Refinance Settlements	39
Transfer of Funds	40
Conditions of Closing	41
Hazard Insurance	41
Residential Use Permit/Certificate of Occupancy	41
Signed Final Typed Loan Application (1003)	41
Sale of Previous Homes	41
Proof of Payoff of Debts	42
Pay Off of all Existing Liens	42
No Cash Out	42
Name Affidavit	42
Active Duty Certification	42
Section 3 - Settlement/Closing Flow and Procedures	44
Closing/Settlement Notification and Tickler Report	47
Settlement Exception Report	48

Pre-Settlement Quality Review.....	49
Pre-Closing Document Review Checklist.....	50
Final Warehouse and Delivery Package Completion	50
Final Warehouse and Delivery Package Completion	51
Final Documentation Follow-Up Process.....	51
Final Documentation Follow-Up Process.....	52
Section 4 - Closing Specific Loan Types.....	56
Closing FHA and VA Loans	57
Allowable Fees and Charges.....	57
VA/FHA Loans - Allowable Charges.....	57
Loan Origination Fee	57
Loan Discount Fee.....	57
Title Examination/Title Insurance Fees	58
Recording Fees and Taxes.....	58
Escrows for Real Estate Taxes and Hazard Insurance- Per Diem.....	58
Disallowed Charges	58
Understanding the Mortgage Insurance on FHA Loans	59
FHA Mortgage Insurance Escrow premium.....	59
Closing a Fixed Rate Mortgage.....	61
Term/Amortization	61
Interest-Only	61
Prepayment.....	61
Prepayment Penalties.....	62
Bi-Weekly Payment Plans.....	63
Closing Balloon Mortgages	64
Conditional Refinance Provisions.....	64
Product Specific Documents.....	64
Closing Loans with Buydowns	65
Specific Closing Documents for Buydowns	66
Closing Adjustable Rate Mortgages.....	67
ARM Components - The Basic Four.....	67
Frequency of Changes	67
The Index.....	68
The Margin.....	68
Payment Caps	69
Conversion Options	70
Product Specific Closing Documents – ARMs.....	70
Closing Second Mortgages	71
First and Second Mortgage Combinations	71
Seller held Mortgages, Assumptions and Wraps.....	71
Product Specific Closing Documents	71
Section 5 - Closing Costs and Settlement Documentation.....	73
Understanding Closing Costs.....	73
HUD-1 Settlement Statement.....	74
Underwriting Review of Cash Requirements and HUD-1.....	77
What These Costs Represent.....	78
Section 800 – Lender and Broker Fees.....	81
Disallowed Fees	81
Assigned and Brokered Loan Referral Fee Policy.....	82
Brokering loans out for referral fees	82
Financing Agreement Review.....	83
Lender/Broker Credits - "Above Par" Pricing Towards Closing Costs.....	84
Reading a Good Faith Estimate	85
Section 900 – Title Charges.....	86
Title Insurance	86

Section 1100 and 1200 - Prepaid Items & Escrows.....	87
Interim Interest.....	88
Interest Credit Closing.....	88
Partial Payment Closing.....	88
Mortgage Insurance and Insured Loans.....	90
The Funding Fee.....	90
Private Mortgage Insurance Escrow.....	90
Property Completion Escrows.....	91
Insurance Escrow.....	92
Hazard Insurance Escrows.....	92
Real Estate Tax Escrows.....	93
Calculating the Real Estate Tax Escrow Amount.....	93
Escrows and Escrow Procedure.....	94
Real Estate Tax Escrows.....	94
Escrow Waiver.....	95
Transfer of Escrows.....	96
Procedure for Escrow/Impound Transfer Request.....	96
Avoiding Problems with Seller Contributions.....	98
Section 1200 - Government/Municipal Title Related Charges.....	99
Section 1200 - Government/Municipal Title Related Charges.....	100
Transfer Tax/Recordation Tax Tables for Jurisdictions Covered by Company Name.....	101
Post-Closing Audit Preparation Checklist.....	102
Section 6 - Approved Attorney System.....	104
Approved Settlement Attorneys and Title Companies.....	105
Approved Attorney Form.....	106
Approved Attorney List.....	107