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In Depth

Loan Documentation Chart

We've been told that TCA's Loan Documentation Chart is a popular tool that provides lenders a ready reference guide helping them ensure borrowers are given the right disclosures on a timely basis. Many of our clients have laminated the Chart and provided it to loan officers and processors to assist with loan documentation tasks. Keep in mind that these are general guidelines; please call with specific questions. TCA has compiled the list of disclosures and when they should be provided based on its interpretation of the rules and we recommend all chart users reach their own decision on usage.

Note: The following information provides a key to understanding the disclosure timing requirement.

- ❖ **Application** means that the document must be provided at the time of application or with the application.
- ❖ **Processing** means the applicable documents must be provided during the processing stage of the loan.
- ❖ **Closing** means the document must be provided at the time of origination.



Federal Loan File Documentation Requirements (State Law may differ)
General Guidelines – Call TCA with Specific Questions
January 27, 2020

Description		Owner Occupied/Closed End Real Estate-Secured (1-4 Family)			Consumer or Unsecured Closed -end	Construction Temporary		Investment Purposes*		Open End	Lot/Land
Document	Timing	Purchase/ Construction Perm	Refinance	2 nd Lien Home Equity	Auto, passbook, unsecured, etc.	Builder is borrower	Owner is borrower	Borrower is a Business/ Entity	Borrower is a Natural Person	HELOC	Lot/Land
Written Loan Application	Application	Yes	Yes	Yes	Optional (1)	Optional (1)	Yes	Optional (1)	Optional (1)	Possible (1)	Possible (1)
Intent to Apply Jointly (2)	Application	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Government Monitoring Information	Application	Yes	Yes	Yes (3) - If HMDA Reporter Yes- If not HMDA reporter and the purpose is to Purchase or Refinance a principal dwelling. No- if Non-HMDA reporter and purpose is not to purchase or refinance a principal dwelling.	No	No	No	No	Yes (3)**	Yes (4) - If HMDA Reporter Yes- If not HMDA reporter and the purpose is to Purchase or Refinance a principal dwelling. No- if Non-HMDA reporter and purpose is not to purchase or refinance a principal dwelling.	No

Description		Owner Occupied/Closed End Real Estate-Secured (1-4 Family)			Consumer or Unsecured Closed -end	Construction Temporary		Investment Purposes*		Open End	Lot/Land
Document	Timing	Purchase/ Construction Perm	Refinance	2 nd Lien Home Equity	Auto, passbook, unsecured, etc.	Builder is borrower	Owner is borrower	Borrower is a Business/ Entity	Borrower is a Natural Person	HELOC	Lot/Land
ARM Disclosure & CHARM Booklet (when applicable)	Application (5)	Yes	Yes	Yes	Booklet is not required The Variable Rate Disclosure section of the TIL Disclosure must be completed.	No	Booklet is not required***	No	No (9)	No	No
Your Home Loan Toolkit/What you should know about home equity lines of credit (6)	3 business days from application	Yes	No	No	No	No	No***	No	Yes (for purchase only)	Yes	No
Sale of Insurance Disclosure Part 1 & 2	Application and Closing (7)	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes
Appraisal Notice	At application or 3 business days from application	Yes (8)	Yes (8)	No	No	Yes (8)	Yes (8)	Yes (8)	Yes (8)	Yes (8)	No
Copy of the Appraisal or Valuation	Promptly or 3 business days prior to closing	Yes (8)	Yes (8)	No	No	Yes (8)	Yes (8)	Yes (8)	Yes (8)	Yes (8)	No
Homeownership Counseling Notice	3 business days from application	Yes	Yes	Yes	No	No	No***	No	No (9)	Yes	No
Servicing Disclosure	3 business days from application	Yes	Yes	Yes	No	No	No***	No	No (9)	No	No
Service Provider List	3 business days from application	Yes, if consumer can choose a service provider.	Yes, if consumer can choose a service provider.	Yes, if consumer can choose a service provider.	No	No	Yes***	No	No (9)	No	Yes
Loan Estimate (LE)	3 business days from application	Yes	Yes	Yes	No	No	Yes	No	No (9)	No	Yes
Affiliated Business Arrangements Disclosure	Time of referral or with the LE	Yes (if applicable)	Yes (if applicable)	Yes (if applicable)	No	No	No***	No	No (9)	Yes (if applicable)	No
Privacy Notice	Within 3 business days of application	Yes	Yes	Yes	Yes	No (10)	Yes	No (10)	No (9, 10)	Yes	Yes

Description		Owner Occupied/Closed End Real Estate-Secured (1-4 Family)			Consumer or Unsecured Closed -end	Construction Temporary		Investment Purposes*		Open End	Lot/Land
Document	Timing	Purchase/ Construction Perm	Refinance	2 nd Lien Home Equity	Auto, passbook, unsecured, etc.	Builder is borrower	Owner is borrower	Borrower is a Business/ Entity	Borrower is a Natural Person	HELOC	Lot/Land
Notice to Home Loan Applicant	As soon as reasonably practicable after obtaining the credit report	Yes (11)	Yes (11)	Yes (11)	No	No	Yes (11)	No	Yes (11)	Yes (11)	No
Credit Score Exception Notice if used in place of Risk Based Pricing	As soon as reasonably practicable after obtaining the credit report	Yes (11)	Yes (11)	Yes (11)	Yes (11)	No	Yes (11)	No	Yes (11)	Yes (11)	Yes (11)
Risk Based Pricing Notice (If bank is not providing the credit score exception notice)	At approval	Yes (11)	Yes (11)	Yes (11)	Yes (11)	No	Yes (11)	No	Yes (11)	Yes (11)	Yes (11)
Flood Determination	During Processing phase - within a reasonable timeframe prior to closing	Yes	Yes	Yes	No (unless secured by improved real estate)	Yes	Yes	Yes	Yes	Yes	No
Proof of flood coverage when in a flood zone	Closing	Yes	Yes	Yes	No (unless secured by improved real estate)	Yes	Yes	Yes	Yes	Yes	No
Flood Notice to Borrower when in a flood zone	During Processing phase – within a reasonable time before closing (12)	Yes	Yes	Yes	No (unless secured by improved real estate)	Yes	Yes	Yes	Yes	Yes	No
Initial Escrow Disclosure	Closing or within 45 days after escrow account established	Yes	Yes	Yes, if escrow accounts are established	No	No	No***	No	No (9)	Yes, if escrow accounts are established	No
Early TILA	3 business days from application	Included on Loan Estimate (LE)	Included on LE	Included on LE	No	No	Included on LE	No	Included on LE	On HELOC application disclosure	Included on LE
Military Lending Covered Borrower Disclosure	During the Application process; before the borrower is contractually liable	No	No	No	Yes (13)	No	No	No	No	No	Yes (13)
Ability to Repay Requirements	Underwriting	Yes	Yes	Yes	No	No	No, if the construction term is 12 months or	No	No (9)	No	No

Description		Owner Occupied/Closed End Real Estate-Secured (1-4 Family)			Consumer or Unsecured Closed -end	Construction Temporary		Investment Purposes*		Open End	Lot/Land
Document	Timing	Purchase/ Construction Perm	Refinance	2 nd Lien Home Equity	Auto, passbook, unsecured, etc.	Builder is borrower	Owner is borrower	Borrower is a Business/ Entity	Borrower is a Natural Person	HELOC	Lot/Land
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Final TILA	Closing	Included on CD	Included on CD	Included on CD	Yes	No	Included on CD	No	Included on CD	No, if included in the Agreement Disclosure	Included on CD
Closing Disclosure (CD)	3 business days prior to consummation	Yes	Yes	Yes	No	No	Yes	No	No (9)	No	Yes
Right of Rescission	Closing	No (14)	Yes (15)	Yes	No	No	No (14)	No	No	Yes	No
NMLS Identifier	At Application and on Closing Documents	Yes	Yes	Yes	No	No	Yes	No	No (9)	No	No

*Contact TCA concerning Owner-Occupied Rental Property or consumer purpose loan secured by commercial real estate.

**Dwelling as defined under Regulation C is any residential structure, whether attached to real property (examples include apartments, condos, manufactured or rental units or multi-family).

***If loan is used to transfer a title or lender issues commitment for permanent financing, RESPA disclosures apply.



- 1) Written applications are only required for purchase or refinance transactions secured by a dwelling that is or will be the applicant's principal dwelling. Follow your Institution's or Investor's procedures for applications not meeting this criterion.
- 2) Joint intent does not apply to guarantors or co-signers if required by the Bank. If a co-borrower is added later, joint intent should be obtained at the time the co-borrower is added. If the application is not taken face-to-face, the Bank should document joint intent somewhere on the application or within the file.
- 3) Beginning in 2018, all consumer loans secured by a dwelling became HMDA reportable for filing institutions regardless of purpose.
- 4) Yes, if the Bank reports HELOCs on its HMDA-LAR; Yes, it also applies if the stated purpose is to purchase or refinance regardless of whether the Bank reports HELOCs on its HMDA-LAR.
- 5) The ARM disclosure must be provided at the time an application form is provided or before the consumer pays a non-refundable fee, whichever is earlier. A three-business day delay is only acceptable when an application is taken by telephone.
- 6) Your Home Loan Toolkit is provided to closed-end mortgage customers. "What You Should Know About Home Equity Lines of Credit" is provided to Home Equity line of credit customers.
- 7) If the Bank sells credit insurance products in conjunction with loans, the timing requirements are as follows: The first disclosure is verbal and in writing and must be provided at the time the insurance is offered and in most cases at the time of application. The second disclosure must be acknowledged by the borrower at closing or at the time the insurance is purchased. The second disclosure must be provided orally and in writing as well.
- 8) The appraisal notice is required to be given at the time of application or within three-business days of the date of application for loans secured by a first lien on a 1-4 family dwelling for both consumer and business purposes. If the loan is denied or withdrawn within three-business days of application, the Bank must still provide a copy of the appraisal notice to the customer. A copy of the appraisal or valuation should be provided to the borrower upon completion or no later than three-business days before consummation, whichever is earlier, unless there is a waiver.
- 9) If the loan is to an individual and is consumer purpose secured by investment property, consumer regulations (ie. Regulation Z, RESPA, privacy) would apply.
- 10) Must be provided at application or before the consumer (applicant) becomes contractually liable to the institution. The notice is not required on business/commercial purpose loans.
- 11) Applicable only if credit scores are pulled in connection with the consumer's credit report.
- 12) The Bank must show delivery and receipt of flood notice to the borrower. This could be by having the customer sign the flood notice or by retaining a copy of the certified mailing showing the customer received the notice.
- 13) Written and oral disclosure required. Verification of status must be retained in the file. Consumer purpose loans to purchase personal property and secured only by the property purchased are exempt from the act. Example: An auto loan for the purchase of an auto secured by the auto being purchased.
- 14) Residential mortgage transactions are exempt from rescission. A residential mortgage transaction means a transaction secured by the consumer's principal dwelling to finance the acquisition or construction of that dwelling.
- 15) Applicable if different lender or if same lender and new money is paid out.