

Mortgage Operations Department

Procedure	Loan Closing (Completing MB Screens)
Process	Closing
Date Revised	10-20-17
Date Implemented	5-12-16
Responsible Party	SVP Mortgages

Purpose:

To give a detailed description of how to complete the screens in MB for a closing according to TCSB policy.

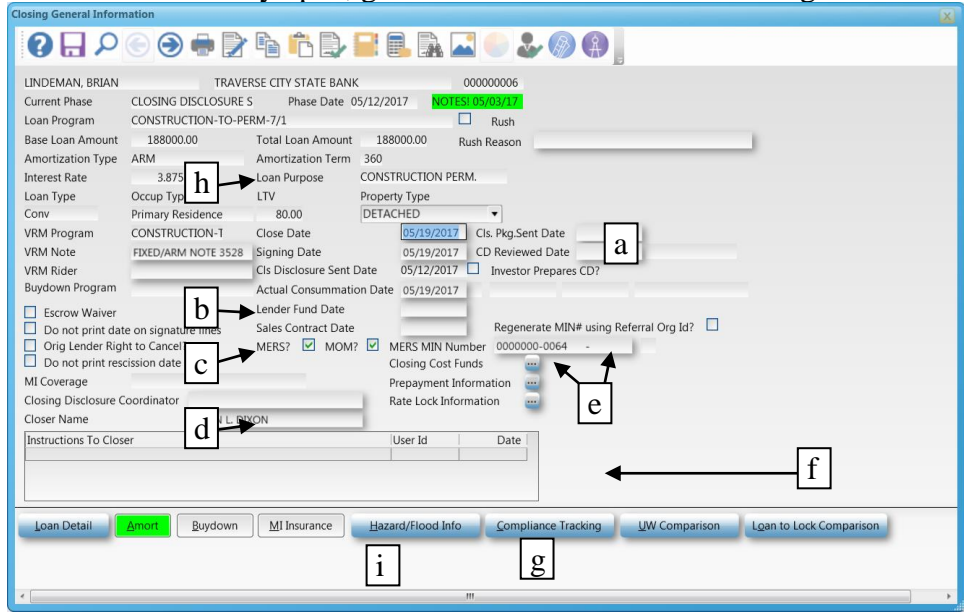
General Description:

The instructions go step by step through the Closing screens starting in the “Closing General Info” screen and ending in the “Closing Instructions Screen.”

Procedure:

This procedure should not be started until after the Initial Review has been completed. See Loan Closing – Initial Review for details.

1. If not already open, go to BP and download the Closing Stack bundle for the subject loan.



2. In MB, go to Origination - Closing – Closing General Information

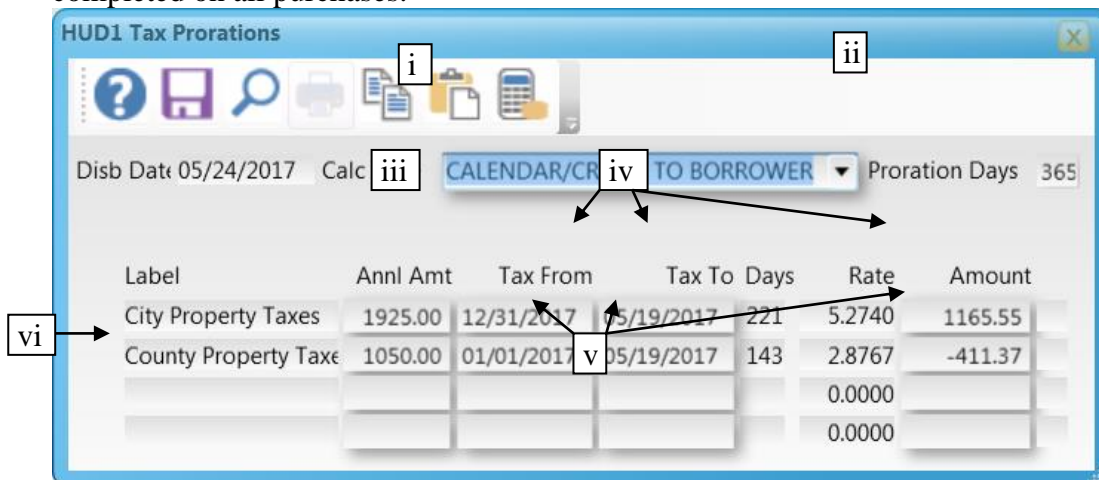
- a. **Close Date:** Enter Closing Date.
- b. **Escrow Waiver:** If the client is waiving their escrow account make sure the escrow waiver box is checked.
- c. **Orig Lender Right to Cancel:** If this is a refinance of a TCSB Loan – Check box for Orig Lender Right to Cancel. There are two versions of the Right to Cancel. One is for when the loan is paying off a different lender and the other is for a payoff of a TCSB Loan.
- d. **Closer Name:** Enter your initials in Closer Name if it has not already been completed.
- e. **MERS and MOM:** Be sure the MERS/MOM boxes are checked so that the mortgage will print with the appropriate MIN# (Beginning construction loans for two close construction do not have a MIN# - uncheck the boxes on those loans).
- f. **Instructions to Closer:** If the Instructions to Closer have not been reviewed, do so now. To see an unobstructed view of the instructions, click on the print button at the top of the page and select “View.”

- g. **MI Insurance:** If the loan has Mortgage Insurance (MI) or is a Rural Development loan (RD), click the MI Insurance button.
 - i. MI loans - verify screen was completed correctly using the PMI Approval for comparison.
 - ii. RD loans – the screen will self-populate all necessary fields except for the MI Certificate #.
 - 1. Go to Blueprint – Government Loan Docs – RD Conditional Commitment Form.
 - 2. The Certificate # will be “State Code – County Code – Borrower ID” found in the under right hand corner of the Conditional Commitment for Single Family Housing Loan Guarantee form.
- h. **Interest Rate:** Confirm the Interest Rate is the same as shown on the TCSB Rate Lock Form.
- i. **Amort:** For ARM loans (Adjustable Rate Mortgage) be sure the Current Index Value meets the parameters of the investor of the closed loan. Individual investor notes should be consulted.

3. **Advance to CD Settlement Information screen (F5 or click on arrow key)**

- a. **File #:** Enter the Title Company’s File number.
- b. **MI Case #:** If the loan has MI or is a government loan, there should be a MI Case #.
- c. **Name of Sellers:** If this is a purchase, complete the Name of Sellers section and, if the Seller does not currently live at the property being sold, correct their current address in the field provided.
- d. **Settlement Agent:** Verify the correct Settlement Agent is listed and that it is the correct address for the branch being used. For new Settlement Agents, contact the Closing Department to have the information added.
Contact Person, Cls Agent Indiv Lic and License: From the Settlement Statement or Closing Disclosure provided by title company, complete the Contact Person field and License fields. If the information has not yet been provided, request it when the Closing Disclosure is sent to them for review.
 - i. A list of closing agents can be found in Smartsheet – Home - Workspaces – Closing – Title Company Information.

- g. **Loans without Escrows:** The 1000 Lines (Hazard Insurance, Property Taxes, etc.) must be completed with the Annual Amount in the “Annl Amt” fields. This will ensure the CD will populate correctly for disclosure purposes. Leave the “Due” field empty. If no date is entered, the figures will not affect the escrow calculation.
- h. **Loans with Escrows:** Verify that in the Lines labeled 1002 - 1008 (Hazard Insurance, Property Taxes, etc.) Annual Amounts and Due Dates are correct. Use the “Tax Figuring Worksheet” to determine the due dates.
 - i. **Hazard Insurance:** The Hazard Insurance amount should match the most recent Declarations Page or Invoice provided by the insurance provider and the due date should be the date the current policy expires.
 - ii. **Purchase:** City and County Property Taxes should be completed using the figures from the Tax Figuring worksheet completed with the initial closing review. Be sure the next date due is correct.
 - iii. **Refinance:** City and County Property Taxes should be completed using information from the Title Commitment or tax records. Round up the dollar amount to the next \$5.00.
 - iv. **Village Property Taxes or Additional Taxes:** If escrows are needed for village property taxes or taxes for a second property tax id #, lines 1006 and 1008 can be used. If entries are made in lines 1006 and 1008 for property taxes, check the Tax 1006? and Tax 1008? boxes located above the Mortgage Insurance lines.
 - v. **Important Note:** If you have to change the closing date on the loan after completing the Prepays screen, be sure to come back and double check the amounts and dates entered. The system may reset some fields after such a change.
- i. **Purchase -Prorations** –Button at the bottom of the screen or F6. Tax Prorations will need to be completed on all purchases.



- i. **Calc Type:** Select Calendar/Credit to Borrower.
- ii. **Proration Days:** Proration Days are set to 365 but can be changed to 360 depending on the method used by the selected title company. Always start with 365.
- iii. **Annl Amt:** – This will populate with the Annl Amt in the CD Prepays screen. Change it to the last amount paid per the title company or county records.
- iv. **Tax From and Tax To:** If the tax due date has passed, enter 12/31/*current year* in the “Tax From” field and the date of closing in the “Tax To field.” This will result in a positive Amount.
- v. **Tax From and Tax To:** If the tax due date is not yet passed, enter 01/01/*current year* in the “Tax From” field and the date of closing in the “Tax To field.” This will result in a negative Amount.
- vi. **Important Notes:**
 - 1. Additional prorations can be added, but there must be a corresponding entry in the 1006 or 1008 fields in the CD Prepays.

2. There may be a proration due on a fee like association dues without that fee being part of the escrow account. Enter this proration as you would a non-escrowed item and it will show in the proration screen but not affect the Prepaids.
3. The entries in the Tax Proration screen will auto-populate on both the buyer and seller's sides of the CD.
4. When figures are received from the title company, the prorations might not match exactly. Manually change the totals to match the title company's figures.
5. To ensure the dates look "right" on the CD, after manually changing the figures, go back to the positive results and switch the dates (in the example above the original dates are entered as 12/31/2017 to 5/19/2017. They would become 5/19/2017 to 12/31/2017).

5. Advance to the Closing Disclosure Costs:

Origination Fees tab

- a. **Payee:** Complete and review all Payee fields ('1' can be typed in to bring up TCSB).
- b. **Loan Discount Points, Loan Origination Fee and Lender Credit Detail:** Verify the Loan Discount Points, Loan Origination Fee and Lender Credit for Rate match the Lock Request information in the file. Any variations should have an explanation in the form of an exception letter with Lock Documents. Questions should be directed to Secondary Marketing on any undocumented changes.
 - i. Lender Credits may be entered as a percentage of the loan amount. If the loan amount changes during closing or was reduced without re-disclosure to the borrower, the Lender Credit must be changed from a percentage to a dollar figure and be based on the last amount disclosed.
- c. **Seller Credit Detail:** Some purchase loans have seller concessions. If applicable, enter or verify the amount of the Seller Concession entered in the Seller Credit Detail. VA loan credits must be matched to the line item they are covering by moving the fee to "seller paid" on the individual lines.
- d. **Important Note:** Only fees that were disclosed and are actually paid by another party should be moved out of the "borrower paid" fields. Any under-disclosed fees that are to be paid by TCSB will be taken care of in an upcoming screen and be listed as a lender cure. All fees should be listed as the invoiced or actual paid amount.

Services tab

- a. **Payee:** Complete and review all Payee fields.
- b. **Total Amount:** Enter in actual fees from invoices in the file.
- c. **Borrower PBC:** If the borrower gave an Application Deposit, mark the Appraisal Fee as Borr PBC up to the amount of the deposit. Excess funds can also be used against the Credit Report. If there are still funds available, enter the balance into the Lender Credit section in the Origination Fees Tab under Lender Credit Detail and label the line "Deposit Refund."
- d. **Label – Section B:** The fees that can or should be added to Section B of the CD are listed in the Lookup menu when the cursor is in an empty Label field. Some of these fees may also go in section 'H. Other' if the item was not something that was required by TCSB or the loan program.
- e. **Title – Fees:** Borrower Title fees will be listed in Section C.
 - a. If the title company is on our Written Provider list (WP), these items will fall in the 10% bucket for disclosure purposes.
 - b. If the title company is not on our WP list, the fees will not be subject to a tolerance. The WP button should be unclicked in the Fee Details screen. Access to the screen is through the Fee Details button in the lower right-hand side of the screen
- f. **Label – Section C:** A lookup feature is also available here to determine if a fee can appear in this section.

Taxes/Other tab

- a. **Section E:** This section will contain all recording and transfer tax charges that will be paid by the borrower or seller.
- b. **Section H:** This section will contain all Seller or borrower costs that were not the result of a loan requirement.

To view a draft of the Closing Disclosure, click on the print button on this screen. Print or save a copy of the Draft CD to use on the CD Comparison Screen.

6. Advance to the CD Comparison Screen:

Note: The manual updates are needed because we do not use the MB change of circumstance form. This screen and how it reacts is linked to that form.

- a. **Enable manual updates and Stop Auto Updates:** Enter a 'Y' in the "Enable manual updates and Stop Auto Updates" field. This will ensure that the fees disclosed on the LE will not change unless the CD is being used to redisclose. Labels and MISMO codes cannot be changed in this screen.
- b. Per MB the following are the definitions for the fee headings:
 - i. Tolerance based on Disclosed Amounts (TBDA) – The current tolerance the fee will be compared to if the loan is closed exactly as is.
 - ii. Tolerance if Disclosed on Time (TDT) – When the current and disclosed amounts are the same, this field will reflect the same amount as the previous field, Tolerance based on Disclosed Amounts. However, if the current amount has increased, this field will reflect what the new tolerance will be if disclosed on time. In the case of a valid change of circumstance for instance, the tolerance if disclosed on time would be the higher amount. However, if the fee increased for a reason other than a valid change of circumstance, the tolerance cannot be reset and this field will reflect the lower amount previously disclosed.
 - iii. Disclosed Amount (DA) – The last disclosed amount of each fee.
 - iv. Current Amount (CA) – The current amount of each fee.
- c. Zero Tolerance - First verify that MB has not incorrectly updated any of the figures in columns TBDA and TDT. Use the last LE as a comparison.
 - i. If they have been changed incorrectly, manually override the figures in those two columns.
- d. Zero Tolerance - Verify that the figures in DA and CA match what is currently on the CD. If there is a fee in the zero-tolerance section with greater figures in the DA and CA columns than the TBDA and DA columns, the system should be showing the need for a lender cure. It will be in yellow directly under the Zero Tolerance section and in red at the bottom of the screen in a field marked CD Cure.
- e. 10% Tolerance – Repeat step c above.
- f. 10 % Tolerance - Verify that the figures in DA and CA match what is currently on the CD. Directly under this section are totals that will calculate if the 10% Tolerance has been exceeded.
 - i. If it has been exceeded, determine if the CD can be used to reset the bucket. Exclude any fees that were not properly disclosed originally and therefore can never be reset.
 - ii. If the fees can be reset, manually override the TBDA and TDT columns.
 - iii. If the fees cannot be reset, any overage will be added to the CD Cure at the bottom of the screen.
- g. The bottom section is for fees that can change. They will not affect the CD Cure.
- h. The CD Cure total will automatically add itself to the CD (actual and Draft). In several places on the CD, where the Lender Credits are listed, the following message will appear "Includes \$xx.xx credit for increase in Closing Costs above the legal limit."

Important: Before sending the final CD out to the borrower, the Comparison Screen must be revisited and the figures in this screen must match the final figures on the CD.

7. **Advance to the Closing Disclosure Borrower Summary:** This page will not be accurate until after the CD Sent Date has been entered. Prorations, Sale Price, Loan Amount and Deposits will be accurate but line 103 will be wrong.
 - a. **Debt:** If your loan is a refinance, click on the Debt button at the bottom of the page and be sure the dollar amount matches any payoffs. If the 1003 was updated prior to beginning the CD screens, the refresh button can be used to update the information or the amount can be typed in manually. Save out of the screen and the CD Borrower Summary will be updated.
 - b. We will return to the screen later in the process.
8. **Advance to the Closing Disclosure Seller Summary:** (Skip to next step for Refinances)
 - a. Using information provided by the title company, complete the Seller's side of the CD. Payoffs and funds owed will need to be manually input with a few exceptions listed below.
 - b. Tax Prorations, Seller Credits and Deposits will come in automatically based on information previously input into MB.
 - c. This screen is not always accurate so verify your numbers on a Draft CD or on the actual CD before sending out to title.
9. **Advance to Closing Disclosure Calculating Cash to Close and the Truth in Lending Screen:** You will skip over the CD Calculating Cash to Close Screen and the Truth In Lending Screen and review after you have entered the Closing Disclosure Sent Date.
10. **Advance to Payment Information:**
 - a. **Name of Servicer: FNMA/FHLBI/Portfolio loans** – The Name of Servicer should be changed using the Lookup menu to Midwest Loan Services (or type in 573 to bring this up). Unclick the “print Lender Info on Payment Coupon” field. For MLS serviced loans, verify a loan number is in the Servicer Risks box. If there is not a loan number ask the Post Closer to provide one.
 - b. **Name of Servicer: Investor Loans** – The Name of Servicer should be changed using the Lookup menu to the name of the investor or company they use for servicing. If the “Individual/Department” or “Servicer Contact” fields are empty, enter “Servicing Department” so the information will print on the Notice of Sale or Transfer.
11. **Advance to Legal Information Page One:**
 - a. **Borrower names:** These will auto-populate.
 - b. **Legal Designation:** Enter the vesting status.
 - i. For simple vesting like a single man or woman, click on the Legal Designation field next to the borrower's name and use the Lookup menu to select.
 - ii. For a married couple, select the Legal Designation field next to the second borrower's name and input the appropriate designation.
 - c. **Title/Vesting:** If an additional person not on the loan will be on Title or is acknowledging the debt, click on the Title/Vesting button or F6.
 - i. **Dower Name:** Enter full legal name under Dower Name (even if the person does not have dower rights).
 - ii. **Dower Legal Designation:** If a simple Legal Designation can be used, like Husband and Wife, enter that here.
 - iii. **Vesting and Mtg Acknowledgement:** If the vesting is more complicated, it can be typed out in the Vesting field. Once it has been entered, use the copy and paste buttons to add it to the Mtg Acknowledgement section.
 - iv. **Dower Email:** If the ‘Dower’ will be acknowledging the CD via DocuSign, an email address will need to be included on this screen.
 - v. Save and return to previous screen.
 - d. **County Code and County:** Verify the county is correct.
 - e. **Tax Id:** Enter the Tax Id # including the dashes.
 - f. **Long Legal:** Enter the Long Legal description if it is not more than 5 or 6 lines.

- i. For a longer legal enter: *Situated in the (Township/City/Village) of XXX, County of XXX and State of Michigan, to wit: See legal description attached hereto and made a part hereof.*
- g. **POA:** Power of Attorney – If one or more of the parties will have a POA, click the button at the bottom of the page or F7.
 - i. All borrowers will be listed but not dowers.
 - ii. **POA Wording:** Enter the language of the POA in POA Wording. This should be taken directly from the POA documentation provided. Reminder: Closing with a POA must be approved by underwriting.
- h. **AKA:** Same Name Affidavit – If the borrower’s name appears differently in the file than will appear on the loan documents, a Same Name Affidavit will be needed. Use the button AKA or F8 to access the AKA Information screen.
 - i. **AKA Wording:** Enter the name variations in the AKA Wording field. Separate each variation with a comma and enter as many as are needed.
 - ii. Save out of the screen.
- i. **Trust:** If a loan will close in a Trust be sure to review requirements for this type of vesting and make sure it has been approved by underwriting. The wording should be taken directly from the Trust Cert provided by the borrower or the title company.
 - i. **Trust Wording:** The Trust Wording field will contain the information as it needs to appear on the Mortgage. Example: As Trustee of the John Smith Revocable Trust of 1999. Hint – only type the information in the second Trust Wording field if there are two borrowers and the vesting will read as “John Smith and Mary Smith as trustees in the John Smith Revocable Trust of 1999.”
 - ii. **Trust Wording on Note:** The Trust Wording for the Note will contain the information for the signature line of the Note and must be signed both as individual and trustee. Example: As Individual and Trustee of the John Smith Revocable Trust of 1999. Hint: With two borrowers, type the language in the field for one borrower and cut and paste it into the field for the other.
 - iii. Save out of screen.
- j. **Manuf. Home:** The manufactured home button is here for the completion of the information required for the Manufactured Home rider. Double Check that the Processor has completed the information.
- k. **Nearest Relative:** On VA loans check to make sure this is completed. If not ask the processor to complete prior to printing the closing package.
- l. **Exceptions:** We do not currently use this button.

12. Advance to Legal Page Two:

- a. **Mortgage Prepared By:** Closer’s initials should appear in the “Mortgage Prepared By” field.
- b. **Condo/Pud Name:** Enter Condo/PUD name if needed (field will be red if it is required).
- c. **Note Settlement City and Note Settlement State:** Enter the Note Settlement City and State.
- d. **Note End:**
 - i. **Pay to the order of:** For investor loans, complete the “Pay to the order of” field as required by that investor. For FNMA and Portfolio loans – leave blank.
 - ii. **Lender Name:** Enter “1” for Traverse City State Bank.
 - iii. **Signer Name:** Use the Lookup function or enter the initials of an approved signer for the Note. The title will auto populate.
 - iv. Save out of the screen.

13. Assignment Information: skip this screen.

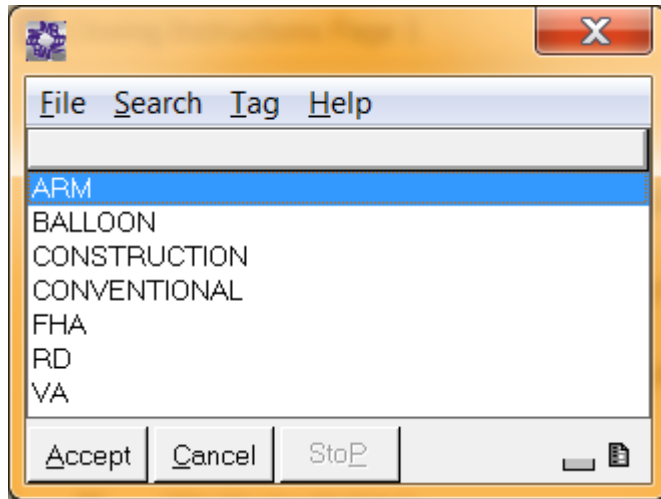
14. Net Draft/Wire Detail:

- a. It is not necessary to go to this screen until after there is a completed and approved CD.
- b. **Pop-up warning:** “Would you like to re-pull the additions/deductions to the Draft/Wire?” Yes, if it is your first time through or you have made changes to the Closing Disclosure, otherwise no.

- c. **Draft Date:** Check that the Draft Date matches the disbursement date.
- d. **Pay To The Order Of:** This is the name of the title company we are sending the funds to.
- e. **Draft Number:** Access Smartsheet-Home-Workspaces-Closing-Title Company Information-Disbursement column, after the name of each Title Company you will find their preferred method of funding.
 - i. If the title company has an account with TCSB and the money will be transferred, enter “Transfer” into the Draft Number field.
 - ii. If a wire, then enter “Wire.”
 - iii. If a draft will be used, enter the draft number in the “Draft Number” field (this step will be completed by the person who will be printing the draft).
- f. **Add:** Click on the “Add” button or F6.
 - i. Verify all Lender Credits and Cures are listed and marked as “Y.”
 - ii. Verify that each item is labeled according to what the credit is for (if the cure is for the credit report the line should read “Lender Cure – Credit Report”).
 - iii. If a portion of an invoice is paid from the Borrower’s deposit, indicate “Borrower Deposit – what invoice was it credited to - and the portion amount (example: Borrower Deposit – Credit Report – 25.00).
- g. **Deduct:** Click on Deductions or F7.
 - i. Verify that all fees TCSB should be paid for are marked as ‘Y.’
 - ii. Any fee that was labeled PBC should be marked ‘N.’
 - iii. If there is a fee that was part PBC and part Due at Closing, mark the hard-coded fee as “N” and then type the total amount of the invoice into the Other Deductions section.
 - iv. Fees that generally get paid or reimbursed for are hard coded to show in this screen. Always double check against your CD to be sure.
 - v. Save out of the screen.
- h. Whether a Transfer, Wire or Draft will be used, print out a Wire Breakdown to and send to the title company to balance closing figures.

15. Closing Instructions Page 1:

- a. **Enclosed are the following documents pertaining to the mortgage closing...:** This section has hard coded document descriptions with check boxes next to each item. Based on the type and purpose of the loan, these boxes should be left checked or have the check removed.
 - i. **HUD1/CLOSING DISCLOSURE:** This will be checked for all files.
 - ii. **INITIAL ESCROW ACCOUNT DISCLOSURE:** This will only be unchecked if the loan does not have an escrow account.
 - iii. **MORTGAGE AND NOTE:** These will be checked for all files.
 - iv. **TRUTH IN LENDING:** This also includes the LE but would only be checked if a loan was a GFE/TIL loan.
 - v. **PAYMENT LETTER, W9 AND COMPLIANCE AGREEMENT:** These will all be checked for all files.
 - vi. **TAX INFORMATION LETTER:** This will be checked for all loans. This form needs to be completed by the title company.
 - vii. **SURVEY:** This will be checked if a survey is included in the closing package. This is most common on an end construction loan.
 - viii. **ASSIGNMENT:** unchecked for all loans.
 - ix. **APPLICATION:** This will be checked for all loans.
- b. **Additional Documents:** The second section of the screen is for additional documents. The system will recognize when a particular rider is needed as well as several other documents. For all others:
 - i. Click in the Additional Documents box and enter down until a blank line opens.
 - ii. Click the “Doc Set” or F8 button.
 - iii. The following options are listed:



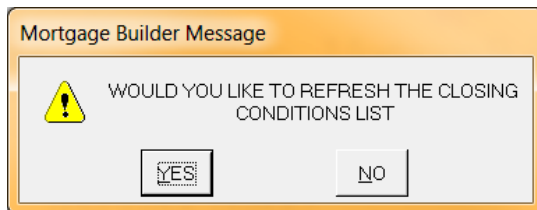
- iv. Click on the appropriate option and a list of documents will populate under the documents that originally appeared.
- v. Scroll through the list and delete out any items that are not contained within the closing document package for this loan or are documents that were recognized by the system as being needed and may already be shown.
- vi. Document headings can be manually typed in if required.

16. Closing Instructions Page 2:

- a. **In addition to the enclosed documents, furnish us the following:** Page 2 of the Closing Instructions lists documents that we need the title company to return with the closing package.
 - i. **FIRST LIEN and CERTIFIED TRUE COPIES OF THE NOTE AND MORTGAGE:** These should remain checked.
 - ii. **CERTIFIED TRUE COPY OF THE ASSIGNMENT OF MORTGAGE and HAZARD INSURANCE POLICY:** These two items should not be checked.
 - iii. **FLOOD INSURANCE, CERTIFICATE OF OCCUPANCY, ORIGINAL SIGNED TERMITE INSPECTION and SHORT FORM LOAN POLICY:** These final four would be checked dependent on the loan type.

17. Closing Instructions Page 3:

- a. **Pop-up warning:** When entering into Page 3 of the Closing Instructions the following message will appear.



If this is the first time through the instructions for this file, click the “YES” button and any Underwriting Conditions for Closing that have not yet been signed off on will populate. Delete any that do not apply. If the information has already been populated, click the “NO” button and the screen will remain as it is.

- b. **Additional closing requirements:** This section has an area to enter in Additional Items. The list could include the Warranty Deed, Principal Residence Exemption Affidavit, Affidavit by Owner, Recorded Cert of Trust or other such document that were not included in our closing package but would be signed or recorded at closing.
- c. Before exiting be sure all the contact information at the bottom of the screen is complete. Then save out of the file.

18. Return to the Truth in Lending Screen:

- a. **Difference:** Note the difference in the APR. If it is greater than .125%, the loan must be redisclosed. No action is needed for values less than the disclosed APR.
- b. **Refund Finance Charge?:** If your loan has private mortgage insurance, review the PMI Approval to see if it indicates that the insurance is refundable. If so, check the box labeled Refund Finance Charge.