TILA-RESPA Integrated Disclosure

GLOSSARY OF TERMS

2-Step Mortgages: An adjustable rate mortgage that has the same interest rate for part of the mortgage and a different rate for the rest of the mortgage. The interest rate changes or adjusts in accordance to the rates of the current market.

AIR: Adjustable Interest Rate

Amount Financed: The loan amount available after payment of the upfront charges.

AP: Adjustable Payment

APR: Annual Percentage Rate is the borrower's costs of the loan term expressed as a rate. This is not their interest rate.

Application (for purposes of the TRID requirements): The submission of a consumer's financial information for the purposes of obtaining an extension of credit, and consists of the submission of the consumer's name; the consumer's income; the consumer's Social Security number to obtain a credit report; the property address; an estimate of the value of the property; and the mortgage loan amount sought.

Bifurcated: A sales transaction handled by two separate settlement agents; one for the buyer handling the issuance of a lender's policy of title insurance and another for the seller responsible for issuance of an Owner's Policy of Title Insurance. This is sometimes referred to as a split closing.

Business day: Defined differently for the Loan Estimate (LE) vs. Closing Disclosure (CD): For the LE, a business day is a day on which the creditor's offices are open to the public for carrying out substantially all of its business functions. For the delivery of the Closing Disclosure (CD) and revisions or corrections, a business day means all calendar days except Sundays and Federal public holidays specified in 5 U.S.C. 6103(a) such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. Consummation may occur on any calendar day, once the 3-business day requirement for delivery has been met.

CD: Closing Disclosure form designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. This form will be given to the consumer three (3) business days before closing and replaces the HUD-1 and final Truth in Lending (TIL) disclosure on TRID impacted transactions.

CFPB: Consumer Financial Protection Bureau (CFPB); an entity created by the Dodd-Frank Act.

Closing Date: The Closing Date on the CD may be considered the signing date or it may be when the transaction is funded.

Closing Insight™: A suite of services designed to streamline the complex, multi-party closing process and support lender compliance. This web-based solution delivers process improvements and quality controls to help lenders aggregate fees, generate disclosure documents and reconcile loan estimate data, while helping to ensure process consistency. Closing Insight supports the closing process by helping lenders gather loan fee information, collaborate with settlement agents, deliver secure documents within mandated timelines and validate pre-funding and post-closing data.

Consumer: Borrower/Buyer

PennAttorneys

A Division of Ohio Bar Title Insurance Company

A First American Company

First American Title Insurance Company, Penn Attorneys and Ohio Bar Title Insurance Company make no express or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. First American, the eagle logo, First American Title, Ohio Bar Title Insurance Company and the Ohio Bar logo are registered trademarks or trademarks of First American Financial Corporation and/or its affiliates.

AMD: 07/2015

©2015 First American Financial Corporation and/or its affiliates. All rights reserved. • NYSE: FAF

TILA-RESPA Integrated Disclosure

GLOSSARY OF TERMS

Consummation: Occurs when the consumer becomes contractually obligated to the creditor on the loan. The point in time when a consumer becomes contractually obligated to the creditor on the loan depends on applicable state law. Consummation is not the same as closing or settlement.

Date Issued: The date the disclosures (Loan Estimate and Closing Disclosure) are mailed or delivered to the consumer.

Disbursement Date: The date the amounts are to be disbursed to a consumer and seller in a purchase transaction or the date funds are to be paid to the consumer or a third party in a transaction that is not a purchase transaction.

Finance Charge: The dollar amount the loan will cost the consumer.

IMD: Integrated Mortgage Disclosure
New forms: Loan Estimate (LE) and Closing Disclosure (CD)
The new Rule and forms apply to most closed-end consumer mortgage loans. It does not apply to home equity lines of credit, reverse mortgages, or mortgage loans secured by a mobile home or by a dwelling that is not attached to real property. The new rule does not apply to loans made by a creditor who makes five or fewer mortgages in a year.

Loan Estimate (LE): Form designed to provide disclosures that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the consumer three (3) business days after application and replaces the GFE and early TIL.

LUI: Lender User Interface

MIC: Mortgage Insurance Case Number

MISMO®: Mortgage Industry Standards Maintenance Organization. MISMO sets standards of how to format data sent to another party for both residential and commercial property transactions in US markets. By promoting improved data consistency, MISMO aims to reduce costs and increase transparency while promoting confidence in mortgages as an asset class for investors. Ultimately, MISMO standards should deliver cost savings to consumers.

MISMO Compliant: Software vendor developed their platform using the MISMO data format standards to send data to other parties.

NMLSR ID: Nationwide Mortgage Licensing System and Registry Identification Number

PUI: Provider User Interface

RESPA: Real Estate Settlement Procedures Act

TIL: Truth in Lending

TILA: Truth in Lending Act

TIP: Total Interest Paid. The total amount of interest the borrower will pay over the loan term as a percentage of the loan amount.

Transport Layer Security (TLS): A protocol that ensures privacy between communicating applications and their users on the internet.

Total Payments: Total amount paid after payment of all principal, interest, mortgage insurance and loan costs as scheduled.

TRID Rule: The TILA-RESPA Integrated Disclosure Rule consolidates four existing disclosures required under TILA and RESPA for closed-end credit transactions secured by real property into two forms: a Loan Estimate (LE) that must be delivered or placed in the mail no later than the third business day after receiving the consumer's application, and a Closing Disclosure (CD) that must be provided to the consumer at least three business days prior to consummation.

UCD: Uniform Closing Dataset. Government Sponsored Entities (GSE),Freddie Mac and Fannie Mae, have provided a common industry dataset called the Uniform Closing Dataset to support the Consumer Financial Protection Bureau's (CFPB) Closing Disclosures. First American Title recently published the UCD MISMO-mapping document. Please note: it's important that lenders and vendors develop a plan for how they will implement the UCD. Using the UCD to implement the CFPB's Closing Disclosure could save you time and resources.

Variance: Previously and also known as Tolerance

Written List of Providers: A written list of service providers given to the consumer by the creditor or mortgage broker for a settlement service provider that the consumer is permitted to shop for.

©2015 First American Financial Corporation and/or its affiliates. All rights reserved. • NYSE: FAF