TRID Technology Implementation

Jaime Kosofsky, Managing Attorney, Brady & Kosofsky PA
Cecelia Raine, Co-Chair, Closing Insight Advisory Board, RealEC Technologies
Richard Triplett, CMB, Vice President, Director of Compliance, AllRegs
Frank Fiore, President, Matchbox LLC
Connecting the Lending industry
RealEC® Technologies
Closing Insight™

Collaborative workflow designed to support lender and service provider efforts to comply with the CFPB’s Integrated Mortgage Disclosure rule that takes effect August 1, 2015.

Closing Insight streamlines the complex, multi-party closing process, and helps lenders and their settlement agents remain compliant as they generate mortgage disclosures that borrowers must receive when applying for or closing on a loan.

<table>
<thead>
<tr>
<th>Closing Insight provides:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardized dataset (UCD) for exchanging Closing Disclosure information</td>
<td>✓</td>
</tr>
<tr>
<td>A secure platform for lender/closing agent collaboration</td>
<td>✓</td>
</tr>
<tr>
<td>A method for lenders to obtain more accurate loan information</td>
<td>✓</td>
</tr>
<tr>
<td>Time savings and reduction of errors by replacing manual processes</td>
<td>✓</td>
</tr>
<tr>
<td>Improved borrower satisfaction with the closing process</td>
<td>✓</td>
</tr>
<tr>
<td>Process consistency by using a rules-based and configurable workflow</td>
<td>✓</td>
</tr>
</tbody>
</table>
Closing Insight™ Software Partner Network

The companies listed below are working with RealEC to develop robust integrations with Closing Insight to support the creation of the new Closing Disclosure. Settlement agents using these software systems should expect a seamless experience, allowing their users to stay within their software platform while providing real-time workflow status and Closing Disclosure information to lenders. The software partners will provide their settlement agents the training and support needed for a successful deployment of Closing Insight.

- SoftPro Standard, SoftPro Enterprise, SoftPro Select and IMPACT (SoftPro Corp.)
- FAST, StreamLine and TitleExpress (First American and SMS)
- RamQuest
- AIM+/SureClose (Stewart)
- ResWare (Adeptive)
- SnapClose (Cornerstone Management Solutions)
- Landtech (Landtech Data Corporation)
- RBJ-Edge (RBJ Software, Inc.)
- Other proprietary systems being brought on line through year end and beyond
RealEC Closing Insight Advisory Board

CIAB Launched
• Inaugural meeting held July 2014
• 30 members representing 12 industry organizations
• Includes 4 top 20 lenders and 4 largest settlement providers, largest title production platforms

Work Streams Identified
• Common Workflow, Fees, Education & Outreach, Training, Testing, Rules, Compliance, Settlement Agent Registration, Production and Operation Readiness and Data Sharing

Engaging Other Industry Partners
• ALTA, NAR, MBA, CFPB, NAHB, AEA, EIC

Board Purpose: Adoption of Closing Insight
• Board members working together to ensure industry awareness
• Work Streams conducting tactical efforts to ensure effective and efficient adoption and industry standardizations
Settlement Agency Pre-Launch Readiness

**Step 3: May 22nd**
Lenders review current registration status and identify critical partners that have not registered and submit targeted registration request

**Step 2: April 15th**
**Independent Agents**
Strategic Software Companies, Underwriters and industry organizations distribute notice of registration enrollment

**Step 1: Jan-Mar 2015**
All Fidelity, First American, Old Republic, & Stewart direct operations added to RealEC network
TRID LOS Readiness

Richard Triplett, CMB
Vice President, Director of Compliance, AllRegs
Encompass – Where are we?

- **January 2015**
  - Launched Beta Program
- **February 2015**
  - Official Reveal of Solution at Encompass Experience
- **March 2015**
  - Released early version to Test Environments
- **May 2015**
  - Released early version to select Production Environments

December 2014 – May 2015 – provided a number of webinars, classroom-based courses, town halls, etc.
Encompass – Where are we going?

- **June 2015**
  > Release final version to all customers

- **July 2015**
  > Planned window for needed adjustments prior to August 1

- **AllRegs**
  > Policies & Procedure guides
  > Self-Paced Courses on LE & CD
  > Disclosure Matrices
  > Auditing Checklists

©2015 Ellie Mae. All rights reserved.
What have we done?

- We have automated every part of completing the disclosures that could be automated
- We are leveraging a single system to both populate and produce the disclosure documents
- We have evidence of compliance embedded throughout the solution to provide insight into disclosure timing/content, re-disclosure triggers, fee variance etc.
- We are working with our third party, title and settlement agent partners to update their existing integrations to facilitate the exchange of data and documents needed to provide accurate and timely disclosures that comply with the various operational aspects of the rule
Customer Issues

- Electronic Delivery
- Pre-Qualification/Pre-Approval/Application
- Dual/Parallel Disclosure Generation
- Vendor Management
- Retail versus Wholesale versus Correspondent
- Lender Credits/Rate Locking
- Fee Variances
- Closing Coordination
- Documenting receipt of both the LE & CD (if not using the mailbox rule)
- Multiple consumers
- Closing Date (Consummation Date) versus Disbursement date (particularly in escrow states)
- Time Zones
Customer Issues

- Origination Fee (no percentage just dollar amount)
- Indirect compensation to broker on CD (but not LE)
- Particular fees (HOA, USDA, RHS, VA Funding Fee, etc.)
- State Specific Disclosures
- Record Retention (Federal versus State)
- Coordination of final revised LE to CD delivery
- Cooperative Units & Manufactured Homes
- Partial Payment Policies
- Liability After Foreclosure
- Last minute issues
- Rescission & Disbursement
Encompass/Mavent/Allregs

Ellie Mae Network & Total Quality Loan Third Party Services – Title, Appraisal, MI, Flood Doc Prep, Verifications & Delivery etc.

3rd Party Integrations

Title S2S Integrations

Fee Service Integrations

Title Portal

LOS: Data, Calculations, Workflow, Templates, Business Rules, Disclosure Tracking, Record Retention, EDM, ESIGN, Reporting, Audit Trail, Exception Management etc.

Mavent®

Test Calculations, Timing, Fee Variance, High Cost, ATR/QM and produce evidence of compliance documentation

Produce / Deliver LE, SSPL etc.

Produce / Deliver Early & Revised CD

Produce / Deliver Final CD etc.

Produce / Deliver Post Close CD

Produce Final File for Delivery / Portfolio

©2015 Ellie Mae. All rights reserved.
This presentation may contain forward-looking statements under the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These forward-looking statements may include the company’s ability and timing to enhance the features and functionality of Encompass software and services and of new product launches. Additional risks and uncertainties related to the company’s business are discussed in the company’s Securities and Exchange Commission filings, including but not limited to the company’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Unless otherwise required by applicable laws, the company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The content is intended for general information purposes only. It should not be construed as legal advice or opinion on any specific facts or circumstances. You are advised to consult your own compliance staff or attorney regarding your specific residential mortgage lending questions or situation to ensure your compliance with applicable laws and regulations.