



## **Announcement 16-11**

**Date: March 21, 2016**

### **Topic: TILA RESPA Integrated Disclosures (TRID) Updates**

Based on recent stipulation trends of loans closed under TRID, PennyMac has created this reminder highlighting specific delivery requirements to help ensure loans are compliant and purchased in an efficient manner.

In addition, to help correspondents address TRID related conditions, we have updated the *TRID Conditions Matrix*. This document is intended to assist clients in understanding and resolving conditions placed by PennyMac in regard to TRID requirements. It can be found on [www.gopennymac.com](http://www.gopennymac.com) by navigating to 'Tools & Resources' menu → 'Reference Guides' sub-menu.

### **Business Day Definitions for Loan Estimate and Closing Disclosure**

We would like to call attention to the CFPB RESPA-TILA Integrated Disclosures Small Entity Compliance Guide, section 6.9. This section provides the following helpful guidance regarding which “business day” rule to use for the Loan Estimate and Closing Disclosure, respectively:

*For purposes of providing the Loan Estimate, 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.  
(Comment 19(e)(1)(iii)-1, § 1026.2(a)(6))*

*Note that the term business day is defined differently for other purposes; including counting days to ensure the consumer receives the Closing Disclosure on time. (See §§ 1026.2(a)(6), 1026.19(f)(1)(ii)(A) and (f)(1)(iii)). For these other purposes, business day means all calendar days except Sundays and the legal 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. (See § 1026.2(a)(6); Comment 2(a)(6)-2; Comment 19(f)(1)(ii)-1)*

Example 1: If the initial Closing Disclosure was delivered on Monday, February 8<sup>th</sup>, 2016 by mail (or email), and the receipt date was based on the mailbox rule, the receipt date would be Thursday, February 11<sup>th</sup>. The earliest closing date based on this receipt date would be Tuesday, February 16<sup>th</sup>,

because Monday is a federal Holiday and is not a business day, regardless of whether the lender is open for business on Monday, February 15th.

Example 2: If the initial Closing Disclosure was mailed (or emailed) on Thursday, February 11<sup>th</sup>, and the receipt date based on the mailbox rule would be Tuesday, Feb 16<sup>th</sup> because Monday, February 15<sup>th</sup> is a holiday, and is not a business day. The earliest closing date based on this receipt date would be Friday, February 19<sup>th</sup>, 2016, regardless of whether the lender was open for business on Monday, February 15<sup>th</sup>.

### **Documentation of the Date of Borrower's E-Sign Consent**

We would also like to remind correspondents that the loan delivery package must contain evidence of compliance with all applicable regulatory requirements, including but not limited to evidence of the date that the borrower(s) consented to electronic delivery of documents, as well as consent to sign electronically. If the borrower is provided with a disclosure that is electronically signed, please ensure that either the disclosure or some other documentation in the loan delivery package (such as a screen shot from the LOS or doc prep company) indicates the date of the borrower(s) consented under the E-Sign Act.

### **Resources to Help You Comply**

Please visit our updated "PennyMac TRID FAQ" document posted on [gopennymac.com](http://gopennymac.com) (Tools & Resources → Reference Guides) for PennyMac delivery requirements.

Other TRID implementation resources, such as examples of the Loan Estimate and Closing Disclosure, are available at the [CFPB's Website](#).

[CFPB Webinars](#) provide helpful but unofficial guidance on numerous TRID implementation topics.

If you have any questions or need clarification on PennyMac's purchase requirements related to TRID compliance not answered in the resources above, please email your inquiry to [pcgcompliancepolicy@pnmac.com](mailto:pcgcompliancepolicy@pnmac.com).