

This TRID Disclosure Guide is intended to provide clarity and transparency around TRID rules, as they pertain to the timing of loan disclosures and fee changes with Western Bancorp.

Western Bancorp does not allow borrowers to waive any of the waiting periods required by TRID, even with bona fide financial emergencies.

## Overview of Disclosure Rules and Timing

### Loan Estimate (LE)

1. The Loan Estimate must be provided to the borrower no later than three business days after receipt of an application.
2. If The Loan Estimate is not provided electronically or in person, it must be mailed to the borrower and is considered to have been received three days after it is delivered or placed in the mail.
3. The Loan Estimate must also be delivered or mailed no later than 7 business days before consummation of the transaction.
4. Any person legally obligated to the loan must receive the Loan Estimate, but only one of the persons whose income and assets are being used to qualify for the loan, has to acknowledge receipt.
5. The borrower cannot be charged any fees for the loan (appraisal, credit, etc.) until they have received the Loan Estimate and acknowledged their intent to proceed with the loan.
6. A Loan Estimate or Revised Loan Estimate cannot be issued on the same day as a Closing Disclosure.
7. See Western Bancorp's TRID Tolerance Guide for information on allowable fee increases.

### Change of Circumstance (COC)

A Change of Circumstance is allowed when an event beyond the control of any interested party or other unexpected event specific to the borrower or transaction occurs. A Change of Circumstance is considered valid, if information specific to the borrower or transaction that was relied upon when providing the LE was inaccurate or changed after the disclosures were provided. Additionally, if new information specific to the borrower or transaction that was not relied upon when providing the LE becomes known, a Change of Circumstance may be warranted.

In the event of fee changes after disclosure, a Revised Loan Estimate may be issued to avoid tolerance violations, thus resetting the fee baseline upon which the tolerances will be based. A Revised Loan Estimate may be issued, if one of the following events triggered the fee change.

1. Change of circumstance that causes an increase to settlement charges
2. Change of circumstance that affects the borrowers eligibility for the loan, or affects the value of the property securing the loan
3. Borrower requested changes

4. Interest rate locks
5. Expiration of the original Loan Estimate

**Additional Notes:**

While the addition of loan impounds or Flood Insurance do not require a Revised Loan Estimate be issued since insurance and escrows are in the unlimited fee tolerance category, it is considered industry best practice to issue a Revised Loan Estimate since the addition of flood insurance and/or impounds may increase the borrowers required funds to close.

**Revised Loan Estimate (RLE)**

A Revised Loan Estimate must be issued in the event of valid Change of Circumstance resulting in any of the following:

1. The estimated fees increase
2. The estimated fees increase beyond the allowable fee increase tolerances. See Western Bancorp TRID Tolerance Guide for information on allowable fee increase tolerances.
3. The APR changes by more than .125%
4. The interest rate locks after the Initial Loan Estimate was disclosed

A Revised Loan Estimate resets the fee baseline, for the fee tolerances between the Loan Estimate and the Closing Disclosure. Additional rules around issuing a Revised Loan Estimate:

1. Revised Loan Estimates must be issued within 3 business days of the Changed Circumstance.
2. Revised Loan Estimates cannot be issued on the same day as the Closing Disclosure.
3. A Revised Loan Estimate cannot be issued once a Closing Disclosure has been issued.
4. The Final Revised Loan Estimate must be issued no later than 4 days prior to the loans consummation.

**Closing Disclosure (CD)**

1. The Closing Disclosure must be provided at least one day after the last Loan Estimate was issued.
2. The Closing Disclosure must be provided and acknowledged by the borrower at least three business days prior to the loans consummation. The borrower must receive and acknowledge receipt of the CD, to start the 3 day waiting period.
3. **Refinances:** Any person with the right to rescind the loan, must receive the Closing Disclosure.
4. Once issued, all changes to the CD require a revised Closing Disclosure be issued to the borrower either prior to or at closing.
5. If any of the following change, a revised CD must be issued and an additional three-business day waiting period applies:
  - a. The APR becomes inaccurate by more than .125%.

- b. The loan product or term has changed.
6. Fees on the Closing Disclosure must be within the allowable fee increase tolerances. If fees exceed the allowable fee increase tolerances (see Western Bancorp's TRID Tolerance Guide for information on allowable fee increase tolerances), then the violation must be cured; and evidence of the cure and Revised Closing Disclosure must be sent to the borrower within 60 days of the loans consummation and a copy of the Cure and revised Closing Disclosure must be retained in the loan file.
7. A Revised Closing Disclosure can be delivered to the borrower, up to 30 days after closing, in the event of a fee change after the loan closes.

### Definition of Important Terms

#### Application:

An application is defined as and is considered to be being received on the date upon which all of the following 6 pieces of information has been received by Western Bancorp:

-  Name
-  Social Security Number
-  Property Address
-  Loan Amount
-  Estimated Value of the Property
-  Income

If the property address changes the loan will need to be cancelled and resubmitted as a new application with updated fees specific to the new property and any new service providers (Title/Escrow, etc.).

#### Consummation:

Consummation is legally defined as the date by which the borrower becomes contractually obligated for the loan. For purposes of TRID, California State defines contractual obligated as the date the borrower executes the loan documents and becomes legally bound by the terms of the Note and Deed. As such, Western Bancorp defines consummation as the date the loan documents are executed.

In instances where there are multiple borrowers executing the loan documents on different days, consummation will be defined as the latest date all borrowers signed the final loan documents.

#### Business Days:

Saturday does not count as a business day for the timing of delivery of the Loan Estimate or valid Change of Circumstance, but it does count as a business day for the waiting period between receipt of the Closing Disclosure and loan consummation. Additionally the date observed for any Federal Holiday, would not count as a business day, for any of the TRID waiting periods.

### Delivery of Disclosures

Means of Delivery	Deemed Received	Acceptable Alternative
<b>Electronic Delivery</b>  *E-consent is required from each person, prior to sending disclosures electronically	3 Business Days AFTER the LE/CD is sent through an e-delivery system	LE: "Acknowledgment of Receipt" received from primary borrower.  CD: "Acknowledgement of Receipt" received from the primary borrower for purchase money transactions, and/or each borrower <u>and</u> each party on title for refinance transactions.
<b>Mail</b>	3 Business days AFTER LE/CD is placed in the US Mail	LE: Overnight delivery receipt signed by primary borrower.  CD: Overnight delivery receipt signed by primary borrower for purchase money transactions, and each borrower and each party on title for refinance transactions.
<b>In-Person</b>	LE: Day LE is signed by borrower  CD: Day CD is signed by primary borrower for purchase money transactions, and each borrower and each party on title for refinance transactions.	None