THE CLOSING CEREMONY
Attachment C

I. Identification

A. Present your identification (Driver's License, Business Card or ID Badge).
B. Perform the identification process with the borrower/client.

II. TIPIC Introduction and Closing Guidelines

A. My name is Elaine Wright Harris and I am a Certified Signing *Specialist [Notary Signing Agent, Title Insurance Producer Independent Contractor]* and Notary Public in the state of Maryland. *(Feel free to give your business card or show your identification badge to the borrower now or after the closing ceremony.)* My purpose in being here today is to ensure that you sign your documents in the right places and I notarize certain sensitive documents. I am an independent contractor; should you have questions regarding the details of your loan, we will call the home office. Do you have contact information available for your loan officer? *(Also, make sure that you have a contact person's phone number readily available that was provided to you by the contracting company.)*

B. *Recording information in the journal*
"First, I will record your identification information, with your signature, in my journal."

C. *Giving verbal declarations*
"As I stated earlier, I notarize certain sensitive documents. I'd like to ask you a couple of questions. Are you signing these documents willing? Do you solemnly affirm that the information provided to the lender is true?"
(Maryland law requires Verification on Oath or Affirmation when performing notarizations that compel truthfulness.)

D. *Explaining the importance of proper signatures, initials and dates*
All signatures must appear as typed on the docs: This should be explained to the borrowers prior to the presentation of the documents for signature signing. Make sure the borrower signs his/her name as it appears on the signature line. If the borrower's name on the document is John J. Jones, it must be signed "John J. Jones".

Let's take a look (*reference the loan documents)* at how you are to sign your name. *(I reference both the Closing Disclosure and Deed of Trust. If there are any aka signature or signature different from signature on the Closing Disclosure, it will appear on the Deed of Trust.)* I see Robert L. Smith, Jr.; that is the way you are to sign your name, first name, middle initial, last name and Jr.?

E. *AKA, BKA, FKA signatures*
If there are any AKA (also known as), BKA (better known as), or FKA (formerly known as) signatures, have the borrower sign exactly the way it appears below the signature line. For example, Joy A. Smith-Jones AKA Joy A. Smith, should be signed exactly as printed including the "aka" wording.

F. *Today's Date*
"When the document asks for the date, please write today's date. Today's date is __________."

G. *Copy of Loan Documents*
"I have a copy of the documents you will sign today for your records." (Show the borrower a copy of the loan closing package and then place them aside; preferably out of their reach until the closing is completed)

III. Important Points to Consider

A. Presenting to Two or More Borrowers

In the case of two or more borrowers, explain that you will pass the document to the Borrower first, then to the Co-Borrower. After the Co-Borrower signs, instruct the Co-borrower to give the document to you for review or any other instructions you choose to give for clarity*. [Feel free to use your own method of presenting documents.]*

B. Be Patient with Borrowers

1. While you may have conducted many loan closings, the typical borrower will only execute a loan closing on 3 or 4 occasions in their lifetime. They may be nervous or even skeptical due to prior experiences. Your confidence, control, and preparation as a professional can put them at ease and conduct a smooth loan closing.
2. Keep instructions short, simple and precise. Do not give advice.
3. If there is a question you have difficulty answering, stop and call the company contact person or refer the borrower to his/her loan officer or title agent.

C. Conversing with the borrower.

1. Avoid talking about the loan product. Direct borrowers to talk with their loan officer regarding the financial numbers in the loan.
2. Never discuss terms, conditions, stipulations, or any other aspect of the loan with the borrower. Direct these types of questions to their loan officer or title agent.
3. Avoid small talk about other subjects during the signing to avoid distraction from a perfect signing.

IV. Presentation and Description of Loan Documents

A. Documents that set borrowers' mind at ease.

1. Notice of Right to Cancel (RTC)
   This document *(applicable on primary residences only – not 2nd or investment properties)* allows the borrower three days to rescind their loan; not counting the day signed, Sunday or any legal holiday. This time frame gives the borrower time to review the details of the loan with their agent, accountant, attorney or whomever while still "remaining in control of the loan". Remember you are not the closing agent and can NEVER offer or give advice. The rescission period is important to understand.
2. Closing Disclosure
   The Closing Disclosure is a statement of your final loan terms and closing costs.
   (See Attachment A, "The New Closing Disclosure Explained" provided by Fidelity National Title Group.)
   - If the borrower has any concerns, he/she usually expresses it with this document.
   - If the borrower has any problem or hesitation with the figures, call the loan officer or other designated contact person immediately.
   - Also, be prepared with your contact information per the loan instructions.

   If there is an amount owed, collect it after the borrower signs the Closing Disclosure document.

   The borrower's signature goes on page 5. There may be an addendum page added requiring the borrower's signature also.

   Note that Page 5 of the Closing Disclosure also discloses the Lender/Settlement Agent contact information.
3. ALTA Settlement Statement
   This document itemizes all the fees and charges associated with your loan.
   (American Land Title Association (ALTA) has developed standardized ALTA Settlement Statements for title insurance and settlement companies to use to itemize all the fees and charges that both the homebuyer and seller must pay during the settlement process of a housing transaction. Settlement statements are currently used in the marketplace in conjunction with the federal HUD-1. The ALTA Settlement Statement is not meant to replace the Consumer Financial Protection Bureau's Closing Disclosure.)

4. HUD-1/Settlement Statement
   Note: This document is not used for Refinances. It is generally used for Reverse Mortgages.
   This is your Settlement Statement; it's an itemization of all the debits and credits associated with your loan. Line 303 of the HUD-1 states that you will receive a refund of $_____ or Line 303 of the HUD-1 states that you owe $______.
   - If the borrower has any concerns, he/she usually expresses it with this document.
   - If the borrower has any problem or hesitation with the figures, call the loan officer or other designated contact person immediately.
   - Also, be prepared with your contact information per the loan instructions.

   If there is an amount owed, collect it after the borrower signs the document.
5. Note
   This is your note. This is your promise to pay back the loan. Item 1 shows your loan amount. Item 2 shows your interest rate. Item 3 shows your first payment date. Item 4 reassures you that there is no prepayment penalty. Item 6 provides information on late payments and failure to pay the loan. You have between the 1st and the 15th of the month to make your loan payment.
6. Itemization of Monthly Payment
   This document is an itemization of your monthly payment.
7. Deed of Trust
   This is the Deed of Trust, your collateral for the loan. This document is recorded in the County Land Records.

B. Other Document Descriptions and Explanations

1. Signing Presentation Guidelines
   The Signing Professionals Workgroup (SPW) published the Signing Presentation Guidelines as a means for creating a consistent customer experience from loan to loan and signing professional to signing professional. Signing To download a copy of the guideline, copy and paste this web address: https://signingprofessionalsworkgroup.org/signing-script/.

C. Document Order

1. Presenting documents in a certain order may provide for a smoother closing experience. Those documents are:
    a. Right to Cancel
    b. Closing Disclosure
    c. Note
    d. Deed of Trust
    e. Itemization of monthly statement

    After presenting the documents above, continue presenting the documents ensuring signatures, initials, acknowledgments or notarizations are placed on documents as required. Turn signed documents faced down to minimize confusion of which documents have been signed. *[Or use your method of presenting.]*

    Do you have to place documents back in order before returning document package? I would say no; however, it depends on the lender.
2. Stickies/tabs may be helpful in ordering you documents.

		

V. Handling Challenging Situations at the Loan Closing Table

A. The borrower has detailed questions about the loan transaction.
Stop. Call the loan representative.

B. Comments made by borrowers:
1. "This is not the rate/term/amount/interest rate etc. I expected."
Stop. Call the loan representative.
2. "When will I get my money?"
Refer to the Closing Disclosure "Disbursement Date."
3. "Is this a good interest rate?"
You are not an Attorney; you cannot render an opinion or give legal advice.
4. "Do you have my appraisal report?"
Direct the borrower to their closing agent/lender for further information.

C. Handling Mistakes with Signatures and Dates
   1. Preventive Measure
      a. See (II)(D) above.
   2. *Handling Mistakes
      a. When the borrower signs or dates the document incorrectly; have them line through the error, initial and then, make the change.
      b. Ask permission to use the document in the borrower's package and replace the document with the mistake.
      c. Depending upon the nature of the change, call the closing agent.
      d. Always make a notation of the name of the closing agent.
         Tip: When in doubt about the signing of a document and you cannot get in touch with the company before the closing; make 2 copies of that signature page and have the signer sign both ways.

D. Resolving concerns that may be addressed later within the body of documents.
   1. Often the borrower will have a concern regarding something mentioned during the review of the documents (i.e. prepayments) that may be answered later within the loan package. Place a sticky note at the point in the documents and continue with the signing and tell the borrower that it will possibly be addressed in more detail later within the loan package.
   2. If the questions are still unanswered after completing the loan closing, call the closing agent for clarification.

E. The borrower(s) refuses to sign the documents.
   1. Borrower Refuses to Sign the Loan Closing Documents
      If the borrower refuses to sign, STOP! Call the closing agent. If the closing agent is not available, leave a voice mail or email regarding the situation. Sending an email provides dated documentation of the refusal.
   2. The borrower(s) refuses to continue signing the documents and wants to keep the documents.
      Do not leave documents with the borrower. Let the borrower(s) know that the lender requires you to keep the documents. However, if the borrower insists on keeping the documents, leave the documents. Make sure you update the title company on the borrower's request to keep the documents. Documentation of this occurrence can be done by email.
   3. Borrower refuses to sign a particular document.
      Contact the closing agent. If the closing agent is not available, have the borrower initial the bottom right of the document. Depending on the type of document the borrower refuses to sign, you may able to continue with the closing.

F. Borrower doesn't produce requested documents or funds to close.
    1. Stop! Contact closing agent.

VI. Closing Wrap Up

A. Ask the borrower’s permission to take a few minutes to review all the documents. For example, “If you do not mind, I will take about 5 more minutes of your time to review the documents.”

B. Present to the borrower his/her/their copy of the loan package.

C. Thank the borrower.

VII. Post-Closing Requirements

A. Follow the “closing status reporting” procedures required by the lender by reviewing the instructions.

B. Documents should be dropped the same day or the next day per the lender’s instructions. Generally, the rule of thumb is to drop the documents the same day if signing took place before 3 pm.

VIII. Handling Post-Closing Situations

A. Notary Error
You may be asked to go back to the borrower’s home and correct the error. In most cases, you absorb the cost.

B. Lender Error
Occasionally the lender leaves out required documents. An additional document fee can be negotiated for going back to the signer’s residence.

C. Using an “Acknowledgement” or “Loose Certificate” to correct an error. Consult the <u>Handbook for Maryland Notaries Public</u> for using the proper notarial certificate.

Elaine Wright Harris
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