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## Seller Paid Fees and Costs Included on the Borrower's Closing Disclosure (CD)

**EFFECTIVE DATE: 07-01-2019**

This communication is a reminder regarding seller paid fees and costs on the Closing Disclosure (CD). The TILA RESPA Integrated Disclosure (TRID) Rule allows borrowers and sellers to be provided separate Closing Disclosures. However, the Consumer Financial Protection Bureau (CFPB) clarified the following question and answer during a 2016 webinar.

**Question:** *When a separate disclosure is provided to the seller, must seller-paid loan costs and other costs be included on page 2 of the consumer's Closing Disclosure?*

**Answer (Ms. Ayoubi - CFPB):** *Yes. Seller-paid loan costs and other costs are required to be disclosed on the consumer's Closing Disclosure regardless of whether a separate Closing Disclosure is provided to the seller. The rule's provisions that permit the separation of consumer and seller information are specific as to which disclosures may be omitted, and seller-paid loan costs and other costs are disclosures that must be included on the consumer's Closing Disclosure.*

To remain compliant with the CFPB's interpretation of this aspect of the TRID Rule, beginning July 1, 2019, First Guaranty Mortgage Corporation (FGMC) will require all seller paid "Loan Costs" and "Other Costs" to be disclosed on the Borrower's version of the Closing Disclosure.

- "Loan Costs" includes sections A, B, C and the Total Loan Costs in section D.
- "Other Costs" includes sections E, F, G, H, the Total Other Costs in section I, and the Total Closing Costs in section J.

Purchase transactions that do not disclose all seller paid costs on the borrower's CD will not be purchased after July 1, 2019. If a borrower CD does not have seller paid costs, then the CD will need to be corrected and reissued to the borrower. The following will be required to clear the suspense condition:

- Corrected post consummation CD evidencing the seller paid costs; and
- Letter of explanation detailing the changes on the post consummation CD; and
- Evidence of CD delivery.

Please reach out to your Account Executive with any questions or concerns.  
As always, thank you for your continued business and partnership.