

TRID

Acceptable Broker Submissions Booklet

At Fremont Bank, our goal is to make the submission of your loan applications to us as streamlined as possible. While this booklet will assist you in complying with Fremont Bank's TILA-RESPA Integrated Disclosure (the "Rule") requirements, it does not provide complete information on the Rule. For complete information on the integrated disclosure forms, please reference the CFPB website. This booklet is based on the information available to us, however, any CFPB clarifications to the Rule may impact our processes and requirements in the future.

FREMONT BANK REQUIREMENTS AND PROCESS FOR SUBMITTING A LOAN WHERE THE BROKER HAS PROVIDED THE INITIAL LOAN ESTIMATE TO THE BORROWER.

Included Loans

- Closed-end consumer loan applications taken on or after 10/3/2015
- Primary Residence and Second Homes
- Detached SFR, Attached SFR, 2-4 Units, Condos and Co-Ops

Excluded Loans*

- Home Equity Lines of Credit
- Investment Properties (Business Purpose) (even though investment/business purpose is excluded under the Rule, a CD will be provided to the borrower. NO waiting periods apply).

Please note that existing requirements related to QM Points and Fees tests and Higher Priced Covered Transaction tests are not being replaced by these TRID requirements.

* Fremont Bank will reject any broker submission containing an LE and/or Service Provider List that is inaccurate or out of compliance with TRID. A file that is rejected for compliance issues is not eligible for resubmission until the LE has expired.

Key Definitions and Other Considerations

*"General" Business Day** – As previously defined within RESPA, a day in which the lender offices are open to the public for carrying on substantially all of its business functions.

*"Specific" Business Day** – All calendar days except Sundays and the legal public holidays specified in 5U.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.

*Note: Fremont Bank is open for conducting business on Saturdays, therefore, all references to "Business Day" in this booklet includes all calendar days except Sundays and the specified public legal holidays.

Delivery (delivered) – handed to the applicant, or placed in the mail, or emailed to the applicant.

Received – handed to the applicant, received in the mail, or received and opened via electronically. If the disclosure is mailed or sent electronically, the consumer is considered to have received the disclosure three specific business days after they are mailed.

Complete Application – an application is considered complete when the following six (6) pieces of information are obtained: consumer's name, consumer's income, consumer's social security number, the property address, an estimate of the value of the property, and the mortgage loan amount requested.

Consummation – occurs when the consumer becomes contractually obligated to repay the loan; Fremont Bank considers it to be the date the consumer signs the Note.

Application Receipt

Fremont Bank will determine the Application Date based upon the signed 1003.

E-Delivery of Disclosures and E-SIGN Compliance

Disclosures may be delivered to the consumer electronically, subject to the consumer's consent and in compliance with E-Sign requirements. Specifically, the broker must have the consumer's electronic consent prior to delivering the disclosures electronically.

Mailbox Receipt Rule

If the Loan Estimate ("LE") is mailed or delivered electronically, it is assumed that the consumer received the LE three (3) Business Days after it was delivered or placed in the mail unless there is satisfactory evidence that the consumer received it earlier.

LOAN ESTIMATE

Loan Estimate Content

Fremont Bank will review contents of the Loan Estimate to confirm completeness, accuracy and format. Refer to §1026.37 for specific content requirements.

Delivery, Waiting Period and Imposition of Fees

LE must be delivered or placed in the mail no later than the third Business Day after receiving the consumer's complete application. In a rescindable transaction, the broker must separately give the LE to each consumer who has the right to rescind.

A broker may NOT impose a fee on the consumer (other than a bonafide fee for a credit report) until the LE has been received by the consumer and the consumer has indicated an intent to proceed. A broker may not obtain the consumer's credit card information until after the initial LE is delivered and has received the consumer's intent to proceed.

The broker must provide documentation of the consumer's intent to proceed in order to satisfy the record retention requirements of TILA Regulation Z. The bank currently does not require a particular method; however the documentation must sufficiently indicate the consumer's intent. The bank will not accept a signed LE to document intent to proceed.

Fremont Bank will not accept any loan where the consumer has waived either the 7-business day waiting period after receiving the initial LE or the 3-day CD prior to consummation.

Signature and Date Lines

Fremont Bank will not require that the consumer sign and date the LE. However, as indicated above, we will require satisfactory evidence of delivery and or receipt.

Accuracy of Fees Disclosed on Loan Estimate

Fees disclosed on the LE should be made in good faith and consistent with the best information available at the time they were disclosed.

Except for the item for "Points" under "Origination Charges", all fees must be listed by alphabetical order. Items that are a component of title insurance must include the introductory description of "Title."

Any payments that have been or will be made directly by the consumer to broker must be itemized separately in the "Origination Charges." Do not disclose compensation paid by the bank.

Written List of Service Providers

If a consumer is permitted to shop for a settlement service, the bank requires that the broker provide the consumer with a list of the services they can shop. The Written List of Service Providers is separate from the LE,

but must be provided within the same timeframe, no later than three Business Days of the broker receiving the consumer's application. The Written List of Service Providers must:

- Identify at least one available settlement service provider for each service; and
- State that the consumer may choose a different provider for that service.

Fremont Bank will not require inclusion of services that the consumer cannot shop for. If the consumer is not allowed to shop for any services, a Written List of Service Providers does not need to be provided.

Note: Brokers may not include any affiliate service providers on their written list.

Estimated and Average Fees

Fremont Bank will not accept any LE submissions that contain fee Estimates designated with an (e) nor loans where Average Fees were charged or imposed.

LE PAGE 3: OTHER CONSIDERATIONS

Servicing Disclosure Statement

Fremont Bank will require all broker LE submissions to indicate as below:

Servicing We intend: to service your loan. If so, you will make your payments to us.
 to transfer servicing of your loan.

Assumption

- ARM and FHA Loans – Fremont Bank will allow, under certain conditions, this person to assume this loan on the original terms.
- All Other Submissions – Fremont Bank will not allow assumption of this loan.

Late Payment

- FHA - If your payment is more than 15 days late, we will charge a late fee of 4% of the monthly principal and interest payment.
- All Other Submissions – If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

OTHER ISSUES

Below are other common issues that although are not expressly related to TRID may still cause Fremont Bank to reject a broker submission.

Transfer Taxes

Often these are under disclosed or not disclosed at all on Good Faith Estimates ("GFEs") submitted by brokers. Under TRID, Transfer Taxes must be disclosed in Section E of the Loan Estimate unless they are being paid by the seller. As these are a zero tolerance item under TRID, any submissions with incorrect transfer taxes will continue to result in a rejected submission.

Owner's Title Policy

In all purchase transactions, the owner's policy is required to be listed, regardless of who pays for it. Under TRID, the Owner's Title Policy must be disclosed in Section H of the LE and labelled as "(Optional)."

Under Disclosed Fees

The third most common occurrence that causes a rejection of a broker submission is under disclosing Fremont Bank fees. Under TRID, any fees paid to the creditor, broker, or an affiliate of either are subject to zero tolerance. Therefore, any submissions that under disclose or understate Fremont Bank Fees will be rejected.

Loan Submission

When you send a loan file to Fremont Bank on or after October 3, 2015, the following documents must be included AT A MINIMUM:

1. Wholesale Submission Form, including the fee break down provided by the title company to include all fees including title and escrow associated with the transaction.
2. DO/DU / or 3.2 Findings assigned to Fremont Bank
3. Complete 1003 dated
4. 1008
5. Loan Estimate within 3 days of the 1003
6. Written List of Service Providers

If lock requested:

7. Lock Request
8. Appraisal Authorization or HVCC Appraisal

FREMONT BANK CAN NOW SEND OUT THE INITIAL LOAN ESTIMATE TO THE BORROWER IF YOU OR YOUR LOAN ORIGINATION SYSTEM CANNOT MEET THE REQUIREMENTS LISTED ABOVE.

Application Date Submission Timing

As stated above, a complete application consists of the following six (6) pieces of information: consumer's name, consumer's income, consumer's social security number, the property address, an estimate of the value of the property, and the mortgage loan amount requested. No other information may be required from the consumer in order to issue an LE.

Since the LE is required to be sent to the consumer no later than 3 business days of receiving a complete application, Fremont Bank will require broker submissions, inclusive of the dated 1003, to be submitted no later than 2:00 pm Pacific Time, one (1) General Business Day following the day the six (6) elements above were collected. Please note, Fremont Bank does consider Saturday to be a General Business Day.

Examples:

Application taken – Tuesday - Required submission documents must be uploaded to Fremont Bank by 2:00 p.m. Pacific Time Wednesday (assuming Tuesday and Wednesday are not public holidays).

Application taken - Saturday, February 13 – Upload required by 2:00 p.m. Pacific Time Tuesday, February 16 since Monday, February 15 is Washington's Birthday (legal public holiday).

Application taken Friday – Upload required by 2:00 p.m. Pacific Time Saturday (assuming Saturday is not a legal public holiday).

Fremont Bank will deliver the initial Loan Estimate and all early disclosures required of the CREDITOR to the applicant within three (3) general business days of receipt of the loan application (as defined above). However, the broker remains responsible to provide all regulatory disclosures required of them.

Required Submission Documents

For Fremont Bank to create an accurate initial LE:

Fremont Bank will import the applicant's 1003 application information from MORRIS only

The submission must also include AT A MINIMUM:

1. Wholesale Submission Form, including the fee break down provided by the title company to include all fees including title and escrow associated with the transaction.
2. DO/DU / or 3.2 Findings assigned to Fremont Bank
3. Complete 1003 dated
4. 1008

If lock requested:

7. Lock Request
8. Appraisal Authorization or HVCC Appraisal

Fee Reminder

No fees may be charged or collected by you or any other service provider from the consumer (except a bona fide credit report fee). You may not obtain the consumer's credit card information or require any loan documentation or verifying information until after Fremont Bank delivers the initial LE and you receive the consumer's intent to proceed.

Other Important Considerations

Fremont Bank will not accept submissions via this process where the broker has provided a Loan Estimate to the applicant, nor will Fremont Bank accept application packages which include an LE provided by a different creditor.

Fremont Bank will also be providing the Service Provider List. First American or Chicago Title (FHA Only) will be listed; however we will not include fee amounts since title fees will be listed on the LE, Section C, "Services You Can Shop For," with the correct fee amount as provided by you. Please see the example below:

| C. Services You Can Shop For | \$1,175 |
|-------------------------------------|----------------|
| Title - Courier Fee | \$50 |
| Title - Endorsement Fee | \$50 |
| Title - Lender's Coverage | \$425 |
| Title - Settlement/Closing Fee | \$475 |
| Title - Signing Fee | \$175 |

| Service | Service Provider Name, Address and Telephone Number | Affiliated Business (Y/N) |
|-----------------|--|----------------------------------|
| TITLE INSURANCE | First American Title 1855 Gateway Blvd, Suite 700 Concord, California 94520-8406 (925) 798-2800 | N |

Questions?

Visit the CFPB at <http://www.consumerfinance.gov/regulatory-implementation/tila-respa/> to answer questions concerning the rule or contact your AE for additional assistance with the submission process and requirements.

This communication does not represent legal interpretation, guidance or advice of or by Fremont Bank. While efforts have been made to ensure accurate replies to inquiries and in this communication, this is not a substitute for any regulation or rule. Only the rule and its Official Interpretations can provide complete and definitive information regarding requirements. This document does not bind Fremont Bank and does not create any rights, benefits, or defenses, substantive or procedural, that are enforceable by any party in any manner.