

HUD Updates Guidance on Written List of Providers, Title Fees

December 28, 2009

Due to additional information received from the industry and a review of settlement service and title practices, the U.S. Department of Housing and Urban Development today (Dec. 31) [updated guidance](#) it issued to a question surrounding the written list of settlement services providers on the Good Faith Estimate.

The updated information will help aid the completion of the GFE, written List of Settlement Services Providers, and preparation of closing instructions, and the title industry in completing the HUD-1.

The American Land Title Association's RESPA Implementation Taskforce has been pushing HUD for the answer to this question since last spring. The following question replaces the previous GFE-Written List of Providers Question 8:

Q: In some cases, law or local custom may require, or consumers may prefer, to have one provider conduct the settlement and another provider perform the remainder of the services included within the "Title Services and Lender's Title Insurance" category on the GFE (Block 4 on page 2). How should the fees and providers for these services be listed on the GFE, the Written List of Service Providers, and the comparison table on page 3 of the HUD-1 (page 2 of the HUD-1A)?

A: The preferred method of disclosing the GFE Block 4 charges on the Written List of Service Providers is to list a set of single providers where each is capable of coordinating or performing all of the services provided within the "Title Services and lender's title insurance" category. Due to a wide variety of practices across the country, an alternate option is explained below that allows for the separate identification of providers to conduct settlement (or closing) and providers of lender's title insurance and the related services on the Written List of Providers and the HUD-1/1A.

GFE

- In all cases, the GFE shall be completed with the total estimated fees for "Title Services and Lender's Title Insurance" combined in Block 4. Provider names are not listed on the GFE.

Written List of Providers

- For Block 4, the loan originator may separate the services in the Written List of Providers to show providers that conduct settlements (or closings) separately from providers of lender's title insurance and the related services
- If Block 4 services are separated on the Written List of Providers, the associated estimated fee for the component service must be listed next to the header for the list of providers of that service
- The sum of the estimated fees for the two services must equal the amount in Block 4

- Only two (2) categories of service providers may be listed: providers that conduct settlements (or closings) and providers of lender's title insurance and the related services

HUD-1 page 3, HUD-1A page 2

- If the consumer chooses neither service provider from the list:
 - The lump sum of Block 4 would be placed in "Charges that Can Change"
 - Both service providers should be listed in the blank for service provider names, for example: XYZ Settlement Services/ABC Title Agency
- If the consumer chooses a provider of one of the services from the list:
 - The service provider that was chosen from the Written List would be included in "Charges That in Total Cannot Increase More than 10%" with the associated estimated fee from the Written List of Providers in the GFE column and the actual fees for that service from that provider in the HUD-1 column. The service performed by the provider not chosen from the Written List of Providers would be listed in the "Charges that can Change Section" with the associated estimated and actual fees.
 - The total of the estimated fees in the GFE column (from both tolerance sections) must equal the amount in Block 4 of the GFE
 - The total of the actual fees in the HUD-1 column (from both tolerance sections) must equal the total of all "Title services and lender's title insurance" actual charges
- If the consumer chooses the providers of both services from the Written List:
 - The Block 4 total is listed in the "Charges That in Total Cannot Increase More than 10%" column.
 - Both service providers should be listed in the blank for service provider names, for example: XYZ Settlement Services/ABC Title Agency
 - The total estimated and actual fees for both providers would be listed in the respective GFE and HUD-1 columns.

Here is the original guidance provided by HUD regarding question eight of the GFE-Written List of Providers section:

Q: If a loan originator permits a borrower to shop for "Title services and lender's title insurance," should the "written list" consider "Title services and lender's title insurance" one service or would all of the sub-services (such as conducting the settlement) be listed as separate services?

A: "Title services and lender's title insurance" is a category that comprises services within the defined term "title service," including conducting the settlement. Sub-services included within "Title service and lender's title insurance" may not be listed as separate services on the "written list."