



LOAN DOCUMENT SIGNING AGENT WORKBOOK

CALIFORNIA INSTITUTE OF SIGNING AGENTS

Seminar Workbook
Copyright © 2007 Marty Ratanasene
Prepared by California Institute of Signing Agent

ALL RIGHTS RESERVED: No part of this work may be reproduced in any form without permission from Marty Ratanasene, CISA

TABLE OF CONTENTS

CHAPTER 1 LIST OF PLAYERS/PROCESS PROCESS SIGNING AGENT'S JOB FLOW CHART OF PLAYERS	1-6
CHAPTER 2 BEFORE THE SIGNING REQUEST FOR SIGNING RECEIVING THE DOCUMENTS CONTACTING THE BORROWER	7-10
CHAPTER 3 AT THE SIGNING CONTROL OF THE SIGNING REVIEW OF THE DOCUMENTS HINTS	11-14
CHAPTER 4 AFTER THE SIGNING CHECK DOCUMENTS FOLLOW INSTRUCTIONS	15
CHAPTER 5 MARKETING YOUR SKILLS MARKETING TECHNIQUES AND TOOLS SIGNING AGENCIES (ISSUES AND CONTRACTS) POTENTIAL CLIENTS	16-22
CHAPTER 6 RECORD KEEPING TAX CONSIDERATIONS	23
CHAPTER 7 NOTARY ISSUES IMPROPER ID BACK DATING JOURNAL STAYING LEGAL WITNESSES, INITIALS, POWER OF ATTORNEY	24-28
LOAN DOCUMENTS AND DESCRIPTIONS (LISTED ON THE FOLLOWING PAGE)	29-73
GLOSSARY	74-75

LOAN DOCUMENTS & DESCRIPTIONS

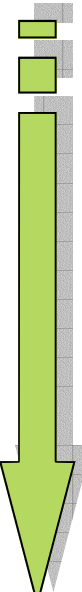
ESTIMATED CLOSING STATEMENT	30
ESTIMATED HUD-1	31
CLOSING INSTRUCTIONS	32
PRELIMINARY TITLE REPORT	33
DEED OF TRUST	34-36
RIDERS TO THE DEED OF TRUST	37
ASSIGNMENT OF DEED OF TRUST	38
NOTE	39
ADDENDUM TO NOTE	40
RIGHT TO CANCEL	41
CERTIFICATE OF CONFIRMATION - RIGHT TO CANCEL	42
TRUTH-IN-LENDING DISCLOSURE	43
TRUTH-IN-LENDING DISCLOSURE DEFINITIONS	44
BORROWER'S LIEN AFFIDAVIT	45
BORROWERS CERTIFICATION & AUTHORIZATION	46
MORTGAGE AFFIDAVIT	47
OCCUPANCY AFFIDAVIT	48
PAYOFF STATEMENT	49
SIGNATURE/NAME AFFIDAVIT	50
ERRORS AND OMISSIONS/ COMPLIANCE AGREEMENT	51
FIRST PAYMENT LETTER	52
CREDIT SCORE DISCLOSURE	53
NOTICE OF RIGHT TO COPY OF APPRAISAL	54
HAZARD INSURANCE REQUIREMENTS	55
FLOOD INSURANCE DISCLOSURE	56
INSURANCE DISCLOSURE	57
INITIAL ESCROW ACCOUNT DISCLOSURE STATEMENT	58
IMPOUND DISCLOSURE/WAIVER	59
RESPA SERVICING DISCLOSURE	60
SERVICING TRANSFER LETTER	61
PER DIEM INTEREST DISCLOSURE	62
AFFILIATED BUSINESS ARRANGEMENT	63
FAIR LENDING NOTICE	64
W-9	65
4506	66
PRIVACY NOTICE	67
GOOD FAITH ESTIMATE	68
1003 / APPLICATION	69
OTHER DEEDS	70
SUBORDINATION AGREEMENT	71
USA PATRIOT ACT	72
ADDITIONAL DOCUMENTS	73

CHAPTER 1 LIST OF PLAYERS AND PROCESS

- ◆ **Lender, Mortgagee, Funder:** *The party that is lending the money to the borrower.*
- ◆ **Borrower, Applicant, Mortgagor, Buyer:** *The party applying for and obtaining a real estate loan.*
- ◆ **Realtor, Sales Agent, Real Estate Broker:** *A licensed representative of either the buyer or seller in a property sale transaction.*
- ◆ **Mortgage Broker, Loan Originator, Loan Agent:** *An independent real estate financing professional who specializes in the origination of residential/commercial mortgages.*

Mortgage Broker's Job

- Search for the best rate and place the borrower's credit application with the most appropriate lender for the borrower's needs.
- Assist the borrower with:
 - ⇒ Completing the credit application.
 - ⇒ Ordering the appraisal and credit report.
 - ⇒ Obtaining all necessary verifications.
- Open escrow at the title company or escrow company.
- The broker will follow the process and keep the borrower informed of:
 - ⇒ The timeline and changes in terms and closing.
 - ⇒ Required documents (called stipulations or conditions) such as W-2's, insurance, pay stubs, tax records.

- 
- ◆ **Title Company:** *Searches the county records for chain of title, liens and/or encumbrances and issues a final Title Policy.*

Title Company's Job

- Perform a title search for the lender.
- Issue a Preliminary Title Report (prelim) prior to closing and then a final Title Policy after closing.
- Handle the proceeds from the lender and disburse the funds at the time of closing.
- Send the Security Instrument (Deed of Trust) to the County Recorder's office to record the lien on the property.

- ◆ **Escrow Officer:** *A person who works for the Title/Escrow company.*

Escrow Officer's Job

- Obtaining pay-off figures on existing loans on the property.
- Gathering all required insurance policies.
- Complying with all lender requirements/instructions.
- Ensuring the documents are properly executed.
- Verify hazard insurance on the property...order a change in loss-payee to the new lender, if applicable.
- Organize the documents according to the lender's and borrower's instructions.

NOTE:

- ⇒ In Northern California, the company that the escrow officer works for is the title company.
- ⇒ In Southern California the escrow officer works for an independent escrow company.
- ⇒ In some states the closing agent is an attorney.
- ⇒ The term closing agent may be used on some of the closing documents.

THE CLOSING AGENT IS NOT THE NOTARY!!

- ◆ **Signing Agent:** *A Notary Public who assists the borrower when signing his/her loan documents.*

OTHER PLAYERS WHO MAY HAVE A ROLE IN THE PROCESS

- ◆ **Signing Service:** A company with a database of notaries throughout a state or county.
- ◆ **Loan Underwriter:** An employee of the lender who evaluates the credit and repayment capacity of the borrower and makes the final determination on loan approval.
- ◆ **Appraiser:** The professional responsible for determining the current value and condition of the property.
- ◆ **Home Inspector:** On a purchase transaction, the professional that does an evaluation of the specifics on the property (i.e. roof, appliances, furnace, structure and flooring).
- ◆ **Servicer:** The entity responsible for collecting the loan payments, ensuring the property taxes and insurance are paid current and responding to the borrower's inquiries. The entity may not be the lender, but a separate servicing agent.

AFTER THE DOCUMENTS ARE SIGNED BY THE BORROWER

The executed, properly notarized documents are delivered to the escrow officer:

1. The escrow officer ensures that everything is in order per the lender's requirements and sends all documents back to the lender with proof of insurance and any conditions obtained.
2. Four days *after* the signing, the lender wires the funds to the title company.
3. The next morning (business day) the Security Instrument (Deed of Trust) is recorded with the County Recorder.
4. The title company disburses the funds according to the Escrow Instructions.

MORE DETAILS ABOUT YOUR JOB:***THIS IS THE JOB OF A SIGNING AGENT:***

You will receive the loan package assembled by the escrow officer or the lender and:

1. Take the document package to the borrower.
2. Oversee the signing of the documents.
3. Identify the documents for the borrower.
4. Obtain the necessary signatures.
5. Notarize the required documents.

AND FINALLY:

6. Return the documents to the escrow officer or lender.

NOTE ON LYING AND FRAUD:

If you discover that the borrower has lied or has intentionally misstated information to the Lender **DO NOT** contact the lender. Advise the escrow agent of the fraudulent act.

As a notary you **MAY NOT** notarize any document that you know to be fraudulent.

YOUR JOB DOES NOT INCLUDE:

- ◆ Preparing the documents...which means you may NOT insert dates...or make corrections to the documents.
- ◆ Providing advice...which means you may NOT advise the borrower in how to proceed if he/she has a problem.
- ◆ ANSWERING “WHAT IF...” questions!
- ◆ ANSWERING “IF YOU WERE ME...” questions!



YOU MAY POINT OUT WHERE THE BORROWER CAN FIND CERTAIN INFORMATION, SUCH AS:

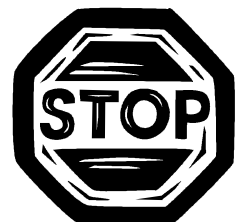
- ◆ Interest Rate.
- ◆ Terms of the note.
- ◆ APR.
- ◆ Payment Amount.



AND YOU MAY EXPLAIN THE FUNCTION OF EACH DOCUMENT.

YOU MAY NOT: DECIPHER LEGAL TERMS OR PARAGRAPHS OR SENTENCES.

After all, the lender’s attorneys drafted the documents...you are *not trained or qualified* to answer questions as to WHAT the language means in real life!



PLAYERS & THEIR ROLE IN THE PROCESS

