

LOAN TIE-IN FEES

What is it and why am I charged this fee?

The “Loan Tie-In-Fee” is a fee that is charged by Escrow Holders to compensate them for the additional work required to process having one or more New Lender(s) in the escrow process.

Among a myriad of other things, the Escrow Holder:

1. Complies with the Loan Originator (either the Mortgage Broker or Lender) to help them in preparing their new Loan Estimate (LE) disclosure to Buyer/Borrower according to guidelines
2. Submits certified copy of ALL Escrow instructions and amendments to the new lender(s)
3. Coordinates submission of the Preliminary Title Report, and copies of the covenants, conditions, and restrictions, and the appropriate supplemental title reports to all new lender(s)
4. Corresponds with the Lender(s) for status and possible new Loan Estimate tolerance issues during the approval process and takes appropriate action, as directed by lender(s)
5. Receives, identifies and responds to all Escrow related PRIOR TO DOCUMENT conditions imposed by the Lender
6. Receives new Lender's minimum fire insurance requirements and organizes changes necessary from Buyer's insurance agent; coordinates the delivery of the same to Escrow
7. Receives, processes and packages Lender's new loan documents for Buyer's Signature
8. Arranges for Buyer's appointment to sign loan documents at a time convenient for Buyer, either with Escrow Holder or utilizing the services of a qualified Traveling/Signing Notary service
9. Oversees the in-office new loan document signing process (a time period ranging from 30-45 minutes to over 3 hours, depending on:
 - A. Buyer's familiarity with the loan documents, loan program, Closing Disclosure, and
 - B. Loan Originator's accurate representations of the “requested” new loan to the “actual”
10. Compiles executed loan documents in accordance with new lender's requirements, including one or more certified copies of all escrow instructions, amendments, receipt(s) for deposit into escrow, etc. and arranges for delivery to the Lender
11. Advises title company of all new Lender's title insurance requirements and any necessary special endorsements
12. Verifies new Lender's timely funding of their new loan and arranges for confirmation of receipt of wired new loan funds transfer
13. Confirms recordation with the new Lender and processes the Lender required final settlement statement
14. Verifies new lender's title insurance requirements have been satisfied after the close of escrow

Though this list is comprehensive it is not at all all-inclusive, we feel it is a fairly accurate representation of the additional liability, exposure, time, effort, experience, and expense required for the Escrow Holder to facilitate a successful close of an escrow where a Buyer will be applying to a lender(s) for a brand new loan.