



PRESS RELEASE

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Ernst: TRID Didn't Kill Small Settlement Services Companies

Thanks to technology, smaller companies were not cut out of the business in the wake of TRID

ALBANY, NY—February 24, 2016—When the RESPA/TILA Integrated Disclosure (TRID) rules advanced by the Consumer Financial Protection Bureau (CFPB) went into effect last October, many worried that compliance concerns would force larger lenders to suspend all activity with smaller settlement agents and title companies. According to Ernst Publishing Company, a leading provider of technology and closing cost data for the real estate and home finance industries for the past 26 years, that crisis was averted by technology.

“Having the nation’s largest lenders boycott smaller firms over the fear that they would not be able to comply with TRID was a very real threat last year and could have changed the entire landscape of the lending business,” said Gregory E. Teal, president and chief executive officer of Ernst Publishing. “We’ve been working with many of these companies for over 26 years and there was no way we were going to allow that to happen.”

Ernst’s answer was its Settlement Agent Gateway, a collaborative fee management system the company launched last spring. The technology allows settlement agents to work with lenders to negotiate fees and then manage these fees in a web-based tool through which they certify the accuracy of their fees and then make them available to lenders who need to provide Loan Estimates required under the new requirements. This ensures full TRID compliance, protects the lenders from having to re-disclose later for quoting the wrong fees and protects smaller settlement agent firms from being pushed out of the market due to non-compliance concerns.

The technology is simple to use and uses MISMO data standards to allow the settlement agent to enter pre-negotiated fees into a spreadsheet that includes cells for the required services by geography, and then certify that the fees are accurate with a single click. Agents can access the system at any time. Ernst then loads this fee information into the lender’s custom fee engine and when the company is ready to create a new TRID Loan Estimate, the certified accurate fees for their settlement agent partners will automatically be loaded into the disclosures.

Teal pointed out that Ernst’s Gateway is not a closing portal. “Fees must be disclosed

accurately to borrowers long before they get to the closing table. Both lenders and settlement agents needed a tool that will allow fees to be negotiated far in advance of the close and then locked into the lender's closing cost search engines. Our software makes that possible."

"Lenders under TRID must have 100% accurate fees for compliance purposes creating challenges when working with fees from many providers. TRID could have put a lot of good companies out of business," said Jan Dalton Clark, Vice President of Sales and Marketing for Ernst. "This would have been disastrous for smaller industry firms, but it would have also put lenders at a competitive disadvantage because it would have dismantled their local business referral networks across the country."

Ernst programs process an average of 150 million real estate transactions every year, industry-wide. Since the company was founded 26 years ago, Ernst has processed over 1 billion transactions. We estimate that our technology is used by 90% of the nation's largest loan originators for purchase and refinance transactions. For more information about the company's Settlement Agent Gateway, contact the company.

About the Ernst Publishing Company

The Ernst Publishing Company has been the leading authority on land recording requirements for more than two decades. In fact, Ernst's recording fee, transfer tax and title data have been integrated throughout the title and lending industries. Legal requirements have made accurate recording fees and taxes for recording documents more important than ever. Ernst excels at creating solutions for their clients to manage not just those fees—but also all vendor fees—with unparalleled precision. As a company, our goal is simple: Empower clients to not only meet CFPB's new compliance regulations for the Loan Estimate, but set the industry standard for client satisfaction, an attainable goal due to our patented technology, impeccable data standards, expertise at creating custom solutions, and network of partners. Ernst's patented solutions are trusted and used by 9 of the nation's top 10 mortgage servicers, all 5 of the top title underwriters and 9 out of 10 mortgage originators nationwide, including 9 of the 10 largest banks.

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