

# Better Documentation of Fee Changes Would Improve Lender QC Audit Results, 2020 Findings Show

*MetaSource's annual QC audit findings report shows insufficiently documented fee changes as main source of error.*

SALT LAKE CITY, UT, UNITED STATES, March 17, 2021 /EINPresswire.com/ -- MetaSource's annual review of tens of thousands of post-close quality control (QC) mortgage audits in 2020 shows that closing disclosure tolerance violations remain the chief source of compliance trouble for lenders.



MetaSource Mortgage

Closing disclosure tolerance violations have ranked in the top five of our annual QC findings every year since the new TRID rules went into effect and have taken the highest spot on the list four out of the past five years.

A deeper dive into the audits, however, shows that most lenders are adhering to the underlying tolerance regulations. They are just not including sufficient documentation of the circumstances that cause fees or costs to change from what was provided in the original loan estimates.

## Number One QC Finding Tied to Missing Documentation

"While this is the number one finding, it is more often than not tied to documentation missing from the file versus the lender actually failing to meet the fee tolerance regulations," says Shannon Howard, MetaSource manager of [mortgage compliance](#) review.

The Consumer Financial Protection Bureau (CFPB) does not require Change of Circumstance (COC) forms, which lenders use to document why closing costs have changed from the original loan estimate, to be included in a final closing disclosure package. However, not maintaining any form of documentation to show why fees have changed can result in tolerance violations and, therefore, findings.

"No matter the format of the documentation for the change of circumstance, what is most

important is being able to provide something that documents the addition of a new fee, a fee increase or a lender credit decrease, and proof that the revised disclosure was given to the borrower within the allowable time frame,” Howard said. Including a COC, while not required, makes for cleaner files – and fewer findings and tolerance violations, she said.

## The Trend Continues with Other Top Findings

Documentation was also at the root of other top findings in 2020, which included:

- Closing Disclosure – Tolerance Violation
- Closing Disclosure – Calculation Cash to Close
- Closing Disclosure – Defective

For the complete list of our Top 15 Mortgage QC Findings for 2020, along with best practices for preventing them and further information on why our #1 finding continuously tops the list, visit the [MetaSource Mortgage blog](#).

## About MetaSource, LLC

MetaSource is a Digital Transformation Solutions provider, focused on Business Process Outsourcing (BPO) / Business Process Management (BPM) services integrated with Enterprise Content Management (ECM), workflow solutions, compliance services and customer experience processes. With offices in 8 U.S. states and over 800 employees, MetaSource helps its clients manage risk, improve quality, increase efficiency and realize their most important goals - with special expertise serving the mortgage industry. MetaSource's mortgage services include quality control (QC) audits (pre-fund, post-close, servicing, [MERS](#)), lien release, whole loan purchase reviews, and cutting-edge technology. MetaSource solutions enable its clients to focus on their core business while MetaSource does the rest.

FOR MORE INFORMATION: [mortgage.metasource.com](https://mortgage.metasource.com).

Colin Graf  
MetaSource, LLC  
+1 888-634-7684

[email us here](#)

Visit us on social media:

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