

Loan Signing Cheat Sheet

A Guide to the Loan Signing Documents

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Written in collaboration with
 **ez notaryclass.com**

»» What's Inside

Inside I have included multiple forms that you will see frequently as a Loan Signing Agent. Next to the name there is a simple overview of what the document is, along with some notes that may help you.

Please note that I am not an attorney and therefore am not qualified to give you any legal advice. If you are not acting as an attorney yourself, it is wise to keep your presentation of the documents very simple. The information below may be a helpful tool as you start, and before you develop your own way to conduct your signings.

NOTE THAT NOT ALL OF THESE DOCUMENTS WILL BE PRESENT IN EVERY PACKAGE, NEITHER ANY PACKAGE WILL BE LIMITED TO ONLY THESE DOCUMENTS.

The documents marked with a ★ will most likely be notarized. A notarization certificate should be included for you with the documents that need to be notarized, unless you are instructed to add a loose certificate yourself.

As you may know, it is not up to you as a notary to decide which certificate to use. If a document is followed by an acknowledgement and a jurat, you should complete both.

Remember that often times documents may have been prepared outside of California and therefore may not include the CA disclaimer. When that is the case you can likely stamp the disclaimer box above the certificate wording. If it is a jurat that does not comply with CA notarial requirements, the easiest thing to do is to use a jurat stamp in replacement of it. The stamp contains the disclaimer and the correct wording. As an alternative, you can add a loose certificate for either a jurat or an acknowledgement.

The list is in alphabetical order...

» AFFIDAVIT OF DEBTS AND LIENS ★

This document makes statements about liens that the signer may have on the property related to the loan. If there are no liens, often times the signer is instructed to write "none" in multiple fields. The instructions are clear. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» ATTORNEY REPRESENTATION NOTICE

This document explains that the attorney who drew the paperwork works for the lender and not for the borrower.

» BORROWER(S) ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURES

By signing this document, the borrower acknowledges receiving the applicable disclosures.

» BORROWER'S CLOSING AFFIDAVIT



This document should be reviewed by the borrowers before they swear or affirm to the truthfulness of its contents. (THIS DOCUMENT WILL BE NOTARIZED)

» CERTIFICATION AND AUTHORIZATION TO RELEASE INFORMATION

This document certifies that the borrower has applied for the loan and authorizes them to release information in connection with the loan.

» CERTIFICATE OF TRUST ★

This document should be completely filled out by the signer. If the signer does not remember the name of the trust or date it was created, this information can often be found in a Grant Deed (when present), or in a trust rider which often goes after the deed of trust, or on the actual signature lines. (THIS DOCUMENT WILL BE NOTARIZED)

» CLOSING DISCLOSURE

Also known as the CD, the lender must send this document to the signers before the signing takes place. When you show this document, you can mention that they likely received a copy of it by email. You can basically read the document sections out loud, as it is self-explanatory. Any questions on this document should be addressed to the lender. When I present the CD I go over the loan amount, interest rate, and monthly principal and interest. At the bottom half, it will show if the property taxes and home insurance are kept in escrow accounts. If so, the addition of the escrow account will be added to the principal and interest and be clearly stated under the total monthly payment. I only go over the first page as the following pages mainly cover fees, and any questions regarding fees cannot be answered by myself. If you need to contact the lender or title company, the contact for them will be listed on the last page of the CD, right before the signature line for the borrowers.

This is often one of the first forms in your package, or it can be placed in front as it has very important information.

At the bottom of this form it will say if the borrower will be getting a refund or bringing cash to close. This information should match the Settlement Statement, but if it does not, the settlement statement will supersede this, as it is created last in the process.

» HAZARD INSURANCE DISCLOSURE

This document says that the borrower understands and agrees that the property must be kept insured for the duration of the loan.

» COMPLIANCE AGREEMENT ★

This document says that the borrower will fully cooperate if adjustments need to be made related to clerical errors. (THIS DOCUMENT WILL BE NOTARIZED)

» CORRECTION AGREEMENT/LTD POWER OF ATTORNEY ★

This document often allows the lender to make corrections related to typos and clerical errors. (THIS DOCUMENT WILL BE NOTARIZED)

» DEED OF TRUST ★

This document is a security instrument, and it gets recorded with the County clerk. It shows the borrowers on title of the property, while giving the lender a security interest in the property, according to the amount borrowed.
(THIS DOCUMENT IS ALWAYS NOTARIZED)

» DISBURSEMENT OF PROCEEDS ★

This document should be signed regardless of the signer having funds to receive or not. They will have to make a choice on how they would like to receive any refund due. If receiving a higher amount through wire, signers should contact their bank ahead of time to confirm routing and account number.
(THIS DOCUMENT IS OFTEN NOTARIZED)

» ERROR & OMISSIONS/COMPLIANCE AGREEMENT ★

This document says that the borrower will work with the lender, as needed, to provide any additional information requested to complete the loan package. (THIS DOCUMENT WILL BE NOTARIZED)

» FAIR LENDING NOTICE

This document talks about The Housing Financial Discrimination Act of 1977

» FEDERAL EQUAL CREDIT OPPORTUNITY

This document talks about creditors being prohibited to discriminate on the basis of race, color, religion, national origin, sex, marital status, or age.

» FLOOD HAZARD DETERMINATION

This document may tell you if the Lender has determined that, according to FEMA, the property IS or IS NOT located in a designated flood zone. It also adds that if the property location becomes known as a flood zone, then flood insurance would be required.

» HOMESTEAD AFFIDAVIT ★

This document says that the property in question is the signer's primary home, homestead. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» INITIAL ESCROW DISCLOSURE

This document is basically a snapshot of the amounts being held in escrow for the first year of the loan.

» ITEMIZATION OF AMOUNT FINANCED

This explains the amount financed.

» LIMITED POWER OF ATTORNEY ★

This is another document that allows correction of the documents for typos and clerical errors. (THIS DOCUMENT WILL BE NOTARIZED)

» MARITAL STATUS AFFIDAVIT ★

This document needs to be filled out by signers and usually comes followed by a jurat. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» NAME AFFIDAVIT ★

This document lists names that the signer has been known as. They should sign next to the names that they have been known by, as that name. If there are typos or incorrect names, signer may write "NEVER KNOWN AS" next to that name.

There are different versions of this form. If name variations are listed one next to the other, then the signer can cross out wrong names with one line through and write NKA next to it. (THIS DOCUMENT WILL BE NOTARIZED)

» NOTE

This document goes over the terms of the loan. I read the information I share with the signers straight from this document. I tell them this is basically their promise to pay the loan. I read their loan amount and interest rate, then I follow with their monthly payment and first payment date. This document will also have the information about where the payment should be sent to. It will likely say that there are no prepayment penalties, and on the second page it says that the payment is not considered late until after a certain date (usually the 15th of the month). After the grace period, there is an interest fee on that monthly payment (usually 4-5%). When I get to that I may wrap up as I hand them the note to look over themselves. The note is usually 2-3 pages and it takes a signature on the last page. If the date is not clearly requested, the note should not be dated. Nonborrowing spouses should not sign the note unless there is a signature line with their name.

The monthly payment listed on the note is only the principal and interest. Any impound accounts for taxes and insurance will not be listed there and will be an additional amount to be added to what will be paid.

» NOTICE OF ASSIGN, SALE OR TRANSFER OF SERVICING RIGHTS

This document says that this loan may be sold or assigned to a loan servicer.

» NOTICE OF RIGHT TO CANCEL

When present in a package, this document allows the borrowers to cancel the loan within three business days from signing it. For this purpose, we count Saturdays, but not Sundays or federal holidays.

-Have the signer sign that they received the notice. They will only sign under "I wish to cancel" if that is their desire. In that case I believe there would be no point on moving forward with the appointment.

- You will receive two to three copies of this document, and usually only one is to be sent back. If they mistakenly sign the "I wish to cancel", they can keep that copy and correctly sign the other one for you to send back.

» NOTICE OF NO ORAL AGREEMENTS

This document says that there are no oral agreements between parties that are not documented in the loan documents.

» OCCUPANCY AND FINANCIAL STATUS AFFIDAVIT ★

This document states that the borrower acknowledges no additional liens, claims, judgements or encumbrances against the property. It also says if the property is a primary residence, second home, or investment property. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» OWNERS AFFIDAVIT AND INDEMNITY ★

This document should be reviewed by the borrowers before they swear or affirm to the truthfulness of its contents. (THIS DOCUMENT WILL BE NOTARIZED)

» PAYMENT LETTER TO BORROWER

This explains when the first payment is due. If the borrower has taxes and insurance being monthly held in escrow, it will also tell them how much is going to Insurance, and/or taxes.

» REFINANCE AFFIDAVIT ★

In this document, signers confirm information about the property related to the loan. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» SETTLEMENT STATEMENT

This statement will show the settlement charges involved in a particular loan. The fees are self-explanatory.

This is often one of the first documents I present, as it has the final amount the borrower is receiving (cash out transactions) or paying to close.

This document is produced by the title company, so you may call them if there is a question.

You should always look at this form before the signing, and it may be wise to even let your signer know ahead of time if they are getting a refund or will need to wire money/write a check. Usually, personal checks are only accepted up to \$1500, but this varies from lender to lender. Also, in a cash out situation, it is wise for the signer to call their bank and confirm their incoming wiring information. Often times, for larger amounts, the routing and account number are not the same from their checkbook.

» STATEMENT OF INFORMATION

This document needs to be fully completed by the signers. I ALWAYS place this form at the very back of my package and put it back where it belongs at the end of the signing.

This form requires a lot of information to be filled out by the signers, and I use the time to start checking all the other forms signed at the appointment. I check for any missing signatures, missing or wrong dates, boxes that need to be checked, and all notary certificates.

» SIGNATURE AFFIDAVIT ★

This document lists names that the signer may have been known as. Please sign as stated by names listed. Signers should not sign by names that do not apply to them. If it does not apply, they can write "never know as" on the signature line (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» SURVEY AFFIDAVIT ★

This document relates to facts about the property survey. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» TAX AFFIDAVIT ★

This document talks about taxes related to the property. (THIS DOCUMENT WILL LIKELY BE NOTARIZED)

» UNIFORM RESIDENTIAL APPLICATION

This is a copy of the loan application. Some of the information may be outdated as it dates back to the beginning of the loan process. This needs to be signed.

There are different versions of this form. Look through it so you don't miss any signature line or initials. Initials are often required at the bottom of this form.

» USA PATRIOT ACT FORM

This relates to identification of the borrowers. It is required. You, as a signing agent, will fill this out as you look at the signer's ID and secondary identification document. You will sign and date this form at the signing appointment. If

there is someone else's name on the signature line, you have to cross it out and add your name followed by ", Notary Signing Agent".

» WIRING INSTRUCTIONS

This document should be placed in front of the signer's copy, if they need to bring cash to close (if they owe money at the closing of the loan). They will likely discuss with their lender how quickly they need to wire, but in general any property with no notice of right to cancel (NORTC) should wire ASAP/same day. Properties that have NORTC can wire before their rescission period, always keeping in mind that if they don't wire before then, funding of their loan will be held. This document most often than not, does not require a signature. If funds are due, it is a good idea to write down on this page the amount to be wired, which is the total due from borrower listed in the settlement or closing statement. This facilitates the borrower in case

» **W9** you are taking only that page to the bank to create a wire transfer.

Signer will confirm the social security number listed and sign and date below.

>> 4506

This form is required to be signed so the lender may collect a copy of the signer's tax return from the IRS. This form has a box on the left side above the signature that needs to be checked by the borrower.

» Closing Thoughts...

As mentioned above, although I am going over many documents and their brief description, there are other documents that you will encounter in the different packages you will receive. Keep in mind that, in your first signings, you should be okay simply presenting a document by its title, without much explanation. As you start understanding more of the forms you can create your own way to share basic information about the documents, without ever giving advice or explaining anything that you are not simply able to point out in the actual document.

If someone asks you "What is my interest rate?", you can point out to it or read it out loud. If the signer asks you "Why is my interest rate so high?", it is definitely something you can't respond. Most of the WHY questions are not for us to answer, as Notary Signing Agents. Remember that you are never alone, and if questions arise you can ALWAYS call the Title company or the Lender. Sometimes, if you have been hired by an agency, they may instruct you to call them first with any questions.

This is not a difficult process, even when you start, but as everything else in life, with practice you will get better at it.

My suggestion is that you pay attention to your notarial certificates. They will all be reviewed by quality control. Follow a simple checklist of making sure the State and County are filled out, the date, names of the borrowers or person signing the document, and finally your signature and seal. In an acknowledgement, your name followed by ",Notary Public" will also be required.

The contents in this e-book were not written by an attorney and should not be misconstrued as legal advice. The proceeding is an overview of a collection of documents, provided by a non-attorney notary with experience notarizing in the field.

The authors of this book request the reader contact their attorney for any legal related questions.

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