OME! Oh My Escrow

THE ESCROW "REPORTER"

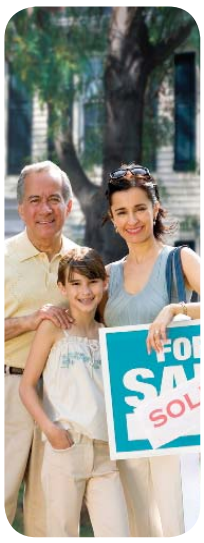
SHOPPING FOR SETTLEMENT SERVICE PROVIDERS

Under the new IMD Rule, the creditor may permit a consumer to shop for settlement services, subject to reasonable creditor requirements, such as: a creditor may require that the settlement agent chosen by the consumer is appropriately licensed in the relevant jurisdiction.

If a creditor requires a consumer to choose a provider from a list provided by the creditor, it is not considered allowing the consumer to shop for services and therefor subject to zero tolerance requirements.

If the consumer is permitted to shop for a settlement service, the creditor must provide the following information:

1. A written list showing available providers of that settlement service
   a. At least one available provider for that service must be listed
   b. The available providers on the list must correspond to the settlement services for which the consumer may shop as listed on the Loan Estimate
   c. Provider contact information, including name, address and telephone number must be listed
   d. List must include settlement service providers that are currently in business and provide services where the consumer or property is located
   e. List must include a statement that the consumer may choose a different provider for that service
2. The written list must be provided separately from, but at the same time as, the Loan Estimate
3. Credit may include a statement on the list that the providers listed does not constitute an endorsement of that service provider
4. If the creditor includes affiliates on the list, compliance with Regulation X Sec. 1024.15 regarding affiliated business arrangement is required, and recognition that the list will be considered a "referral" under Section 1024.14 prohibition against kickbacks and unearned fees.
5. Hazard Insurance providers are not required to be included on a separate list.
6. Fees of the settlement service providers are not required to be listed on the written list, however, a creditor may identify the estimated fee of each service provider included on the list.



WFG National Title Insurance Company
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