

California Escrow Association - Uniform Closing Instructions Survey

The Mortgage Bankers Association, American Escrow Association and the American Land Title Association, with the assistance of the California Escrow Association, the California Land Title Association and other trade associations have completed developing a new set of Uniform (General and Specific) Closing Instructions (UCI's) to be used in future residential (1-4 unit) loan transactions.

The attached Comment Draft Version is the culmination of almost two years of cooperative efforts by members of the affected industries. The purpose of these documents is to improve efficiencies and lower costs to the industry and consumers by replacing countless sets of lender's instructions with two standard sets. The groups believe that the instructions will also help stem mortgage fraud and facilitate automated mortgage originations. The new General Instructions will detail the requirements for all transactions and the Specific Instructions will provide a standard format for the details of the particular transaction including borrower names, property address, loan information and other details.

The UCI's will provide for some changes to "the way we have always done this". As reflected in the Notes to Potential Adopters:

"It is intended that changes will be required in traditional closing processes in order to make this concept work efficiently. Local traditions that have been observed for years, but add no value to the process, will have to be modified to create the uniformity desired.

It is intended that these INSTRUCTIONS will provide greater clarity about responsibilities for each step in the closing process and that these INSTRUCTIONS will change industry behaviors that are inherently subject to the risk of fraud.

It is expected that these INSTRUCTIONS will be one of the fundamental building blocks of the fully electronic mortgage process. Data to be transmitted between the parties is intended to be formatted according to Mortgage Industry Standards Maintenance Organization (MISMO) standards.

It is intended that adjustments in pre-closing procedures will be required so that the new timing requirements are met in the normal course of business. This will benefit all parties to the transaction, including consumers."

This is an industry-wide collaboration. We encourage you to forward this email and survey participation information to your escrow associates and to your colleagues and contacts in allied fields – lenders, real estate brokers and agents, mortgage brokers, attorneys, independent notaries or notary service providers, and others. All CEA members and associates in allied fields are encouraged to review the documents and submit your constructive comments.

You may access the survey with the following link:

http://www.surveymonkey.com/s.aspx?sm=SeqQMbg2tVFzYbLf8NoVxA_3d_3d

The survey will be available for your recommendations, questions and comments until **9:00 a.m. on January 14, 2008.** Thereafter the information will be collated and presented to the Working Group for consideration and further discussion. Thank you for your participation in this process.

For the California Escrow Association,

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