

Helpful Info for 2021

Notary Central USA...

Are you a NOTARY? Or are you looking
for a Notary you can benefit from

Notary Central USA



Glossary

Acknowledgement :

Formal declaration before a public official that one has signed a document. Prior to recording real estate documents, such as grant deeds and deeds of trust, a Notary Public acknowledges the person's signature on the document.

Adjusted Rate Mortgage (ARM) :

A mortgage where the interest rate is not fixed for the life of the loan. These mortgages adjust periodically based on an index that changes with the market conditions. The rate of interest is the sum of the index plus a margin (the margin remains fixed for the life of the loan.) Most ARM's have a periodic interest rate and payment caps, as well as life caps. ARM's may also be referred to as AML's or VRM's.

Business Days :

The term business day means all calendar days except Sundays and the legal public holidays such as New Year's Day, Martin Luther King JR., Washington's birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day.

Closing Disclosure :

A Closing Disclosure is a five page document designed to disclose to the borrower all of the costs of the transaction. The Closing Disclosure must be delivered to the borrower three business days before consummation.

Community Property :

Property acquired by husband and wife, together or separately, during marriage, when not acquired as the separate property of either.

Consummation :

The day the borrower becomes legally obligated under the loan which would be the date of signing, even if the loan has a rescission period under TILAS's Regulation Z.

Consumer :

The borrower. There are also sellers involved in many of the transactions which the CFPB still considers to be the consumer, but mostly references the consumer to be translated as the borrower.

Consumer Financial Protection Bureau (CFPB) :

CFPB is an independent agency of the United States government responsible for consumer protection in the financial sector by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Creditor :

The CFPB broadly defines as the lender.

Declarant :

Signature of Declarant usually in reference to the Transfer Tax section of a deed, must be signed by the Grantor/Declarant. Same person signing the Deed.

Deed :

Formal written document transferring title to real estate; a new deed is used for each transfer. The deed should contain an accurate description of the property being conveyed, be signed and witnessed according to the laws of the State where the property is located, and be delivered to the purchaser on the closing day.

Deed of Trust :

A three-party instrument between a borrower called the trustor, a lender called the beneficiary, and a neutral third party called a trustee. The deed of trust is the instrument that is recorded to give added assurance that the promissory note will be paid when due.

Fixed Rate Mortgage :

A mortgage where the interest rate is fixed for the life of the loan.

Form 4506: This form is used to get a tax return transcript, verification that you did file a Federal tax return, Form W-2 information, or a copy of a specific tax form.

Form W-9:

This form is used when a person is required to file an information return with the IRS. They must give their correct taxpayer identification number (TIN) to report such items as income paid, real estate transactions, mortgage interest paid, acquisition or abandonment of secured property, or cancellation of debt.

Grant Deed :

A type of deed common in California, which contains implied warranties to the effect that the grantor has not previously conveyed or encumbered the property.

HUD 1 Settlement Statement :

A closing document required by HUD (Housing and Urban Development) that outlines the settlement cost of a loan. The closing agent generally prepares the document. The borrower and lender receives it shortly after the loan is closed.

Impound Account :

An account maintained by the lender for payment of property taxes, hazard insurance, mortgage insurance, or other related expenses when applicable. The borrower pays these premiums to the lender in monthly payments along with the principal and interest. Also know as an Escrow Account.

Interest Rate :

The percentage of an amount of money that is paid for its use for a specific time period.

Interspousal Grant Deed :

A deed that is used for conveyance of property, interest, or otherwise between husband and wife.

Joint Tenancy :

An undivided interest in property taken by two or more joint tenants. The interests must be equal, accruing under the same conveyance and begin at the same time. Upon the death of a joint tenant, the interest passes to the surviving joint tenants rather than to the heirs of the deceased.

Loan Estimate :

A Loan Estimate is a three-page document designed to disclose the key features, costs and risks of the loan the borrower is applying for. The Loan Estimate must be provided to the consumers no later than three business days after they submit a loan application.

Non-Recurring Closing Costs :

One time costs charged in conjunction with the loan. Some examples are fees for loan origination, title policy, escrow, credit report, appraisal, tax service, notary, recording, pest control inspection, etc.

Note :

A signed instrument acknowledging a debt and a promise to repay per the terms outlined.

Notice of Right to Cancel :

The borrower has a legal right under federal law to cancel the transaction within three business days from the day they sign the documents, the day they receive the Truth in Lending disclosure or the day they receive the copy of the notice of right to cancel; whichever happens last. In almost all cases, this is the day that they sign their documents.

The date of the transaction :

the day they sign their documents.

The date the rescission expires :

midnight on the third business day after the day they sign, including Saturdays, but not including Sundays or holidays.

The date of the Confirmation of Non-Rescission or Confirmation Certificate :

the day after the rescission has expired.

Prepayment Penalty :

A charge for the payment of a mortgage or trust deed note before it is actually due.

Quit Claim Deed :

A deed that conveys whatever present right, title, or interest the grantor may have. Unlike a grant deed, it does not contain any warranties.

Real Estate Settlement Procedures Act (RESPA) :

A federal law that requires lenders to provide borrowers with information on settlement/closing costs.

Recurring Closing Costs :

Costs that recur after the loan has closed. Some examples are tax reserves, tax proration, hazard insurance reserve, hazard insurance premium, prepaid interest, etc.

Sole and Separate Property :

Property owned before marriage or that acquired afterward by gift, bequest, devise, or descent.

Subordination Agreement :

An agreement under which a prior trust deed is made inferior to an otherwise junior lien.

Tenancy in Common (TIC) :

Ownership of property by any two or more persons in undivided interests (not necessarily equal), without right of survivorship.

Title Insurance :

Assurances as to the condition of title. It protects the owner or other insured, such as a lender, against loss or impairment of title arising from defects in title.

TRID :

- TRID is the TILA / RESPA Integrated Disclosure Rule. TILA is the Truth in Lending Act and RESPA is the Real Estate Settlement Procedures Act.

Truth and Lending Disclosure :

A document required by federal law designed to show a borrower the total cost of a loan.

Definition Of Federal Truth In Lending Terms

Annual Percentage Rate :

This is not the note rate for which the borrower applied. The Annual Percentage Rate (APR) is the cost of the loan in percentage terms taking into account various loan charges of which interest is only one such charge. Other charges which are used in calculation of the Annual Percentage Rate are Private Mortgage Insurance or FHA Mortgage Insurance Premium (when applicable) and Prepaid Finance Charges (loan discount, origination fees, prepaid interest and other credit costs). The APR is calculated by spreading these charges over the life of the loan. This results in a rate higher than the interest rate shown on your

Mortgage/Deed of Trust Note. If interest was the only Finance Charge, then the interest rate and the Annual Percentage Rate would be the same.

Prepaid Finance Charges :

These are certain charges made in connection with the loan, which must be paid upon the close of the loan. These charges are defined by the Federal Reserve Board in Regulation Z and the borrower must pay the charges. Non-Inclusive examples of such charges are: Loan origination fees, Points or Discount Points, Private Mortgage Insurance or FHA Mortgage Insurance, and Tax Service Fee. Some loan charges are specifically excluded from the Prepaid Finance Charge such as appraisal fees and credit report fees.

Prepaid Finance Charges are totaled and then subtracted from the Loan Amount (the face amount of the Deed of Trust/ Mortgage Note). The net figure is the Amount Financed as explained below.

Finance Charge :

The amount of interest, prepaid finance charge, and certain insurance premiums (if any) which the borrower will be expected to pay over the life of the loan.

Amount Financed :

This is the loan amount applied for less the prepaid finance charges. Prepaid finance charges can be found on the Good Faith Estimate/Settlement Statement (HUD-I or IA). For example if the borrower's note is for \$100,000 and the Prepaid Finance Charges total \$5,000, the Amount Financed would be \$95,000. The Amount Financed is the figure on which the Annual Percentage Rate is based.

Total of Payments :

This figure represents the total of all payments made toward principal, interest and mortgage insurance (if applicable) over the life of the loan.

Payment Schedule :

The dollar figures in the payment Schedule represent principal, interest, and mortgage insurance (if applicable) over the life of the loan. These figures will not reflect taxes and insurance escrows or any temporary buy down payments contributed by the seller. Some mortgage companies will also add the taxes and insurance pro-rated for the month as well as the mortgage insurance premium is needed. This will be your total Mortgage payment for the month.

Which States are Witness States:

There are only five states that have witness requirements for the recording of the deeds and mortgages. The following states are witness states:

Connecticut - 2 witnesses and one can be the Notary

Florida - 2 witnesses, one CAN be the notary - Quit Claim Deeds Only, not the mortgage unless is the Lender requirement.

Georgia - 2 witnesses, and one MUST be the notary

Louisiana - 2 witnesses, and CANNOT be the notary

South Carolina - 2 witnesses, one CAN be the notary

FL Notaries:

Although it is not a State requirement, Lenders may request witnesses on their mortgages. Please read Lenders instructions for more information or contact your client.

How Much Money Can a Notary Make: That Depends on YOU

If you work with a Signing Service (SS) you will make \$50-\$125.00 per signings. If you work with an Escrow Title or lender company you will earn \$125-plus per signings. As the owner of your own business you must set your own fees by taking into consideration your business expenses such as mileage, email docs printing, fax back and so on you determine your VALUE.