



Standards and Best Practices for Closing Professionals

Secure Settlements uses its resources to promote education in the closing industry and to encourage mortgage closing professionals to establish a formal set of best practices:

- Only registered Closing Professionals may conduct a closing transaction. Under no circumstances may a substitute closer, paralegal or legal secretary act on behalf of a closing professional at a closing unless that individual is registered with SSI and the substitution is authorized by the lender.
- All Closing Professionals are considered agents and fiduciaries of the lender because they will be handling lender funds and/or documents, and thus must act in a professional and courteous manner to borrowers, and all persons connected with a loan transaction.
- No closing may proceed before the identity of all borrowers is established to the satisfaction of the closing professional.
- All closing packages and lender fees must be returned to the lender by overnight mail no later than 48 hours after a closing (with the exception of Saturdays, Sundays and Federal Bank Holidays).
- All Closing Professionals have an affirmative duty to notify the lender immediately of any suspicious and/or improper activity taking place at the closing table, including payments made outside of the HUD-1, "back room dealings," unusual sources of money (i.e. money orders or checks from multiple sources, not the borrower), large cash transactions, and contract flips. Depending on the circumstances, a lender may require a closing to be stopped if fraudulent activity appears to be taking place.
- Unless there has been full disclosure and written authorization by both parties, Attorneys will not represent both the Seller and Purchaser in any closing transaction.
- No HUD-1 settlement statement shall be executed unless and until it has been approved in advance by the lender and no approved HUD-1 shall be amended, modified, changed or supplemented in anyway (i.e. whiteouts, cross outs) to be in variance with the approved statement.
- All Closing Professionals shall comply with all State and Federal consumer protection statutes.
- No Closing Agent shall engage in any misrepresentation or fraud that is designed to or has the consequences of causing harm to the consumer.
- Where permitted by law and licensing authorities, Closing Professionals shall take proper steps to prepare for a closing and be able to explain in clear and concise terms the form and content of all mortgage closing documents as well as be prepared to answer all reasonable questions raised by a borrower regarding the details of the mortgage closing documents.
- If at any time a borrower decides not to move forward with a mortgage closing prior to the closing, the Closing Professional shall take reasonable steps to accommodate the borrower and notify the Lender. This is not intended to replace or conflict with the borrower's right of recession in connection with a mortgage transaction.