

Introduction

Thank you for your interest in Katlady'z Nationwide Notary Service. The information that follows is designed to provide you with the tools required to become a successful Katlady'z Nationwide Notary Service Signing Agent, and is meant to augment and reinforce your notary skills and experience. The information is not designed to provide training, or specific coverage of notary laws that may exist within your state. We rely on your expertise regarding the specific laws and customary practices in the areas that you cover.

The job of a mobile Notary is extremely important, as we have many parties relying on us to successfully complete our tasks. The signing appointment occurs at the end of a long and labor-intensive process. Many professionals have performed services and have incurred expenses on the transaction, and the final step of the process is the procurement of the Borrowers signature(s) on the requisite documents. This is the most crucial step in the process. Something as "minor" as a misplaced or omitted initial can delay the transaction for weeks. As you can see, the signature is the most important step of the process.

Professionalism: Always within our control

There are many facets of a refinance transaction that are out of our control. The type of loan, the terms of the loan, and the loan figures are all negotiated between the Borrower and the Lender. With so many variables that are beyond the scope of the service that we provide, it is imperative that we accept full responsibility for the items that are within our control, namely our **appearance, body language and behavior**.

Appearance is very important, as it helps establish a Borrower's confidence in your professional abilities. The Borrower's first impression of you will go a long way in determining the success of the transaction. If an agent arrives at the scheduled appointment in attire that is less than professional, the Borrower is going to assume that this transaction is not important to the agent, and the success of the appointment has already been compromised. Conversely, when an agent representing Katlady'z Nationwide Notary Service arrives in professional attire and presents himself or herself in a manicured appearance, the Borrower is going to be confident that the signing will be handled professionally. Professional attire always includes neat, clean, and conservative clothing coupled with a professionally groomed appearance.

It is your responsibility to make sure that you can arrive at the time the appointment is scheduled. If you have another appointment or prior commitment at the time a signing is scheduled, you must turn down the signing when our scheduler calls to give you the appointment. If you realize that you have double booked yourself for a particular time and you have already accepted the assignment please contact Signature Services immediately at 888-270-3630 for further instructions.

Punctuality is as important as appearance in establishing the base for a successful signing. Arrive at your appointments on time. The appointment has been established to accommodate the Borrowers busy schedule. Make sure to get directions to the signing address prior to leaving. Call the Borrower, use a Thomas Guide, or get directions from services such as Yahoo Maps on the Internet. If, for whatever reason, you are going to be delayed, please contact the Borrower and Katlady'z Nationwide Notary Service immediately.

Never bring a friend, child, spouse or pet to a signing. Keep in mind that we are providing a professional service, often in the comfort of a Borrower's home. Although the setting may be more casual than that of an office environment, our behavior shall always be as if the signing were taking place at the Lender's place of business.

Turn off, or put in silent mode, your cellular phone, pagers, etc. It is inappropriate to take a phone call during the signing meeting.

Always park your car on the street, and never park in the Borrower's driveway. Oil stains and possibly the condition of the signer's car, good or bad, might intimidate the Borrower.

Use designated walkways and paths to get to the front door. Do not cross over the lawn and/or flowerbeds, and be careful not to track any dirt or debris into the home from your shoes.

The signer should introduce himself/herself as a representative of Katlady'z Nationwide Notary Service. Greet the Borrower with a handshake and wait to be invited inside. Once inside, suggest an appropriate place to conduct the signing such as a kitchen or dining room table.

Be organized: Have the documents ready, make sure to carry plenty of black ink pens (blue ink pens, if required in certain states), and be sure that the Borrower(s) are seated in a setting that allows the signer to speak to the Borrowers comfortably.

Avoid small talk: This may seem unsociable, but this is not a social gathering. It is a professional meeting involving important documents and large amounts of money. Sports, politics, religion, news events, and even comments about the Borrower's home should be avoided.

Be patient with the Borrowers. While you may have performed hundreds of loan document signings, the typical Borrower will not be as experienced. The nature of the transaction, which involves a large sum of money will understandably cause some Borrowers to be nervous and concerned that everything is as they expect it to be. This is where the signer's confidence, control

and preparation will set the Borrower at ease and make for an orderly signing.

Signing Appointment Procedures

Please call the Borrower immediately upon receiving the order confirmation from FASS. The Borrower is awaiting your call to reconfirm the signing appointment. During this call, please remind the Borrower to have ID present at the signing and any witnesses that may be required in your state. Please also remind the Borrower to have questions that they still have regarding their loan answered by their lender before the signing appointment. This is an opportunity to remind the Borrower that your function is to act as a witness to the transaction only and that you will not be able to answer specific questions during the appointment. If you need directions to the signing location, this is an excellent time to get that information. You may not be able to reach the Borrower again before the signing appointment time.

Please make sure to read your order confirmation thoroughly so that you are aware of any special instructions as well as the delivery location of the loan documents. Please allow time for the loan documents to arrive before contacting FASS for tracking numbers. If the loan documents are supposed to be delivered to you and do not arrive by 11AM your time, please contact FASS immediately.

Please make sure that you arrive at your signing appointment on time. If you are going to be more than 10 minutes late to your signing, you MUST call the Borrower immediately to let them know.

Before the execution of any documents, please check the Borrowers ID. This is the first step that should be taken at every signing.

After checking the ID, please search the document package for the HUD (settlement statement). This is the first document that should be reviewed before any other loan documents are executed. Please check the bottom of the HUD to determine if funds are due from the Borrower. Please refer to your special instructions on your order confirmation to determine how to proceed if funds are due and the Borrower does not have a check. Some lenders require the Notary to terminate the signing if funds are due and unable to be collected while others require the Notary to proceed with the signing. Either way, it is imperative that you check the HUD for funds due because this information is required by FASS when you report the completion of the signing.

Please make sure that you watch the Borrowers sign every document in order be sure that they are not undersigning their signatures. The Borrowers are usually nervous when signing and may sign their names differently as they continue through the loan documents.

- Please make sure that the notice of right to cancel is thoroughly dated and signed correctly. You may refer to the rescission calendar we have posted online if you are unsure how to date this document. It is imperative that the transaction date of the document match the signing date next to the Borrower's signature. Though the transaction date may be pre-printed, you may need to cross through the pre-printed date and correct the date in order to ensure the document is dated correctly. Please make sure the Borrower initials any changes. Please also make sure that

the rescission date (or date the rescission period expires) is also dated correctly. This date may also be pre-printed and may require that you correct it.

Please double check that you have properly notarized and completed all the acknowledgement portions of the documents that require notarization BEFORE leaving the closing. Please perform the notarization in the presence of the Borrowers. We have had Borrowers complain when the documents are not notarized at the signing location.

Please be sure to double check that you have collected any outstanding items requested from the lender on the cover sheet included with the loan document package. Please also do not forget to attach via staple or paperclip the funds due check that you have collected from the Borrower.

Please seal all signed loan documents and additional items in the return envelope in the presence of the Borrower. This will also set the Borrowers at ease so that they are assured that their private information will not be misplaced.

After the signing is complete, thank the Borrowers for their time. Please make sure to leave the Borrowers with their copy of the documents. Once you have left the signing, please drop off the executed loan document package at the specified overnight courier location. Remember, the transaction is not complete until the executed documents are in the customer's possession.

Notary Tips:

The signer should explain that he/she is only a Notary and cannot interpret items in the documents that have been placed by the lender. This will avoid questions that the Notary is not allowed to answer. The signer should not give advice, or offer an opinion as to the content of the documents being signed. If questions do arise, call the lender and/or the escrow officer and have them answer any questions.

Please refer to your order confirmation to see if docs are being sent to the Borrower or yourself. If docs are being sent to you and are not received by 11:00 am local time, immediately contact Signature Services at (888) 270-3630, unless otherwise noted in your order-specific instruction sheet.

If the special instructions that you have received from Signature Services conflicts with instructions that are included in

the loan package please call Signature Services immediately at 888-270-3630 for further instructions.

Show the Borrower the "Borrower's Copy" of the documents prior to the signing, and let the Borrower know that he/she will receive the copy at the conclusion of the signing meeting. Put the "Borrower's Copy" away so it will not be mixed with the documents that are being signed. Keep all documents in order throughout the signing. Go through one document at a time and after the Borrower has signed, place the document face down (to maintain the same stacking order) and go on to the next document.

Remember to ask for a photo ID at the beginning of the signing.

Inform the Borrowers that they must sign their names exactly as printed on the documents prior to them signing anything. This will avoid complications during the signing.

When a corporate officer or other representative signs on behalf of a corporation, a corporate acknowledgment certificate is used.

If the pre-printed signature line on the documents contain an also known as (AKA), the Borrower should sign the document exactly the way his or her name appears below the signature line including the AKA. The Notary should notarize the Borrower's name exactly the way the Borrower signed, including the AKA. However, when the Borrower is signing the AKA Signature Affidavit, the Borrower should sign the pre-printed signature line exactly the way his or her name appears below the signature line. The remaining spaces are open for the Borrower to sign any other way he or she has signed his or her name in the past. The Notary should only notarize the Borrower's name exactly the way he or she signed on the pre-printed signature line.

If the Borrower refuses to sign and the signer cannot reach the loan officer or escrow officer, the signer should contact FASS immediately and collect the loan documents. However, if the Borrowers insist that they maintain the

loan documents, you may leave the unsigned loan documents with the Borrower in order to avoid any further problems.

Certain states require additional witnesses (in addition to the Notary) for the signing. In this situation, it is preferable that the Borrower be responsible for providing a second witness at the time of the signing. However, it is your responsibility to determine if a witness will be present at the signing.

- In cases where the Borrower is unable or not available to sign the documents, a person may sign for the Borrower using a Power of Attorney (POA). In this case, the Notary must witness (notarize) the person acting as a POA, and record his/her signature in the notary log. When exercising the signature, the POA will sign the name of the person as printed on the documents, then write by (name of person acting as POA) his (or her) attorney in fact. Here is an example: If John Smith is out of the country but his wife, Jane Smith is signing as his power of attorney, Jane Smith should sign her name and the Notary should acknowledge the signature as follows:

John Smith by Jane Smith attorney in fact

If the Borrower does not have the mental capacity to sign the documents, appears to be under extreme duress, or is incapable of making the decision to sign the documents, inform the Borrower that you would like to reschedule the signing, and contact Katlady's Nationwide Notary Service.

If the Borrower cannot or will not produce requested stipulations, make a note of that in the file and proceed with the signing. If the signer is to pick up certified funds and the Borrower produces a personal check, take it and report it when checking in. To help avoid this situation, call the Borrower prior to the signing meeting to remind them of the stipulations.

Never commit to a funding date for the loan if asked. As with most questions that the Borrower may ask, the only acceptable answer is to refer them to their loan or escrow officer.

Review all signatures/dates prior to leaving. Pay attention to documents that have printing on the front and back of a page. When finished, ask the Borrower for a few minutes to review the documents to ensure that there are no missed signatures, initials, or dates.

Always notify us immediately after a signing is completed to report the outcome, and to provide us with the overnight tracking number. The preferred method of reporting is online via signtrack.com with your assigned login (FASS can provide). It is imperative that we know the outcome immediately after signing. In the event that the signing appointment did not go as planned, we want to contact our customers immediately with the outcome.

If you are unable to reach a Borrower to confirm the appointment and there is already a set date and time please go regardless. The appointment is FIRM.

If the Settlement Statement (HUD-1) shows that the Borrower has funds due and they do not have at the time of signing, please refer to your Order Confirmation Sheet for special instructions. If not specified, please contact FASS Customer Service for further instruction. Please do not become comfortable with your knowledge of a specific lender's instructions. These instructions are modified often and you will need to refer to your confirmation sheet on every order.

The Notary also returns via overnight courier all of the signed documents back to the escrow team using the pre-addressed return label. There may be cases where the return label is not supplied. In this situation, the return address and shipper account number will be supplied, and the Notary may be required to create a return label using the information supplied.

Documents must be returned the same day as the signing and the tracking number must be retained. In the event

the signing takes place in the evening, the documents must be returned no later than the morning following the signing.

Important Terms

Rescission period -The three-day time frame the Borrower has to cancel the loan transaction without penalty. The rescission period starts at midnight the date following the signing, and concludes at midnight of the third day after. When calculating the expiration date, remember: Do not count the transaction date (date of Borrowers signature documents), do not count Sunday, and do not count legal holidays (New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving, and Christmas). Please note that not every transaction is subject to a rescission period.

Loose Certificate/Acknowledgement - Notarial certificate wording on a separate sheet of paper that is attached to a document. Used when no wording is provided, when the provided certificate wording does not comply with state requirements, when there is no room for the seal on the document, or when another Notary has already used a preprinted certificate.

APR – The yearly cost of a mortgage, including interest, mortgage insurance, and the origination fee, shown as a percentage.

Interest rate – Interest per year divided by principle amount, shown as a percentage.

Investment property – A property that is not occupied by the owner. In instances where the owners are taking out a loan that is being secured by an investment property, the Borrowers are not offered a right to rescind.

Summary of Loan Documents

Following is a listing of common loan documents that may be contained in the loan package.

Please note the following:

It is possible that not all of the documents below will be contained in every loan package; it is also possible that other documents may be included which are not described below

It is possible that the documents will not be stacked in the order in which they are described below (it is the Notary's responsibility to ensure that the stacking order is not changed from how it was received)

The Notary is allowed to explain the name of the document to the Borrower, and where certain information may be contained, however, the Notary is not allowed to comment on the source(s) of the information, its accuracy, or, his/her opinion of the information contained therein.

HUD-1 Statement/Settlement Statement:

This document is generated at the close of escrow and details all costs and expenses that are associated with the transaction. Included in the HUD-1 are: the settlement charges to the Borrower (line 103), the amount of the loan to be paid off (line 104), the gross amount due from the Borrower (line 120), the principal amount of the new loan (line 202) and any other deposits or fees. At the bottom of the first page it subtracts line 220 from line 120 to see if the Borrower either needs to pay additional funds or if funds are owed to the Borrower. An "x" will be placed on line 303, which will let the Notary know which one it is. If the Borrower is required to provide additional funds, the Notary should attempt to collect those funds. If the Borrower does not have a check (cashiers check, unless otherwise specified by escrow), alert the Borrower that the funds should be submitted to escrow as soon as possible. All of the settlement charges (line 103) are itemized and then totaled on the second page. A Notary can explain what the charges are for but cannot explain the reason for the amount of each charge. Generally, if no Addendum to the HUD-1 (see below) is attached, there will be a place (generally provided by escrow) on each page of the HUD-1 for the Borrower's signature.

Addendum to HUD-1 Settlement Statement:

This is an additional page that may be attached, and verifies that the Borrowers have read and understand the HUD-1. This document will require the Borrower's signature.

Closing Instructions:

This document contains instructions from the Lender specifying certain loan requirements and conditions. This rarely

requires a signature or initials, but let the Borrowers review this anyway.

Deed of Trust:

This document secures the subject property as collateral in consideration for the loan, and is recorded with the county. Have the Borrower check that the loan amount is correct and that the length of the loan is accurate. Since this document is recorded, as long as there are no specific restrictions in your state and/or county, have the Borrower(s) initial every page. The Deed of Trust is a standard form; therefore the terms and paragraphs in the body of the document may, or may not apply to the loan. Have the Borrower sign their name exactly as it is printed in black ink (unless another color is specified). This document will need notarization.

Note:

The Note is the loan agreement, and it outlines the terms of the loan. The Note includes:

- address of the property in question
- loan amount
- lender
- interest rate
- date in which the first payment of the new loan is due
- date the last payment of the new loan is due
- where the payments are to be mailed
- monthly payment (does not include the impact of impounds such as real estate taxes)
- percentage charged by the lender if payment is more than 15 days late

Make sure the Borrower(s) understand these terms and agree with them before they sign.

Various Riders:

At the end of the Deed of Trust, there may be a list of Riders (additions or amendments) to the document. If one or more of the boxes are checked, then the appropriate Rider will be attached. Examples include the Condominium Rider for condominiums, 1-4 Family Rider in multi-family dwellings, and Balloon Rider where a "balloon payment" is part of the loan. These will need signatures, but not notarization since the Riders are part of the Deed of Trust.

Subordination Agreement:

This document alters the priority of existing liens against the property, such as an existing HELOC or second mortgage, ensuring that the new Deed of Trust will be placed in first position on the title of the property. There may be multiple subordination agreements. This document requires notarization. This document will usually have notarized signatures from the entity that is agreeing to the terms of the subordination agreement. Notarization of the Borrower(s) signature must also be completed on the agreement.

Mortgagor's Affidavit:

This document is used by the Federal Housing Administration to insure the loan, or by the Veterans Administration to guarantee the loan, or by a Private Mortgage Insurance Company to insure the loan. This document also states whether or not the Borrower intends to occupy the property as a primary residence. It also determines if a property is located in a Special Flood Hazard Area. This document will need to be signed and notarized.

Truth in Lending Disclosure Statement:

Discloses the following to the Borrower(s):

- Annual Percentage Rate
- Finance Charges
- Amount Financed
- Total number of payments, and amount of each payment associated with the loan

This document also stipulates if there is a pre-payment penalty associated with the loan. The Annual Percentage Rate is a separate figure from the Interest Rate and is usually higher. If the Borrowers are confused about this, have them call their lender to explain.

Escrow Waiver Agreement:

This document allows the lender to waive its right to require the Borrower to establish an escrow impound account to pay for such things as real estate taxes or hazard insurance premiums.

Escrow Transfer Request and Disclosure:

This document requests that the funds in an escrow account for the Borrower's old loan be transferred to the escrow

account of the new loan when the old loan is paid off.

Notice of Right to Cancel:

If the loan allows for the Borrower to cancel the loan that is being signed within three days (excluding Sunday), this notice will be included (please see the Important Terms section for more detail on the Rescission Period). National holidays are excluded from the calculation of three business days. Be careful to monitor where the Borrower signs this document. The Borrower should usually sign on the line that says they have received this document (**not the line that states they wish to cancel**). There will usually be multiple originals of this document. Have them sign all originals.

Affiliated Business Arrangement Disclosure:

This disclosure is provided to the Borrower because they may have inquired about a lender-affiliated mortgage or escrow company. The lender is stating that any referrals were only suggestions and that the Borrower was free to choose any company that he/she desired.

Overnight Fee Statement:

This allows the lender to use overnight express mail to payoff the previous mortgage. Let the Borrower know that this fee is already reflected in their HUD-1 statement.

Request for Taxpayer Identification Number and Certification:

The purpose of this form is to certify a correct TIN for purposes of reporting to the IRS of monies paid, mortgage interest paid, etc.

Close Application (Payoff Letter):

This document authorizes the lender to payoff the old loan with the funds from the new (refinance) loan.

Payoff Statement:

Itemizes the old loan with other fees that may include: Prepayment interest, Optional insurance, Fees required for payoff, Funds to be Credited, Funds to be Retained.

This tells the Borrower how the amount of the payoff of the old loan was reached. Generally, the total payoff amount on this statement will match the payoff amount listed on the HUD-1 statement.

Statement of Information:

This document is to be completed entirely by the Borrower(s) and signed. Since this takes some time, it is recommended that this document be saved until the end so that you, the Notary, can do your necessary paperwork (i.e., filling out the notary journal, reviewing the signing documents for errors, etc).

Thank you again for your interest in Katlady/z Nationwide Notary Service, and thank you for taking the time to review and understand our training materials. We know that our success is directly related to your job performance and satisfaction with our services. If there is anything we can do to improve our service to you, please do not hesitate to contact us. We welcome any and all suggestions.