

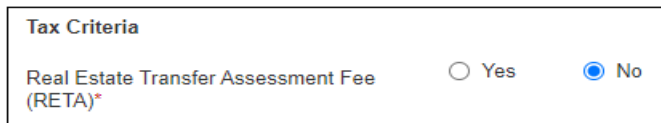
SmartFees Product Upcoming Update in Colorado

April 3, 2024

SmartFees User Interface updates:

Effective April 3, 2024, in all counties of Colorado for purchase and construction-to-perm purchase transactions for all property types, we will add the new tax question “*Real Estate Transfer Assessment Fee (RETA)*” with a default answer of “*No*” in the **Questions tab**.

Figure 1: New tax question with a default of No



Tax Criteria

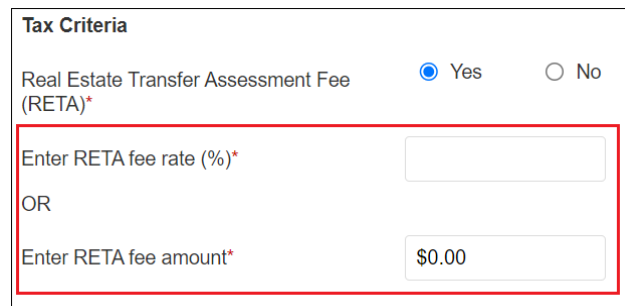
Real Estate Transfer Assessment Fee (RETA)* Yes No

Answering “*Yes*” to this new tax question will display two other new questions:

- “*Enter RETA fee rate (%)*”
- “*Enter RETA fee amount*”

The user will be required to enter a “*RETA fee rate (%)*” (with up to four decimals) **or** enter a “*RETA fee amount*” (with up to two decimals).

Figure 2: The two new questions with required fields



Tax Criteria

Real Estate Transfer Assessment Fee (RETA)* Yes No

Enter RETA fee rate (%)*

OR

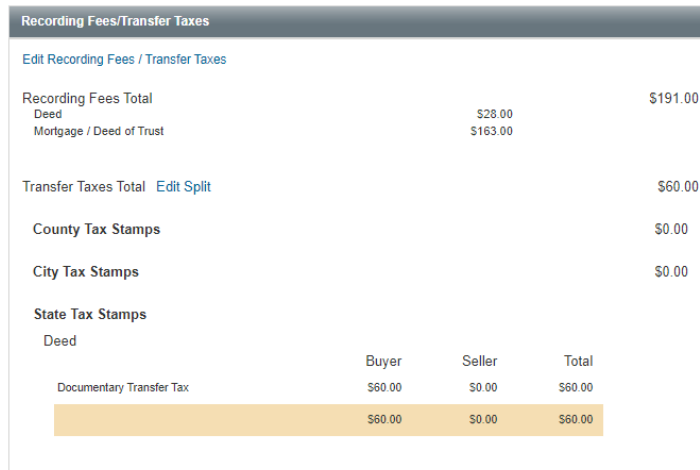
Enter RETA fee amount*

Fees tab

User answers “No” to the tax question “Real Estate Transfer Assessment Fee (RETA)”:

The system will not display the “Real Estate Transfer Assessment Fee” in the Recording Fees/Transfer Taxes section.

Figure 3: “Real Estate Transfer Assessment Fee” not displayed in the results page

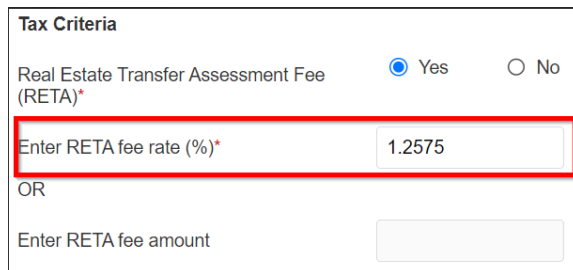


| Recording Fees/Transfer Taxes | | | |
|--|----------------------------|--------|----------|
| Edit Recording Fees / Transfer Taxes | | | |
| Recording Fees Total | | | \$191.00 |
| Deed | \$28.00 | | |
| Mortgage / Deed of Trust | \$163.00 | | |
| Transfer Taxes Total | Edit Split | | \$60.00 |
| County Tax Stamps | | | \$0.00 |
| City Tax Stamps | | | \$0.00 |
| State Tax Stamps | | | |
| Deed | | | |
| | Buyer | Seller | Total |
| Documentary Transfer Tax | \$60.00 | \$0.00 | \$60.00 |
| | \$60.00 | \$0.00 | \$60.00 |

User answers “Yes” to the tax question “Real Estate Transfer Assessment Fee (RETA)”:

1) If the user enters a “RETA fee rate (%)” in the input page:

Figure 4: User enters “RETA fee rate (%)” in the input page



Tax Criteria

Real Estate Transfer Assessment Fee (RETA)* Yes No

Enter RETA fee rate (%)*

OR

Enter RETA fee amount

The system will calculate the fee “Real Estate Transfer Assessment Fee” by multiplying the RETA fee rate (%) and the Purchase Price. The fee will display in a separate section called “Other Charges” under Recording Fees/Transfer Taxes section. This fee will have the Who Pays and Rule Strength attributes.

Figure 5: “Real Estate Transfer Assessment Fee (Deed)” calculated with RETA fee rate (%)

| Recording Fees/Transfer Taxes | | | |
|--|------------|----------|------------|
| Edit Recording Fees / Transfer Taxes | | | |
| Recording Fees Total | | | |
| Deed | | \$28.00 | \$191.00 |
| Mortgage / Deed of Trust | | \$163.00 | |
| Transfer Taxes Total Edit Split | | | |
| | | | \$60.00 |
| County Tax Stamps | | | |
| | | | \$0.00 |
| City Tax Stamps | | | |
| | | | \$0.00 |
| State Tax Stamps | | | |
| Deed | | | |
| | Buyer | Seller | Total |
| Documentary Transfer Tax | \$60.00 | \$0.00 | \$60.00 |
| | \$60.00 | \$0.00 | \$60.00 |
| Other Charges Total Edit Split | | | |
| | | | \$7,545.00 |
| City | | | |
| | Buyer | Seller | Total |
| Real Estate Transfer Assessment Fee | \$7,545.00 | \$0.00 | \$7,545.00 |
| | \$7,545.00 | \$0.00 | \$7,545.00 |

2) If the user enters a “*RETA fee amount*”:

Figure 6: User enters RETA fee amount in the input page

Real Estate Transfer Assessment Fee (RETA)* Yes No

Enter RETA fee rate (%)

OR

Enter RETA fee amount*

The system will display the amount entered as “Real Estate Transfer Assessment Fee” in a separate section called “Other Charges” under Recording Fees/Transfer Taxes section. This fee will have the Who Pays and Rule Strength attributes.

Figure 7: “Real Estate Transfer Assessment Fee (Deed)” amount entered by the user

| Recording Fees/Transfer Taxes | | | |
|--|------------|----------|------------|
| Edit Recording Fees / Transfer Taxes | | | |
| Recording Fees Total | | | |
| Deed | | \$28.00 | \$191.00 |
| Mortgage / Deed of Trust | | \$163.00 | |
| Transfer Taxes Total Edit Split | | | |
| | | | \$60.00 |
| County Tax Stamps | | | |
| | | | \$0.00 |
| City Tax Stamps | | | |
| | | | \$0.00 |
| State Tax Stamps | | | |
| Deed | | | |
| | Buyer | Seller | Total |
| Documentary Transfer Tax | \$60.00 | \$0.00 | \$60.00 |
| | \$60.00 | \$0.00 | \$60.00 |
| Other Charges Total Edit Split | | | |
| | | | \$3,000.00 |
| City | | | |
| | Buyer | Seller | Total |
| Real Estate Transfer Assessment Fee | \$3,000.00 | \$0.00 | \$3,000.00 |
| | \$3,000.00 | \$0.00 | \$3,000.00 |

For Our Encompass Clients

Effective April 3, 2024, in all counties of Colorado, Encompass clients setup to receive “Real Estate Transfer Assessment Fee” (RETA fee) through SmartFees for purchase or construction-to-perm purchase transactions for all property types, must indicate “Yes” for the Tax Criteria “Real Estate Transfer Assessment Fee (RETA)” in the SmartFees UI.

Additionally, they should provide a value for either the “Enter RETA fee rate (%)” **or** “Enter RETA fee amount” question. Once SmartFees data is exported back to Encompass, the “RETA fee” will be populated on the 1302 fee line of the 2015 Itemization form.

Figure 8: RETA fee in Encompass 2015 Itemization form

| 2015 Itemization | | | | | REGZ-LE | Itemization | LE1 | LE2 | LE3 | CD1 | CD2 | CD3 | CD4 | |
|---|---------------------|----|-----------------------|------------|-----------|-------------|-------------------------------|-------|-----------|-----|-----|-----|-----|--|
| 1300. Additional Settlement Charges | | | | | Borrower | Seller | Other | Total | | | | | | |
| | | | | | 13,252.48 | | | | 13,252.48 | | | | | |
| | | | | | Borrower | Seller ? | Paid By / P / B / A / Paid To | | | | | | | |
| 1301. Required services that you can shop for | | | | | 13,252.48 | | | | | | | | | |
| 1302. | RETA | To | OtherCharges | * 3,000.00 | | | | | | | | | | |
| 1303. | Chimney Inspection | To | ClosingCorpTestVendor | * 400.00 | | | | | | | | | | |
| 1304. | Home Inspection | To | ClosingCorpTestVendor | * 375.00 | | | | | | | | | | |
| 1305. | HVAC Inspection | To | ClosingCorpTestVendor | * 400.00 | | | | | | | | | | |
| 1306. | Pest Inspection | To | ClosingCorpTestVendor | * 8,000.00 | | | | | | | | | | |
| 1307. | Plumbing Inspection | To | ClosingCorpTestVendor | * 800.00 | | | | | | | | | | |

For Our Integration Clients

Effective April 3, 2024, in all counties of Colorado:

1) For GetTaxQuestion API users:

When sending a request for purchase or construction-to-perm purchase transactions for all property types, the response will include the following RETA questions:

```
<RecordingCriteria Id="RETA" Name="Real Estate Transfer Assessment Fee (RETA)" Type="Boolean" Value="" Important="true" Visibility="true"/>
<RecordingCriteria Id="RETAfr" Name="Enter RETA fee rate" Type="Number" Value="" Important="true" Visibility="true"/>
<RecordingCriteria Id="RETAfa" Name="Enter RETA fee amount" Type="Number" Value="" Important="true" Visibility="true"/>
```

2) For QuickGFE and UpdateGFE API users:

When creating/updating a Colorado state purchase or construction-to-perm purchase file for any property type and including RETA fee in the file, the request should pass a "true" value for the "Real Estate Transfer Assessment Fee (RETA)" question, along with a value for either the "Enter RETA fee rate (%)" **or** "Enter RETA fee amount" question. The response will include the "Real Estate Transfer Assessment fee" on the mapped fee line.

NOTE:

For assistance with mapping the "Real Estate Transfer Assessment fee," please reach out to our Support team at support@closing.com.

Testing Environments:

These enhancements will be available on our UAT test environment on January 8th, 2024.

Environment Paths:

- SmartFees URL: <https://uat.smartfees.com>
- API Path: <https://uatdev.smartfees.com>

To get more information on how to connect to these environments, contact your Client Success Manager for more details.