

CFPB TRID: ARE YOU READY?



The Basics of the Integrated Mortgage Disclosure Rule:

WHAT: Changes to the Loan and Settlement Disclosure forms and processes are coming.

WHEN: The changes will be effective for transactions where a loan application is taken by a Creditor on or after October 3rd, 2015.

WHY: Because the Dodd-Frank Act of 2010 mandates the combination of the Truth in Lending Act (TILA) loan disclosures with the Real Estate Settlement Procedures Act (RESPA) Good Faith Estimate and HUD-1 Settlement Statement disclosures.

HOW: The Consumer Financial Protection Bureau (CFPB), an entity created by the Dodd Frank Act, issued a new TILA final regulation that, among other things, created two new forms (each with many variations) and new 3 business day delivery requirements.

- Loan Estimate – 3 business days after application
- Closing Disclosure – 3 business days before consummation

IMPACT ON REAL ESTATE AGENTS AND BROKERS

- Closings may take longer because of 3 business day review periods
- You'll see different forms for most transactions
- Your contact information and license number must appear on the Closing Disclosure form
- Your clients may receive multiple Loan Estimates due to “changed circumstances”
- Your clients may receive multiple Closing Disclosures
 - Some with a 3 day business day waiting period and some without
 - Some before closing and some after
- In most instances the Buyer's Closing Disclosure will be prepared by the Lender

Source: Consumer Financial Protection Bureau (CFPB),
Republic Title of Texas, Inc.— Training, Education & Support