



CFPB Final Integrated Mortgage Disclosures

You may have heard about the TILA-RESPA Integrated Disclosure (TRID) Rule from the Consumer Financial Protection Bureau (CFPB), which was tasked with combining the Truth-in Lending Act and the Real Estate Settlement Procedures Act disclosures.

Among many important changes we will be implementing in the future, one item that has a dramatic impact is the mandate of the use of two new documents: the LOAN ESTIMATE and CLOSING DISCLOSURE. Here is what you need to know:

Except for reverse mortgages, your clients will no longer receive an initial Truth-in-Lending (TIL) form and Good Faith Estimate (GFE), or a final TIL form and HUD-1 Settlement Statement (HUD-1).

The initial TIL and GFE will be replaced with the Loan Estimate, which must be provided within 3 business days of loan application. (Business days will include Saturdays if the lender is open to the public and carrying on substantially all of its business functions.)

The final TIL and HUD-1 will be replaced with the Closing Disclosure, which must be provided at least 3 business days prior to loan closing. This means borrowers cannot close on their loan until at least 3 business days* after receiving the Closing Disclosure.

These documents go into effect for loans on which a loan application is taken on or after October 3, 2015. The initial TIL, GFE, final TIL and HUD-1 will continue to be a part of the closing process for reverse mortgages and for transactions on which an application was taken before October 3, 2015.

Expect to hear more from us as we approach the deadline for TRID implementation.

To learn more about these new forms, visit <http://www.consumerfinance.gov/knowbeforeyouowe/>

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* Business days will include all calendar days except certain enumerated legal holidays.

Source: HUD.gov, Common Questions from First-time Homebuyers: www.portal.hud.gov/hudportal/HUD?src=/topics/common_questions
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