



TILA RESPA INTEGRATED DISCLOSURE

As a result of the global financial crises, the Wall Street Reform and Protection act (Dodd-Frank) was passed by Congress in 2010. A key byproduct of Dodd-Frank was the creation of the Consumer Financial Protection Bureau (CFPB). The CFPB's core charge is to aggressively enforce the Truth-in-Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA) rules and requirements, as well as create a streamlined, borrower-centric process for mortgage lenders to disclose fees associated with most closed-end mortgage loans.

The CFPB's final rule, the TILA RESPA Integrated Disclosure (TRID) will require that two new forms be utilized on most consumer, closed-end mortgage loans applied for **on or after October 3rd, 2015:**

✓ **Loan Estimate**

The new Loan Estimate form replaces the initial Truth in Lending (TIL) Disclosure and the Good Faith Estimate (GFE). It is the responsibility of the Lender to complete and send the form to the consumer. The Loan Estimate covers the following: the loan terms, projected payments, closing costs, comparison pricing, etc. The Lender is responsible for providing the Loan Estimate to the consumer within three business days of receipt of the loan application.

✓ **Closing Disclosure**

The new Closing Disclosure will replace the HUD-1 Settlement Statement and the final TIL Disclosure. It is the responsibility of the Lender to provide this form to the consumer. However, the Lender may task the Settlement Agent to complete and deliver the form. If the Closing Disclosure is mailed to the consumer, a 3-business day delivery time frame is presumed. Furthermore, the Lender must ensure that the consumer receives the Closing Disclosure at least three business days before loan document signing. In all likelihood, the Closing Disclosure's greatest impact to the settlement process will be at the end of the escrow transaction when the consumer is able to sign their loan paperwork after the passing of the required delivery and waiting periods.

TRID's new forms will have rigorous accuracy requirements, as well as precise delivery and review timelines. An accurate and comprehensive exchange of fees, figures and data between settlement agents and Lenders will be necessary to create and deliver the new forms. Meaning come August 1st, Realtors®, Settlement Agents and Lenders must communicate and collaborate with each other to ensure a successful transition to TRID's new rules and requirements.

For additional information on this topic, please visit: to: <http://www.consumerfinance.gov/regulatory-implementation/tila-respa/>

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