

# TRID *Talk*

from the  
**TRIDent Group**

Information  
every  
**HOMEBUYER**  
needs to know  
about the  
new  
TILA-RESPA  
Integrated  
Disclosures  
(TRID)



**BERKSHIRE  
HATHAWAY**  
HomeServices

Fox & Roach, REALTORS®

The  
**Trident Group**

The TRIDent Group

COUNTDOWN TO  
**T R I D**  
TILA-RESPA  
INTEGRATED DISCLOSURES

## Are you ready for The Integrated Disclosures?

The **Consumer Finance Protection Bureau (CFPB)** has created new rules governing the financing of a closed-end loan.\* These new rules went into effect on October 3, 2015. Your BHHS Fox & Roach Sales Associate has been trained on these national changes and is prepared to oversee the process and help you navigate these new regulations.

### WHAT DOES THIS MEAN TO ME?

#### YOUR BERKSHIRE HATHAWAY FOX & ROACH SALES ASSOCIATE WILL:

- ◇ Give overview and access to experts who can offer further information on the new forms.
- ◇ Explain the importance of the new timelines as they pertain to your closing
- ◇ Explain the importance of your chosen lender's readiness to comply with the changes
- ◇ Make sure that the seller's agent understands the new requirements

### WHAT FORMS WILL CHANGE FOR ME?

When you shop for a mortgage, you will be given a **Loan Estimate** after you apply. This estimates the costs of obtaining your loan and the anticipated cash to close needed for your closing.

Three days prior to closing, you will be receiving a new closing statement called the **Closing Disclosure (CD)**. It replaces the current HUD-1 settlement statement. You may also be asked to sign an "ALTA Settlement Statement" which authorizes your Settlement Agent to disburse. Your seller will receive a separate seller's Closing Disclosure and will not see the loan specific terms of your disclosure.

### WHO WILL SEND THESE DISCLOSURES TO ME?

Starting October 3, your lender will be sending you both disclosures described above. Settlement agents will no longer be involved in the preparation of the document which replaces the HUD-1 and TIL (Truth-in-Lending). However, the title company/settlement agent will prepare and deliver the seller's Closing Disclosure to the seller on or before the day of closing and be responsible for coordinating changes to the CD with the lender at closing.

### WHAT "TIMELINE" CHANGES WILL OCCUR?

To insure that you completely understand the terms and unique features of your loan, the new CFPB rules require that you have **3 business days** to review your Closing Disclosure.

If you do not receive your Closing Disclosure 3 business days before the scheduled closing date, the closing will have to be postponed. Note: This 3 day review period may not be waived. If changes need to be made to your Closing Disclosure after you have received it, the 3 business day clock may start over, depending on the change.

### WHAT CHANGES WILL CAUSE A NEW 3 BUSINESS DAY REVIEW PERIOD?

1. Change in the loan product after receipt of your Closing Disclosure.
2. Last minute fees are added that result in an increase to your APR after you have received your CD.
3. An addition of a pre-payment penalty.

### WHAT CAN I DO TO PREVENT A DELAY IN MY CLOSING DATE?

- Choose a Real Estate agent, lender and title agent who are familiar with the new forms and changes.
- Supply your lender with all of the documentation requested as quickly as possible.
- Make final loan product decisions no later than 10 days before closing.
- Lock your rate at least 10 days before closing.
- Because some walk-through items could cause changes to the Closing Disclosure and a potential delay in completing the closing while corrections are being made by the Lender, consider scheduling your walk-through a few days or a few hours in advance of closing.
- Because these changes are industry-wide, and the impact of the new disclosure delivery processes are unknown, plan on scheduling all closing dates no earlier than 45 days from contract signing.

**Note:** A "Cash Buyer" is not subject to these rules or disclosures and there are no timing requirements surrounding cash transactions.

\*Closed-end loans are loans where (i) the lender does not expect or contemplate that there will be repeated transactions on the one line, (ii) lender can charge a finance charge on the outstanding unpaid balance, and (iii) the borrower can draw on and use the credit line to the extent outstanding balance is repaid. If all three features are present in a credit transaction then the credit is considered open-ended and not subject to TRID.

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