

TRID *Talk*

from the
TRIDent Group

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



**BERKSHIRE
HATHAWAY**
HomeServices

Fox & Roach, REALTORS®

The
Trident Group

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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 purchase of homes where closed-end loans* are chosen. 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 need to have the house in the same condition as when the buyer selected it.
- ◇ Make sure the buyer's agent understands the new timelines.

WHAT FORMS WILL CHANGE FOR ME?

At closing, you will be receiving a new closing statement, called the **Seller's Closing Disclosure** with only your costs listed. It replaces the current HUD-1 settlement statement. Your buyer will sign a separate buyer's Closing Disclosure. Many Settlement Agents will also ask you to sign an "ALTA Settlement Statement", which authorizes your Settlement Agent to disburse.

WHO WILL SEND THE DISCLOSURE TO ME?

The Title company/Settlement Agent will prepare and deliver the Seller's Closing Disclosure to you no later than the day of closing. The Buyer's lender will now prepare and deliver the Buyer's Closing Disclosure to him/her.

WHAT "TIMELINES" WILL BE FEDERALLY REQUIRED?

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

If a buyer does not receive their Closing Disclosure (CD) 3 business days before the scheduled closing date, the closing will have to be postponed. Note: the 3 day Review period may not be waived.

If changes need to be made to the Closing Disclosure after the buyer has 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?

- Change in the loan product after receipt of the Closing Disclosure.
- Last minute fees are added that result in an increase to the Annual Percentage Rate (APR) after the buyer receives the CD.
- An addition of a pre-payment penalty.
- **NOTE:** If you are purchasing a home immediately after you sell your home, and a new 3 business day review period is required, your closing may need to be postponed.

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

- Choose a Real Estate agent who is familiar with the new forms and timeframes and one who can help you discern which offer is best, based upon the CFPB-readiness of the prospective buyer's Lender.
 - 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, make sure your home is in the same condition as when your buyer first saw it.
 - Allow your buyers to do preliminary walk-throughs in advance, if requested
 - Because these changes are industry-wide and not yet tested 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.

Questions? Email: newdisclosures2015@foxroach.com



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