

# TILA / RESPA Integrated Disclosure

## THE BASICS OF TRID

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### WHAT

Changes to the forms and closing processes are coming soon.

### WHEN

The changes will be effective for most residential transactions with a loan application taken by a lender on or after October 3, 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 regulation that, among other things, created two new forms (each with many variations) and new 3 business day delivery and consumer review requirements.

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

### WHO WILL ISSUE THE FORMS

**Loan Estimate** - Lender or Mortgage Broker

**Closing Disclosure** - Lender or Settlement Agent (Escrow), Lender may delegate responsibility to the Settlement Agent (Escrow).

### IMPACT ON REAL ESTATE PROFESSIONALS

- Closing may take longer because of the requirements of the TILA-RESPA Integrated Disclosures (TRID) rule.
- You'll be seeing different forms for most transactions.
- Your contact information and license number must appear on the Closing Disclosure form. (see page 5 of the Closing Disclosure Form)
- Your clients may receive multiple Loan Estimates due to:
  - "Changed circumstances" - certain circumstances that cause the estimated charges to increase by more than the variance allowed under the Final Rule;
  - Multiple applications with different lenders; or
  - Multiples applications for difference loan products with the same lender.
- Your clients may receive multiple Closing Disclosures:
  - Some with a 3 day business day waiting period and some without; and
  - Some before closing and some after.
- Buyer's loan policy will show full loan policy amount.
- Last-minute changes may cause delays in closing.

