



TILA/RESPA Integrated Disclosures (TRID) Compliance Overview



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TRID Background

- Section 1032 (f) of the Dodd-Frank Act required the CFPB (Consumer Financial Protection Bureau) to develop a set of combined disclosures that replace the current GFE, HUD-1, and initial and final TIL disclosures.
- New disclosures will be effective with all new applications beginning on Saturday, 10/03/2015.



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TRID's Purpose

- The new disclosures are designed to be helpful to consumers in understanding key features, costs, and risks of the mortgage loan they are choosing.
- The forms use clear language and design to make key information, such as interest rate, monthly payment, and cost to close, easier for consumers to locate.



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Covered Transactions

- The TRID rule applies to most closed-end consumer credit transactions secured by real property.
- Certain types of loans that are currently subject to TILA, but not RESPA, are subject to TRID disclosure requirements including:
 - Construction-Only loans
 - Loans secured by vacant land or by 25+ acres
 - Timeshare loans also have abbreviated disclosure timelines



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Exemptions

- TRID does not apply to the following:
 - HELOC's
 - Reverse Mortgages
 - Mortgages secured by Chattel, such as mobile homes or other dwellings that are not considered real property
 - Persons that make five or fewer loans per year



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Exemptions Cont'd.

- Loans that are not covered by the new rule are still covered under current disclosure requirements.



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THE LOAN ESTIMATE (LE)



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Loan Estimate Purpose

- Replaces the current Good Faith Estimate and initial Truth-in-Lending disclosures



Providing the Loan Estimate

- The lender must deliver or place the Loan Estimate in the mail within 3 business days after receipt of application, unless it is denied or withdrawn within that timeframe
- The consumer is considered to have received the disclosures 3 business days after they are sent or placed in the mail. This is called the "mailbox rule"
 - Lenders may consider using UPS/FedEx delivery or E-Signature

Providing the Loan Estimate

- A revised estimate cannot be issued less than 4 business days prior to consummation
- Mortgage Brokers who receive an application must work with the creditor to ensure that the Loan Estimate is provided in accordance with the rule.



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Change In Variances

Tolerance Buckets

0% Tolerance

Lender charges
and credits

Mortgage broker's
charges

Paid to affiliate of creditor
or broker

Unaffiliated third party if
shopping not allowed

Transfer taxes

10% Aggregate Increase

Unaffiliated third party if
shopping allowed but
consumer does not shop

Recording fees

Best Information Reasonably Available

Prepaid interest

Property insurance
premiums

Amounts placed in
escrow

Charges paid to third-
party service providers
not included on written
list

Charges paid to third-
party service providers
not required by the
creditor



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Loan Estimate Changes in Circumstance

- To revise the Loan Estimate, a lender must provide a revised version to the borrower within 3 business days of the information received to warrant the change.



Loan Estimate Changes in Circumstance

The following are the allowable changed circumstances for re-disclosure:

- An extraordinary event outside of control of an interested party
- Information the Lender relied on is inaccurate or changes
- New information is discovered by the Lender after disclosures have been sent
- Changes affecting eligibility such as income decreases, employment changes, low appraised value, etc.
- Consumer requested changes



Loan Estimate Changes in Circumstance

Allowable changed circumstances for re-disclosure (cont'd):

- Interest rate dependent changes such as rate lock
- Expiration, such as consumer doesn't provide intent to proceed within 10 business days of disclosures
- Delayed settlement on a construction loan-When settlement will occur more than 60 days after initial disclosure, and re-disclosure occurs at least 60 days before settlement

Loan Estimate List of Service Providers

- Lenders must now disclose the following information for all transaction service providers, whether the consumer can shop for the service OR not:
 - Name of each service
 - Estimated cost
 - Provider of the service
 - Provider's contact information



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Additional Details for Services You Can Shop For

To get you started with shopping, this list identifies some providers for the services you can shop for (see Section C on page 2 of your Loan Estimate).

Service Provider List		You can select these providers or shop for your own providers.	
Service	Estimate	Provider We Identified	Contact Information
Pest Inspection Fee	\$135	Pest Co.	Jane Polk 123 Avenue A Anytown, ST 12345 janep@pestco.com 111-222-3333
Survey Fee	\$65	Surveyor LLC	Bill Barnes 456 Avenue B Anytown, ST 12341 billb@surveyorllc.com 111-333-4444
Title – Insurance Binder	\$700	Gamma Title Co.	Joanna Campbell 789 Avenue C Anytown, ST 12333 joannac@gammatitle.com 222-444-5555
Title – Lender's Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
Title – Lender's Title Insurance	\$1,100	Delta Title Inc.	Frank Fields 321 Avenue D Anytown, ST 12321 frankf@deltatitle.com 222-444-6666
Title – Other Title Services	\$1,000		
Title – Settlement Agent Fee	\$350		



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Example loan estimate



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Loan Estimate

DATE ISSUED 2/15/2013
APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE ☒ Conventional ☐ FHA ☐ VA ☐ _____
LOAN ID # 123456789
RATE LOCK ☐ NO ☒ YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	Does the loan have these features? YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments				
Payment Calculation		Years 1-7		Years 8-30
Principal & Interest		\$761.78		\$761.78
Mortgage Insurance		+	82	+ —
Estimated Escrow <i>Amount can increase over time</i>		+	206	+ 206
Estimated Total Monthly Payment		\$1,050		\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>		\$206 a month	<div><div>This estimate includes</div><div><input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other:</div><div>In escrow? YES YES</div></div> <div>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</div>	

Costs at Closing		
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.



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Closing Cost Details

Loan Costs

A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

B. Services You Cannot Shop For	\$672
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

C. Services You Can Shop For	\$3,198
Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

D. TOTAL LOAN COSTS (A + B + C)	\$5,672
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Other Costs

E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

F. Prepaids	\$867
Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	

G. Initial Escrow Payment at Closing	\$413
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211

H. Other	\$1,017
Title – Owner's Title Policy (optional)	\$1,017

I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
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J. TOTAL CLOSING COSTS	\$8,054
D + I	\$8,054
Lender Credits	

Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	– \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054



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Additional Information About This Loan

LENDER Ficus Bank
NMLS/_ LICENSE ID
LOAN OFFICER Joe Smith
NMLS/_ LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/_ LICENSE ID
LOAN OFFICER
NMLS/_ LICENSE ID
EMAIL
PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date



Loan Estimate-Total Interest Percentage (TIP)

- Page 3 of the LE, the TIP replaces the Total Payments from the current initial TIL
- This figure used to be expressed in a large \$ amount; now a large % rate
- Lenders will need to be able to understand and discuss this field with borrowers as questions arise (Amount of interest paid in versus principal if buyer never applies extra toward principal reduction)



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THE CLOSING DISCLOSURE (CD)



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Closing Disclosure Purpose

- This form replaces the current HUD-1 and final TIL disclosures



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Closing Disclosure

- Lenders must provide and the borrower must have **RECEIVED** a Closing Disclosure no less than 3 business days prior to consummation of the transaction
- For the closing disclosure, a “business day” is defined as all calendar days except Sunday or Federal holidays.
- The CD can be delivered in person, electronically, postal mail, or courier
- If it is mailed or emailed (for those without E-Signature), the delivery falls under the “mailbox rule”
- If multiple parties are involved in various locations, all parties must meet the 3 day requirement



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Closing Disclosure

- Lenders may also contract with settlement agents or doc prep companies to provide the Closing Disclosure. However, the lender is still responsible for the timeliness and accuracy of the disclosure.
- The settlement agent is responsible under the Rule for preparing and delivering the seller's Closing Disclosure



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Closing Disclosure

- A NEW 3-day period is required for a revised Closing Disclosure if any circumstances that fall under “The Big 3” occur:
 - ✓ APR increases by defined thresholds (.125 OR $1/8$)
 - ✓ Change in loan product
 - ✓ Change in pre-payment penalty in that one is imposed

Amendments are allowed for all other revisions!



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Closing Disclosure

- Post-consummation events or clerical errors can also require the issuance of a revised Closing Disclosure
- The revision must be issued within 30 days of learning of the need for the change. Clerical errors ONLY may be re-disclosed within 60 days.
- Any post-closing issuance of excess tolerance refunds must be accompanied by a revised Closing Disclosure and be completed within 60 days



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Example Closing Disclosure



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Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
Anytown, ST 12345
Sale Price \$180,000

Transaction Information

Borrower Michael Jones and Mary Stone
123 Anywhere Street
Anytown, ST 12345
Seller Steve Cole and Amy Doe
321 Somewhere Drive
Anytown, ST 12345
Lender Ficus Bank

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type ☒ Conventional ☐ FHA
☐ VA ☐
Loan ID # 123456789
MIC # 000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	Does the loan have these features? YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments				
Payment Calculation	Years 1-7		Years 8-30	
Principal & Interest		\$761.78		\$761.78
Mortgage Insurance	+	82.35	+	—
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+	206.13
Estimated Total Monthly Payment		\$1,050.26		\$967.91
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	<div><div>This estimate includes</div><div><div><input checked="" type="checkbox"/> Property Taxes</div><div><input checked="" type="checkbox"/> Homeowner's Insurance</div><div><input checked="" type="checkbox"/> Other: Homeowner's Association Dues</div></div><div><div>In escrow?</div><div>YES</div><div>YES</div><div>NO</div></div><div><i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i></div></div>		

Costs at Closing		
Closing Costs	\$9,712.10	Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.



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Closing Cost Details

Loan Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges		\$1,802.00				
01	0.25 % of Loan Amount (Points)	\$405.00				
02	Application Fee	\$300.00				
03	Underwriting Fee	\$1,097.00				
04						
05						
06						
07						
08						
B. Services Borrower Did Not Shop For		\$236.55				\$405.00
01	Appraisal Fee to John Smith Appraisers Inc.					
02	Credit Report Fee to Information Inc.		\$29.80			
03	Flood Determination Fee to Info Co.	\$20.00				
04	Flood Monitoring Fee to Info Co.	\$31.75				
05	Tax Monitoring Fee to Info Co.	\$75.00				
06	Tax Status Research Fee to Info Co.	\$80.00				
07						
08						
09						
10						
C. Services Borrower Did Shop For		\$2,655.50				
01	Pest Inspection Fee to Pests Co.	\$120.50				
02	Survey Fee to Surveys Co.	\$85.00				
03	Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04	Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05	Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06	Title - Title Search to Epsilon Title Co.	\$800.00				
07						
08						
D. TOTAL LOAN COSTS (Borrower-Paid)		\$4,694.05				
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80			
Other Costs						
E. Taxes and Other Government Fees		\$85.00				
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02	Transfer Tax to Any State			\$950.00		
F. Prepays		\$2,120.80				
01	Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02	Mortgage Insurance Premium (mo.)					
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04	Property Taxes (6 mo.) to Any County USA	\$631.80				
05						
G. Initial Escrow Payment at Closing		\$412.25				
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02	Mortgage Insurance per month for mo.					
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04						
05						
06						
07						
08	Aggregate Adjustment	- 0.01				
H. Other		\$2,400.00				
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02	HOA Processing Fee to HOA Acre Inc.	\$150.00				
03	Home Inspection Fee to Engineers Inc.	\$750.00				\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08						
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05				
Other Costs Subtotals (E + F + G + H)		\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)		\$9,712.10				
Closing Costs Subtotals (D + I)		\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits						



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Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$1,035.04	YES • See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION

K. Due from Borrower at Closing	\$189,762.30
01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$9,682.30
04	
Adjustments	
05	
06	
07	
Adjustments for Items Paid by Seller in Advance	
08 City/Town Taxes to	
09 County Taxes to	
10 Assessments to	
11 HOA Dues 4/15/13 to 4/30/13	\$80.00
12	
13	
14	
15	
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04
01 Deposit	\$10,000.00
02 Loan Amount	\$162,000.00
03 Existing Loan(s) Assumed or Taken Subject to	
04	
05 Seller Credit	\$2,500.00
Other Credits	
06 Rebate from Epsilon Title Co.	\$750.00
07	
Adjustments	
08	
09	
10	
11	
Adjustments for Items Unpaid by Seller	
12 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13 County Taxes to	
14 Assessments to	
15	
16	
17	

CALCULATION

Total Due from Borrower at Closing (K)	\$189,762.30
Total Paid Already by or on Behalf of Borrower at Closing (L) –	\$175,615.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$14,147.26

SELLER'S TRANSACTION

M. Due to Seller at Closing	\$180,080.00
01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale	
03	
04	
05	
06	
07	
08	
Adjustments for Items Paid by Seller in Advance	
09 City/Town Taxes to	
10 County Taxes to	
11 Assessments to	
12 HOA Dues 4/15/13 to 4/30/13	\$80.00
13	
14	
15	
16	
N. Due from Seller at Closing	\$115,665.04
01 Excess Deposit	
02 Closing Costs Paid at Closing (J)	\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to	
04 Payoff of First Mortgage Loan	\$100,000.00
05 Payoff of Second Mortgage Loan	
06	
07	
08 Seller Credit	\$2,500.00
09	
10	
11	
12	
13	
Adjustments for Items Unpaid by Seller	
14 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
15 County Taxes to	
16 Assessments to	
17	
18	
19	

CALCULATION

Total Due to Seller at Closing (M)	\$180,080.00
Total Due from Seller at Closing (N) –	\$115,665.04
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$64,414.96



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Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

☐ will allow, under certain conditions, this person to assume this loan on the original terms.

☒ will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.

☒ does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

☒ do not have a negative amortization feature.

Partial Payments

Your lender

☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.

☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.

☐ does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in

456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow

Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow

Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

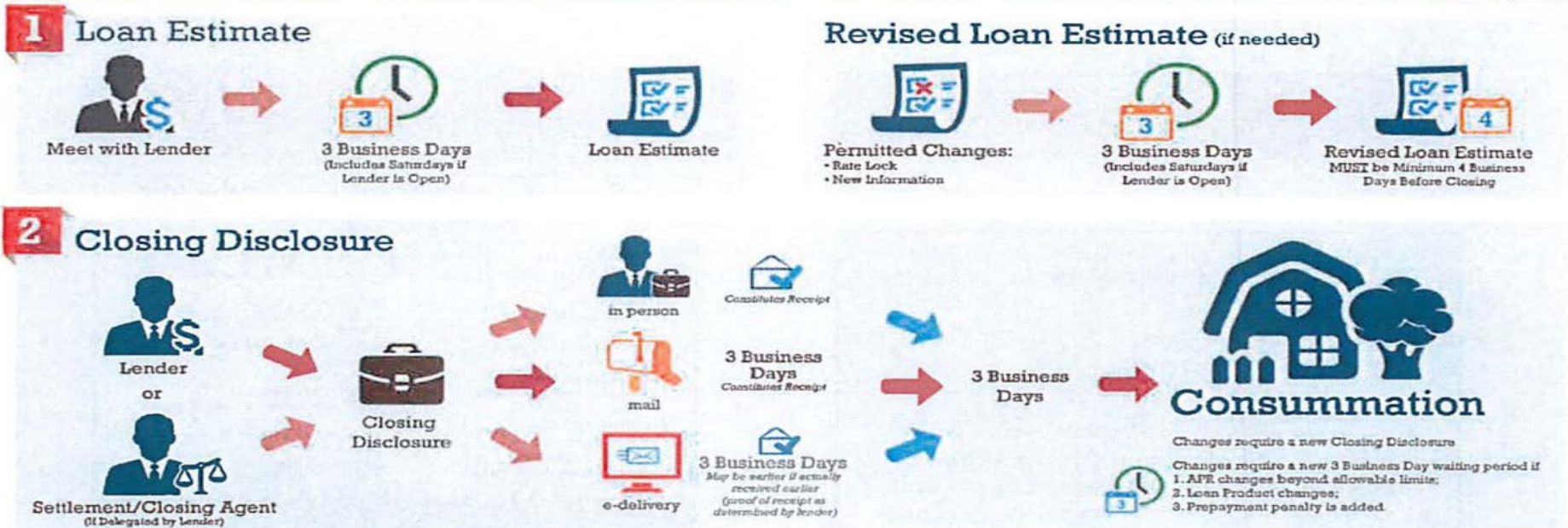


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New Lending Disclosure Timeline

New Lending Disclosure Timeline

Effective for loan applications received on or after August 1, 2015 | Home Loans | 2 Mandatory Disclosures



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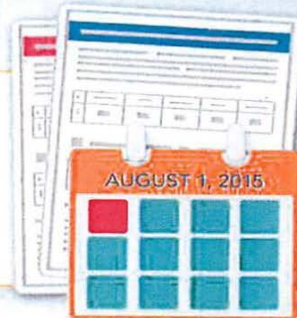
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BASICS OF THE INTEGRATED MORTGAGE DISCLOSURES RULE



WHAT

Changes to the Loan and Settlement Disclosure forms and processes are coming.

WHEN

The changes will be effective for transactions where a loan application is taken by a lender on or after August 1, 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 TILA final regulation that, among other things, created two new forms (each with many variations) and new 3 business day delivery 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).

ENFORCEMENT

The CFPB can levy substantial penalties so lenders will be very cautious:

- Up to \$5,000 per day for any violation of a law, rule, or final order or condition imposed in writing by the Bureau;
- Up to \$25,000 per day for any person that recklessly engages in a violation of a Federal consumer financial law; and
- Up to \$1,000,000 per day for any person who knowingly violates a Federal consumer financial law.

IMPACT ON REAL ESTATE PROFESSIONALS

- Closings may take longer because of 3 business day review periods.
- 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 defined circumstances that cause the estimated charges to increase by more than the variance allowed under the Final Rule;
 - » Multiple applications with different lenders; or
 - » Multiple applications for different 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.



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Important Sites

- CFPB Dedicated Regulatory Implementation Website:

<http://www.consumerfinance.gov/regulatory-implementation/tila-respa/>

- Compliance Guide
- Forms Guide
- Webinars
- Timeline Illustrations

- eRegulations Tool:

<http://www.consumerfinance.gov/eregulations>



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Trainings for Staff

- <https://www.mgic.com/training/index.html>

**TRID: TILA RESPA Integrated Disclosure Webinar —
A Special Webinar with David Luna of Mortgage
Educators and Compliance**

- <http://www.consumerfinance.gov/regulatory-implementation/tila-respa/>

Scroll to VIDEOS section.

- Overview of the Rule
- Loan Estimate
- Closing Disclosure



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Trainings for Realtors

<http://truthabouttrid.com/main-page>

Short video to show your local realtors that sums up how TRID changes the way their business will look.



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Questions?