



10/3/2015

FOREIGN NATIONAL DISCLOSURE RECOMMENDATION

Category # 1

Loans granted to *individual* foreign borrowers **who do not intend to live** in the United States. Thus no principal residence issue.

Second home loans: **Not subject to Reg. Z. or TRID.**

Investment home loans: Can be viewed as business purpose loans. **Not subject to Reg. Z or TRID**

Disclosure Requirements – Broker or Lender must issue a Good Faith Estimate within the required 3-day time frame for second home loans to foreign individuals. For business purpose loans granted to foreign individuals – since exempt from RESPA – no GFE, LE, or CD.

Category # 2

Loans to *corporate entities* (owned by foreign nationals). These loans are **not considered consumer loans and are not subject Reg. Z and therefore not subject to TRID.**

Disclosure Requirements - not consumer credit and not governed by Reg. Z or RESPA.

Caveat – if the FN personally guarantees the note, and intends to live in the property, and the property is a 1-4; could be a grey area. If in doubt, treat as Category #3 to be safe.

Category # 3

Loans to *individual* foreign borrowers **who intend to live in the United States or are currently living in the United States.** These loans are currently **subject to Reg. Z and RESPA regulations and will now be TRID applicable loans.**

Disclosure Requirements – Subject to Reg. Z, RESPA and TRID. Require a timely LE and CD.

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