

TRID Simplified.....



TRID Is The New TILA RESPA Integrated Disclosures

- The **Loan Estimate** replaces the initial Truth-in-Lending disclosure & Good Faith Estimate for most closed-end mortgage loans
- The **Closing Disclosure** replaces the final Truth-in-Lending disclosure & HUD-1 Settlement Statement for most closed-end mortgage loans

What Types Of Loans Are NOT Affected By TRID?

- Home Equity Lines of Credit (HELOCs)
- Reverse mortgages - however, fixed rate reverses might be a grey area
- Mortgages secured by a mobile home or dwelling not attached to real property

When Does TRID Go Into Effect?

Disclosures are required where the creditor receives an application on or after... October 1st, 2015

What Are The Primary Changes?

1. **Application Definition** - the application is considered received and the clock starts ticking for disclosure delivery when the following six items are received:

Name, income, Social Security number, property address, estimated value of the property, and mortgage loan amount sought

2. **Timing is Everything**

- New disclosure delivery timing requirements
 - **Loan Estimate** must be provided:
 - No later than three business days after receiving the application
 - No later than seven business day before consummation
 - **Closing Disclosure** must be received by borrowers no later than three business days before consummation
- Revisions and corrections "waiting period" requirements
 - A revised **Loan Estimate** must be received by the borrower(s) no later than four business days prior to consummation
 - A revised **Closing Disclosure** must be received by borrower(s) no later than three business days before consummation if the following occurs:
 - APR becomes inaccurate
 - Loan product changes
 - Prepayment Penalty is added

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3. Changes to the 0% Tolerances Category

- Fees paid to the creditor, a mortgage broker, or an affiliate of either (NEW)
- Unaffiliated third-party services for which the borrower cannot shop (NEW)

4. Written List of Providers

- The creditor must provide a separate list of services for which the borrower may shop and identify at least one available provider for each service no later than the third business day after receiving the application
 - Must include sufficient information to allow the borrower to contact the provider
 - Must state that the borrower may choose a different provider for that service

5. Issuing the Closing Disclosure

- The creditor is responsible for providing the Closing Disclosure, including HUD-1 information that the settlement agent was previously responsible for
- The settlement agent is responsible for providing the Closing Disclosure to the seller

Example: How To Count The Days For The Closing Disclosure Rule

Closing Date	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	▼	▼	▼	▼	▼	▼
Disclosures Due Hand deliver Deliver by courier <i>with</i> signed receipt	Preceding Thursday	Preceding Friday	Preceding Saturday	Preceding Monday	Preceding Tuesday	Preceding Wednesday
	▼	▼	▼	▼	▼	▼
Mailing Disclosures	Preceding Monday	Preceding Tuesday	Preceding Wednesday	Preceding Thursday	Preceding Friday	Preceding Saturday

*Note: If a federal holiday falls in the three-day period, add a day for disclosure delivery.
The three-day period is measured by days, not hours. Thus disclosures must be delivered 3 days before closing, and not 72 hours prior to closing.
Disclosures may also be delivered electronically in compliance with E-Sign requirements.*

NOTE

If the Closing Disclosure is provided in person, it is considered received on the day it is provided. If mailed or delivered electronically, consumer is considered to have received the Closing Disclosure three business days after it is delivered. However, if the creditor has evidence that the consumer received the Closing Disclosure earlier than the three business day delivery time, it may rely on that evidence as the received date.

TRID Resource Links:

consumerfinance.gov/regulatory-implementation/tila-respa/#disclosures
consumerfinance.gov

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