

**TRID * bits.....
WLTA Oct 2015**

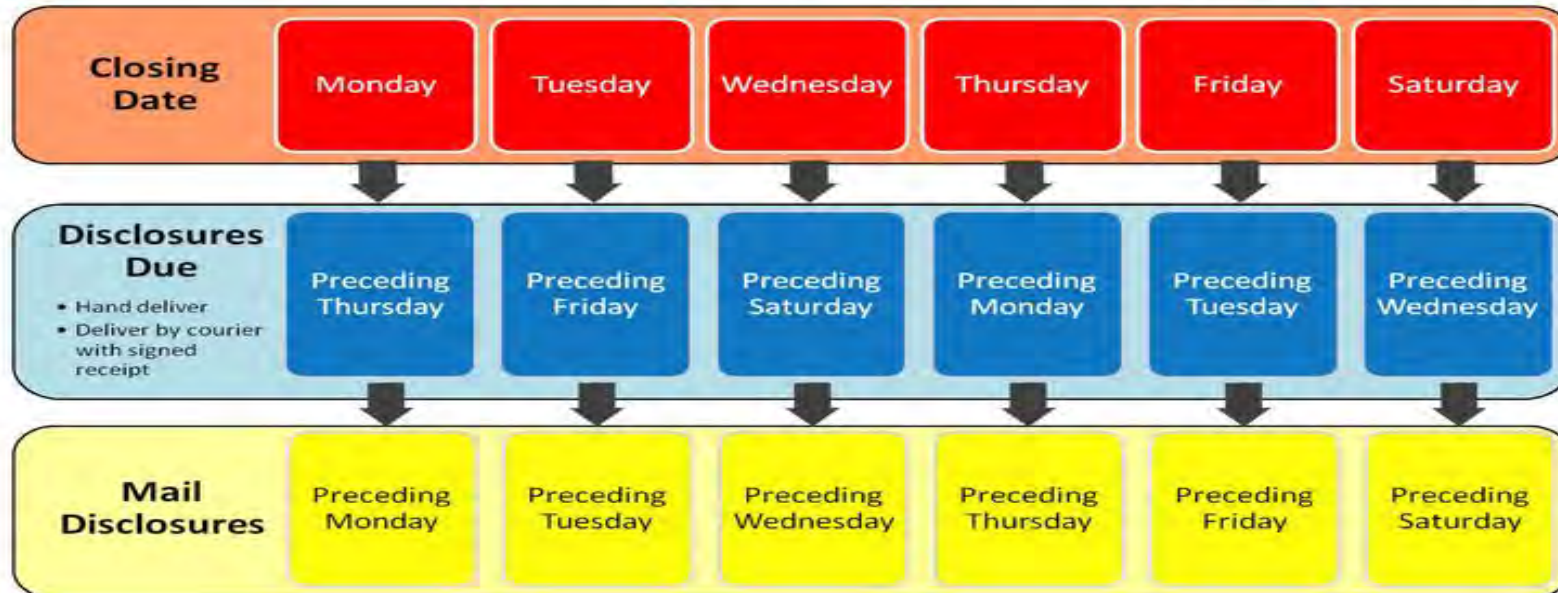
Dee McComb
Settlement
Solutions





**No history lesson
No Forms
Bits and Pieces**

Three-Day Closing Disclosure Rule



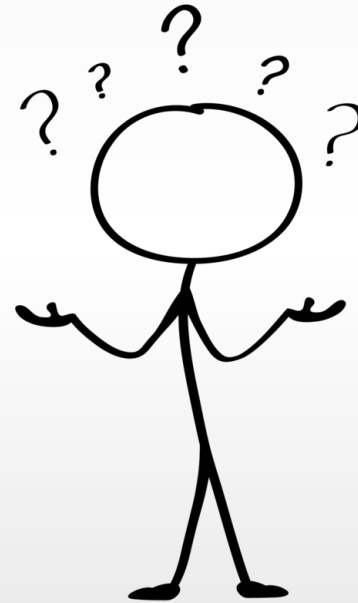
Note: If a federal holiday falls in the three-day period, add a day for disclosure delivery.

The three-day period is measured by days, not hours. Thus, disclosures must be delivered three days before closing, and not 72 hours prior to closing.

Disclosures may also be delivered electronically on the disclosures due date in compliance with E-Sign requirements.

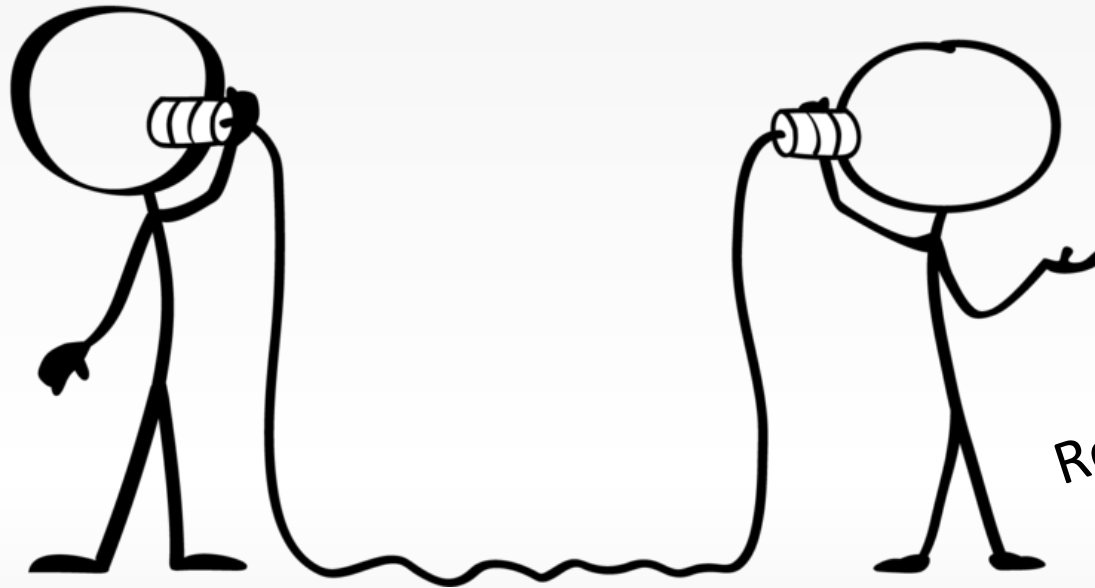
Calculating the 3-days

- **What causes re-disclosure?**
 - **Changes to the APR + 1/8% ****
 - **Changes to the Loan Product**
 - **Addition of Prepayment Penalty**



Costs


Standards




Padding

Repercussions

**Where does Loan Estimate
Fit In?**



**Yes! The Seller
is going to put in
a hot tub!**

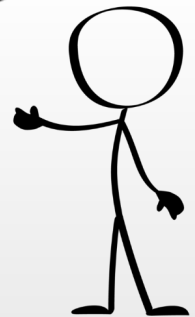


**Are you
serious?**

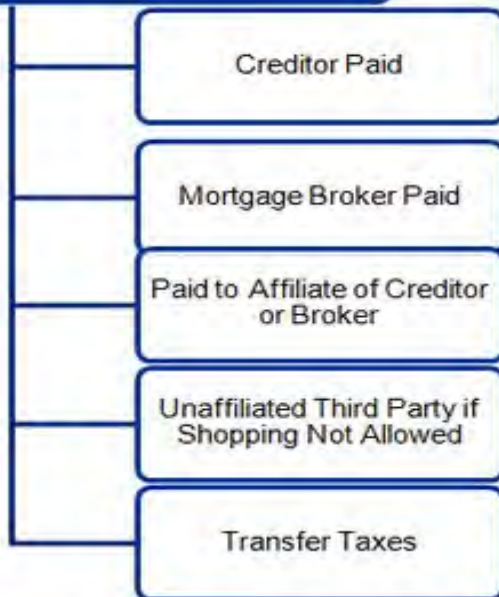
**What about
Tolerances?**



Why worry?



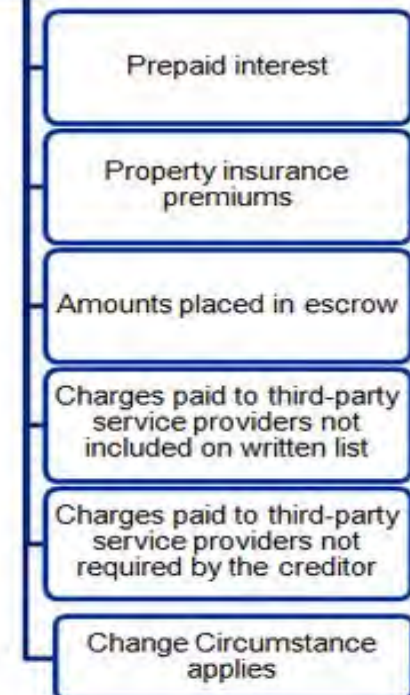
0% Tolerance



10% Aggregate Increase



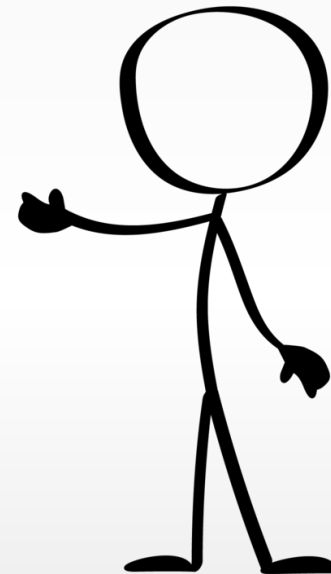
Variations Permitted



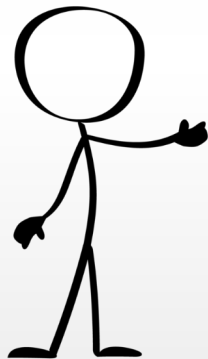
Possible LPO conflicts

LPO Approved Forms Language:

Sec. 1 – Mortgage Lending Documents – “All documents Approved...for use by secondary Mortgage market....except Regulation ‘Z’”

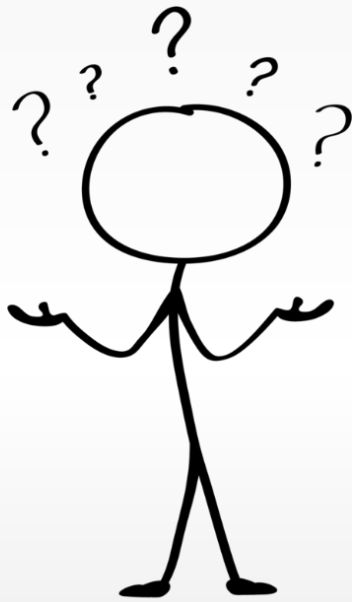


Let's Talk About
Separate
Closing
Statements -



Do we have
to?





REALLY??

**So let's
Talk about the
Owner's title
Premium -**

Calculation Method Required by the CFPB

There are three (3) values that must be obtained before calculating the Owner's Premium that is required to be disclosed on the Closing Disclosure can be accomplished:

1. Full Owner's Policy Amount
2. Full Lender's Policy Amount
3. Simultaneous Premium for the Lender's Policy (this is most often a flat rate)

After the 3 values are obtained, add the simultaneous premium to the full Owner's Policy amount then subtract the full Lender's Policy amount.

Example:

Full Owner's Premium \$1,900.00
Simultaneous Premium + \$200.00
Full Lender's Premium - \$1,500.00
Total \$600.00

Amounts Disclosed on Closing Disclosure

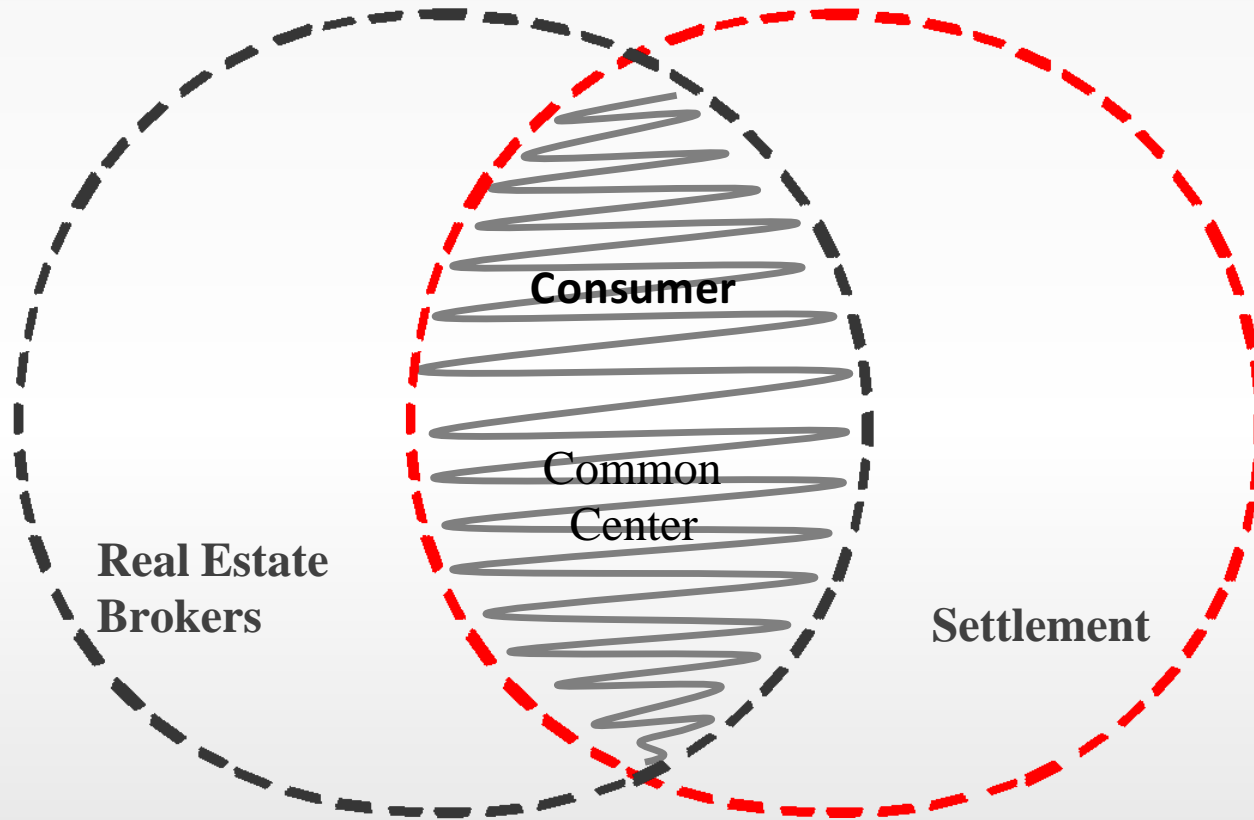
Lender's Premium \$1,500.00
Owner's Premium \$600.00

An adjustment to credit the borrower for \$1,300.00 and a debit of \$1,300.00 would be shown on page three (3) to correct the cash to close from borrower and seller proceeds.


least three ways in which the additional credit between the seller and the consumer may be disclosed on the Closing Disclosure:

1. The remaining credit could be applied to any other title insurance cost, including the lender's title insurance cost. (See § 1026.38(f)&(g))
2. The remaining credit can be considered to be a general seller credit and disclosed as such in the Summaries of Transactions table on page 3 of the Closing Disclosure. (See § 1026.38(k)(2)(vii))
3. Use of a credit specifying the remaining amount for the owner's title insurance cost in the Summaries of Transactions table on page 3 of the Closing Disclosure. (See § 1026.38(k)(2)(viii)). This credit could be disclosed as a "simultaneous issue credit" in the Summaries of Transactions.

TRID POSITIVE IMPACTS



TRID TAKEAWAYS

- ✓ 1. Follow the rule until rule changes are made
- ✓ 2. Treat enforcement from day 1 
- ✓ 3. Be consistent



Questions?
More
Information?

ALTA.ORG

CONSUMERFINANCE.GOV

