TRID
TILA RESPA Integrated Disclosures
September 1, 2015
Purchase Requirements and TRID Final Overview
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**CMG Purchase Requirements**

- Grace Period to match TRID Grace Period
  - Through December 31, 2015
  - Grace Period means the ability to have exceptions to CMG purchase policies approved.
  - After grace period, Seller Guide will be updated.

- LE and Revised LE Policies
  - LE will not be required to be signed
    - A signed LE can be used as proof of receipt
  - Intent to Proceed must be written and included in the file
  - Lines should be left blank if N/A
  - Appraisals may not be ordered before the borrower *receives* the LE and indicates an intent proceed.
    - Refund of the Appraisal Fee will be considered a cure.
  - Baseline Resets must be clearly defined on a form, log, or other type of document. Changed Circumstances must be clear.
CMG Purchase Requirements

• CD Policies:
  • Lines should be left blank if N/A
  • Any affiliates performing services must be listed in the file along with an Affiliated Business Disclosure
  • Compliance Tool showing loan is TRID compliant.
  • Initial CD does not have to be signed.
    • A signed initial CD can be used as proof of receipt.
  • Closing CD must be signed.
  • Any waiting period waiver other than for imminent foreclosure will be an exception reviewed by CMG Management.
  • APR changes (up or down) outside of tolerance will require a Revised CD and a new 3-business day wait period.
  • If closing is postponed causing fees to rise, will we accept the increased fee to the borrower?
    • Construction loans delayed by more than 60 days are acceptable if the initial LE disclosed this ability.
    • If delay was caused by seller, no allowance for fee increase.
    • If delay was caused by borrower, yes and will be reviewed by CMG Mgmt.
CMG Purchase Requirements

• Other Policies:
  • Owner’s Title Policy must be on the LE for purchase transactions
  • Fees will show final recipient – no longer using “fbo”
  • Revised Closing Disclosures – only purchasing those where the baseline was reset due to
    • Loan amount changes
    • Rate is locked or extended
  • Lender Credits for specific fees should be in the “Paid by Other” column
  • General Lender Credits and Cure Tolerances will be in the Lender Credit line of the Closing Disclosure.

• Where do you place a principal reduction on a refinance?
  • CFPB verbally suggested line L.04 of the CD
Additional TRID Notices

• Special Information Booklet (aka “Your Home Loan Toolkit”) must be delivered or placed in the mail within three business days of application.
  • Brokers are required to deliver this booklet if a Broker is involved.
  • HELOCs may get a different booklet titled “When Your Home is On the Line: What You Should Know About Home Equity Lines of Credit”.
  • Not required on Refinances, Subordinate Liens, or Reverse Mortgages

• Two new post-consummation disclosures:
  • Escrow Closing Notice
  • Partial Payment Disclosure
Escrow Closing Notice

• Escrow Closing Notice must be received no later than three business days before an escrow is canceled by consumer request.
  • Only required if an escrow was established on a closed-end first lien
  • Not applicable on Reverse Mortgages.
  • Any other reason for cancelation would require a 30 business day notice before closing.
• Two exceptions to the Escrow Closing Notice:
  • If the escrow was established solely because of a delinquency or default on the mortgage.
  • If the escrow is being canceled because the accompanying debt was terminated — repayment, refinance, rescission, and foreclosure.
• There are lots of specifics on what should be included in the notice down to font size (size 10 or greater, if curious).
• Mailbox rule applies to this notice as well.
Partial Payment Disclosures

• If you are sending a mortgage transfer notice, a partial payment disclosure must be included.
  • Not applicable on Reverse Mortgages.
  • Safe Harbor is Form H-25.

• The notice tells the consumer:
  • If partial payments are accepted and are applied to the loan.
  • If partial payments are accepted but not applied until the remaining payment amount is received.
  • If partial payments are not accepted.
  • A statement saying, if the loan is sold, the new entity may have a different policy.
ANY QUESTIONS?
This is not meant to be legal advice.

Please seek legal counsel as you implement TRID.