

Overview of the Integrated Mortgage Disclosure Rule

Two Mortgage Laws & Four Disclosures

Truth in Lending(TIL) Act – Regulation Z

- Early TIL Disclosure
- Final TIL Disclosure

RESPA – Regulation X

- Good Faith Estimate
- HUD-1 Settlement Statement

Dodd-Frank Required Integrated Disclosures

Purpose of the Integrated Mortgage Disclosure Rule

- Easier-to-use mortgage disclosure forms
- Improve consumer understanding
- Aid in comparison shopping
- Prevent surprises at the closing table

New Forms

Loan Estimate



- Initial TIL Disclosure
- Good Faith Estimate

Closing Disclosure



- Final TIL Disclosure
- HUD-1 / HUD-1A

New Forms

Loan Estimate

- Replaces the early TIL and the GFE
- Provided to consumers within 3 business days after submission of a loan application

Closing Disclosure

- Replaces the final TIL and the HUD-1
 - Must be provided to consumer 3 business days prior to closing
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- Effective date set by the Consumer Financial Protection Bureau(CFPB) is **October 3, 2015**.
 - The old disclosures cannot be used for applications received on or after that date.
 - There will be a crossover period when new and old disclosures may be used.

Scope of the Integrated Disclosure Rule

Which Mortgage Loans are Covered?

Closed-end consumer transactions secured by real property (first lien & subordinate liens)

- Purchases
- Refinances
- Closed-end home equity loans
- Vacation and second homes

Which Mortgage Loans are Excluded?

- Home equity lines of credit (HELOCs)
 - Reverse mortgages
 - Loan secured by a mobile home or by a dwelling that is not attached to real property
- Regulation Z and Regulation X will continue to apply to these loans – but the new requirements do not apply.

For more information about TILA –RESPA Integrated disclosure rule visit:

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

TILA – RESPA – Examination Impact

Real Estate Laws & Rules

- None

Sales Associate

- Minimal
- Change to Terminology
- HUD-1 / Closing Statement will be referred to as Closing Disclosure
- Effective October 3, 2015

TILA – RESPA – Examination Impact

Broker and Real Estate Instructor

- Minimal
- Change to Terminology
- HUD-1 / Closing Statement will be referred to as Closing Disclosure
- Candidates have to be familiar with pages 2 & 3 of the Closing Disclosure
- Candidates required to perform basic calculations & know where the figures appear on pages 2 & 3 of the Closing Disclosure
- Closing Disclosure Form
 - Page 2 is similar to current page 2 of HUD-1
 - Page 3 is similar to current page 1 of HUD-1
- Effective December 1, 2015