

# TOP 10 THINGS

## Real Estate Agents Should Know

### About the New TILA-REPSA Integrated Disclosures (TRID)

- 1** A new closing statement form called the Closing Disclosure or CD will be used for most loan applications taken after October 3, 2015. The lender, not the title company, may be preparing and delivering the CD.
- 2** The CD must be delivered three business days prior to the scheduled closing date. There will be changes able to be made, but not if it affects the APR + or - 1/8th of a %, pre-payment penalty added, or if loan terms change.
- 3** The title company must get information to the lender approximately 10 to 14 days prior to the closing date for completion of CD to meet the delivery requirement.
  - You will need to communicate to the title company all buyer paid charges 10 to 14 days prior to the closing date in order to not delay consummation/closing.
- 4** The title company will need your real estate company's state license number and your individual real estate license number for the new CD. In order to expedite the process - please provide in advance for us to file so that we can be prepared.
- 5** The CD sent to the buyer/consumer by the lender won't include the "seller's side" of the transaction.
  - The title company (not the lender) is responsible for completing and delivering the seller's side of the CD.
  - The title company may decide to prepare a separate CD for the seller.
  - If a seller side CD is prepared, this must be disclosed to the lender.
- 6** You likely will not receive an advance copy of the CD before it's delivered to the buyer/consumer.
  - The lender will likely send the CD to the title company when it's sent to the buyer/consumer.
  - The title company will not be permitted to send a copy of the CD to real estate agents; you will need to obtain a copy from the borrower directly.

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Changes to the CD after delivery to the buyer/consumer **MAY** trigger a new three-day waiting period if changes cause the Annual Percentage Rate to be inaccurate, the buyer changes loan product or a prepayment penalty is added.

- Changes and adjustments affecting the value of the property (as determined by the lender) may trigger additional disclosure and review periods under the Equal Credit Opportunity Act (ECOA) controlling the delivery of the appraisals.
- You may want to consider two pre-settlement inspections or “walk throughs” (e.g. first inspection 7 to 10 days in advance of closing and a second inspection on the day of the closing).

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Review and become familiar with the CD so that you can answer buyer and seller questions. Note the CD refers to Owner’s Title Insurance as “optional” in some circumstances. We offer documentation to share with the buyer/consumer on the protections given to them through owner’s title insurance.

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The new TRID rules may affect the contract terms that you help negotiate for either the buyer or the seller.

- For example, a closing 30 days “out” may no longer be realistic.
- If your contract form contains a “set” number of days for the closing to occur, then a minimum of 15 additional days may be advisable.
- If your contract form requires you to fill in a specific date, take additional time into consideration. It’s important for you to communicate with the lender and the title company to determine a realistic timeframe for closings under these new rules.

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What system do you have in place to communicate changes to the contract (after it’s been signed) to the lender? Consider having a conversation with buyers about their need to respond immediately to lender requests and remind the seller they must follow the contract to the letter because not doing so may delay the closing.

**We are looking forward to working with you and your clients to assure a streamlined transaction. We appreciate your business and trust in us!**

**Should you have any questions please contact:**

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