

TRID FAQ



UNLOCKING ANSWERS TO THE MOST IMPORTANT TRID QUESTIONS



WHAT TRANSACTIONS DOES THE NEW TILA-RESPA RULE COVER? The rule applies to most consumer credit real property transactions with the exception of HELOCs, reverse mortgages, and mortgages secured by a mobile home or a dwelling that is not attached to real property, such as land. The rule also does not apply to loans issued by a lender who is not considered a creditor, such as a private lender.



WHEN WILL THE NEW TILA-RESPA RULE AND THE NEW INTEGRATED DISCLOSURES START BEING USED AT MY CLOSINGS? The new rule and disclosures are mandatory for all loan applications received on or after October 3rd, 2015. This means that your buyers will receive the new Loan Estimate form if they apply for their loan after this date, and you will begin to see the new Closing Disclosure Form at settlements approximately 45-60 days after that. Keep in mind that the Loan Estimate form will replace the current Good Faith Estimate and Initial Truth in Lending forms. The new Closing Disclosure form will replace the current HUD-1 Settlement Statement and Final Truth in Lending forms



UNDER WHAT CIRCUMSTANCES WOULD THE THREE-BUSINESS-DAY WAITING PERIOD FOR REVIEW OF THE CLOSING DISCLOSURE FORM START OVER, AND HOW WILL THIS AFFECT MY CLOSINGS? It is

a requirement of the new rule that consumers have the opportunity to review their final Closing Disclosure Form at least three business days prior to closing. However, the only changes to the form that would start the waiting period over are changes to the following:

- ◇ The loan's APR beyond specific tolerance (typically .125%)
- ◇ The loan product (such as going from a fixed rate to an ARM, or FHA to conventional)
- ◇ The addition of a prepayment penalty

Any other minor changes to items on the form can be made without necessitating a new waiting period, and your scheduled closing can proceed as planned.





AS A REAL ESTATE AGENT, WHAT ARE THE MOST IMPORTANT THINGS TO BE PREPARED FOR? Because TRID requires different timelines, it is expected that we will see transactions take longer to close than they currently do. Closing a transaction in thirty days will be difficult; closing in less time than that may be next to impossible. These timelines will also necessitate that inspections, repairs, and walkthroughs be completed earlier. It is important to be prepared for these extended timeframes and appropriately build more time into your contract dates to accommodate these and set realistic expectations for the consumer.

It is also critical that agents become familiar with these new forms and where the information is housed on each. For example, the new forms will no longer have line numbers to refer to, and some costs may be listed in a different area of the form than they currently are. It is important to be familiar with where costs are likely to be shown so as to easily review these with the homebuyer.



WHERE CAN I VIEW THE NEW FORMS AND FIND ADDITIONAL RESOURCES AND INFORMATION RELATED TO THE NEW RULE? The CFPB's website has numerous detailed materials available to review and download, including a comprehensive compliance guide as well as samples of all of the new disclosure forms. Visit their site www.cfpb.gov to find these resources. You can also submit specific questions or concerns directly to the CFPB by emailing CFPB_RegInquiries@cfpb.gov or leaving a voicemail message at 202-435-7700.

CONTACT US



MCLEAN

6861 Elm Street
Suite 100
McLean, VA 22101
703-852-1730

DULLES/HERNDON

205 Van Buren Street
Suite 215
Herndon, VA 20170
703-890-0820

OLD TOWN ALEXANDRIA

675 North Washington Street
Suite 435
Alexandria, VA 22314
703-852-7700

SPRINGFIELD

6800 Backlick Road
Suite 303
Springfield, VA 22150
703-852-7710

EASTERN MARKET

(ALSO SERVICES MARYLAND)

210 7th Street, SE
Suite 100
Washington, DC 20003
202-546-3100

FRIENDSHIP HEIGHTS

(ALSO SERVICES MARYLAND)

5151 Wisconsin Avenue, NW
Suite 350
Washington, DC 20016
202-298-6270

PRINCE GEORGE'S

10906 Indian Head Highway
Suite 206
Fort Washington, MD 20744
301-292-2855

www.monarchtitle.net