

Disclosure Comparison – Pre TRID versus Post TRID

The TILA-RESPA Integrated Disclosures Final Rule (TRID) goes into effect with applications taken on or after October 3, 2015

Pre TRID	Post TRID
<p>Loan Application A completed loan application has seven pieces of information:</p> <ul style="list-style-type: none"> • Applicant’s name • Social Security Number • Loan amount sought • Applicant’s income • Property address • Estimated property value • Any other information deemed necessary by the lender 	<p>Loan Application A completed loan application has six pieces of information:</p> <ul style="list-style-type: none"> • Applicant’s name • Social Security Number • Loan amount sought • Applicant’s income • Property address • Estimated property value <p>What is different: The any other information deemed necessary by the lender piece was removed. After the lender receives the six pieces of information, this triggers the obligation to provide the Loan Estimate within three business days.</p>
<p>Initial Disclosure Forms After the consumer submits an application, the lender must provide an initial Good Faith Estimate and Truth-in-Lending disclosure within three business day.</p>	<p>Initial Disclosure Forms After the consumer submits an application, the lender must provide an initial Loan Estimate within three business days (this may include Saturday if the lender is open for regular business).</p> <p>What is different: The Loan Estimate replaces the initial Good Faith Estimate and Truth-in Lending disclosure.</p>
<p>Settlement Services Provider List Lenders are required to provide a Settlement Services Provider List to borrowers indicating services that can be shopped. List to include at least one provider per service.</p>	<p>Written List of Providers Lenders are required to provide a Written List of Providers to borrowers indicating services that can be shopped. List to include at least one provider per service.</p>
<p>Cash to Close An estimate for the cash needed at closing is not shown on the Good Faith Estimate</p>	<p>Cash to Close The Loan Estimate includes itemized and categorized settlement costs listed alphabetically, and provides and Estimated Cash to Close on Page 1 and Page 2.</p> <p>What is different: The Loan Estimate clearly states the estimated amount of cash the applicant needs for closing on the first and second page.</p>
<p>Settlement Charges Settlement charges are bundled on the Good Faith Estimate (notably all origination and title/closing charges)</p>	<p>Settlement Charges Settlement charges are itemized on the Loan Estimate, including all origination charges and title/closing charges.</p> <p>What is different: The origination and settlement charges are itemized.</p>
<p>Tolerances Fees paid to unaffiliated third parties for which an applicant cannot shop for fall under the 10% aggregate tolerance category (e.g. appraisals)</p>	<p>Tolerances Fees paid to any unaffiliated third parties for which an applicant cannot shop for fall under the zero tolerance category. Examples include the credit report and appraisal fee.</p> <p>What is different: Lenders are held to a higher standard for quoting fees in good faith for services the applicant cannot shop.</p>
<p>Timing-Closing If the APR becomes out of tolerance, a final Truth-in-Lending disclosure must be received at least three business days before closing, and a HUD-1 Settlement Statement can be requested on day before closing.</p>	<p>Timing-Closing The borrower must receive a Closing Disclosure at least three business days before closing.</p> <p>What is different: All transactions covered by TRID requires at least a three-day pre-closing waiting period – not just transactions where the APR increases outside the APR tolerance.</p>
<p>HUD-I Preparation The settlement agent is responsible for preparing the final HUD-I.</p>	<p>Closing Disclosure Preparation The lender is responsible for ensuring compliance with the Closing Disclosure. Either the lender or the settlement agent may complete the Closing Disclosure.</p> <p>What is different: Lenders may decide to complete the Closing Disclosure, as they are responsible for it and all of the TIL disclosures contained therein.</p>
<p>HUD-I Disclosure The HUD-I contains bundled settlement charges and only two columns indicating the party who paid the settlement charge.</p>	<p>Closing Disclosure The Closing Disclosure contains itemized settlement charges and five columns indicating who paid the charge and when paid.</p> <p>What is different: The Closing Disclosure is an improved accounting tool and provides better information for lenders to calculate the APR and points and fees limits.</p>