

TRID Tips for Real Estate Agents, Brokers, and Builders

Understanding the TILA-RESPA Integrated Disclosure Rule

Frequently Asked Questions (FAQs)

Revised Effective Date – October 3, 2015

Q: I am a real estate agent. Why should I care about TRID?

A: TRID will fundamentally change the lending and disclosure process for consumers. Your help in preparing your clients for these changes will ensure loans close on time without issues.

Q: Who will prepare the Closing Disclosure – lenders or closing attorneys?

A: Each lender will decide this for themselves, but because the new regulation specifically puts the compliance burden on the lender, many lenders are planning to take over preparation of CDs for TRID-covered transactions.

Q: What are the three items that require a new 3 business day waiting period after a re-issued CD?

A: The three items are a change in loan program; an increase in the APR beyond specific tolerance (generally .125%); or addition of a prepayment penalty to the loan.

Q: What are some examples of a change in loan program?

A: Changing from a fixed rate loan to an ARM loan; changing from an FHA loan to a conventional loan;

Q: What is the lending institution policy on tracking customer acknowledgment of receipt of the CD?

A: Each institution will set its own policies. The rules require that institutions be certain that customers have received the CD at least 3 business days prior to closing. For any CDs sent by mail or e-mail less than 6 business days prior to closing, specific acknowledgment would be required. For CDs sent by mail or e-mail 6 or more business days prior to closing, no acknowledgment would be required but institutions may still choose to require an acknowledgment.

Q: Will it make any difference what attorney is selected to close the loan?

A: Many lenders will have a list of approved attorneys. With the changes to the production process for the CD, lenders will want to ensure that the closing attorney has the experience and knowledge to operate under the new requirements. Borrowers should check with their lender early in the process to ensure their selected attorney will meet the lender requirements.

Q: As a real estate agent, broker or builder, what do I need to be most focused on under these new rules?

A: Client education and preparation. Even for experienced borrowers, these new rules will be a big change. In addition, many new loan types are covered under these new rules. We have produced a companion document called "TRID Tips for Real Estate Agents, Brokers, and Builders: Here's How You Can Help" that spells out steps you can take to ensure smooth and timely closings for your clients.

The CFPB TRID Rule will impact your real estate transactions. Prepare now for changes.

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