



TILA-RESPA INTEGRATED DISCLOSURE FACT SHEET

EFFECTIVE OCTOBER 3, 2015

COVERAGE

- Applies to most closed-end consumer credit transactions secured by a real property.
- Includes credit extended to certain trusts for tax or estate planning purposes
- Applies to construction-only loans, temporary financing and loans secured by vacant land or by 25 acres or more

EXEMPTIONS

- Home Equity Lines of Credit
- Reverse Mortgages
- Mortgages secured by a mobile home or dwelling that is not attached to real property (i.e. land)

Note: For these transactions, you will continue to use existing TILA and RESPA disclosures.

BUSINESS DAY DEFINITIONS

Loan Estimate All days on which you are open for substantially all your business operations

Revised Loan Estimate All calendar days except Sundays and legal holidays

7-Day Waiting Period All calendar days except Sundays and legal holidays

*Between initial Loan Estimate and
Consummation*

Closing Disclosure All calendar days except Sundays and legal holidays

CONSUMMATION

- Occurs when a consumer becomes contractually obligated to you on the loan
- Definition of consummation may vary based on State law

DEFINITION OF AN APPLICATION

- Consumer's name
- Consumer's income
- Consumer's social security number to obtain a credit report
- Property address
- An estimate of the value of the property
- Mortgage loan amount sought

TIMING REQUIREMENTS

- **Loan Estimate** must be provided within three **(3) business days** of the **application**
- **Closing Disclosure** must be provided at least three **(3) business days** prior to **consummation**

DELIVERY RULES

- **In Person:** Received the day provided
- **By Mail:** Received 3 business days **AFTER** delivered or placed in the mail
- **Electronic Delivery:** Received 3 business days **AFTER** delivered or sent unless the consumer acknowledges receipt earlier, in compliance with the E-Sign Act

RESTRICTED PRE-DISCLOSURE ACTIVITIES

- Imposing fees prior to Loan Estimate and Intent to Proceed other than credit report fee
- Providing written estimate of terms or costs prior to Loan Estimate without notification that they may change
- Requiring verification of information, including the sales contract, submitted for the application prior to providing the Loan Estimate

REVISIONS TO LOAN ESTIMATE

- Must be provided no later than 4 business days before consummation
- Cannot be delivered at the same time or after the Closing Disclosure
- Only for permissible changed circumstances where resulting charges exceed tolerance limits
- Must be provided within 3 business days of changed circumstance or rate lock
- If a changed circumstance occurs on the date of or after the Closing Disclosure is provided, you may provide a Closing Disclosure reflecting any revised charges resulting from the changed circumstance and rely on those figures, rather than the amounts on the Loan Estimate, for purposes of determining good faith and application tolerances

TOLERANCES

No Limit	10% Tolerance	0% Tolerance
Prepaid interest	Recording fees	Appraisal and appraisal management company fees
Property insurance	Charges for 3 rd party services where the charge is not paid to the creditor and the consumer is permitted to shop and selects a provider listed by the bank	Credit report fees
Escrow reserves		Flood determination fees
Services the consumer can shop for if the consumer selected a provider NOT on your list		HOA certification fee
Charges paid to a 3 rd party service provider for services not required by the bank		Lender's attorney fees
		Transfer taxes
		Fees paid to the creditor

Note: Any service for which the consumer is not permitted to shop is subject to 0%. There are certain settlement fees that are not explicitly listed above that could be subject to 0% tolerance if the consumer cannot shop.

YOUR HOME LOAN TOOLKIT

- Replaces the current Settlement Cost Booklet
- [Your Home Loan Toolkit](#)

ADDITIONAL 3-DAY WAITING PERIOD

Prior to consummation, an additional 3-business day waiting period applies when there are changes to the Closing Disclosure that result in:

- The APR becomes inaccurate* pursuant to §1026.22 (i.e., more than 1/8 of a percent for fixed-rate loans or 1/4 of a percent for adjustable-rate loans),
- The addition of a prepayment penalty, or
- The change of a loan product

**Note: The CFPB issued a clarification on [June 3, 2015](#) stating that only an increase to the APR would require a new 3-day review period; a decrease in APR will not require re-disclosure, if it is based on changes of interest rate or other fees.*

CONSUMER INSPECTION PRIOR TO CONSUMMATION

Upon the consumer's request, by the business day prior to consummation, you must permit the consumer to inspect the Closing Disclosure. Your disclosure must contain all current information known at the time it is provided to the consumer for review.

DISCLOSURES FOR MULTIPLE CONSUMERS

Rescindable Transactions Closing Disclosure provided to each consumer with a right to rescind

Non-Rescindable Transactions Closing Disclosure only required to be provided to primary obligor

CLOSING DISCLOSURE | SELLER

- Provided by settlement agent
- May use version furnished to consumer if it includes seller's transaction
- May be a separate disclosure

YOU MAY OPT FOR SEPARATE
DISCLOSURES TO MAINTAIN THE
PRIVACY AND CONFIDENTIALITY OF THE
TRANSACTION FOR THE BORROWER
AND SELLER, RESPECTIVELY

POST-CONSUMMATION REVISIONS

- Provide a corrected Closing Disclosure if an event related to the settlement occurs during the 30-calendar day period after consummation that causes the Closing Disclosure to become inaccurate and results in a change to an amount paid by the consumer from what was previously disclosed

- You must also provide a revised Closing Disclosure to correct non-numerical clerical errors and document refunds for tolerance violations no later than 60 calendar days after consummation
- If you cure a tolerance violation by providing a refund to the consumer, you must deliver or place in the place a corrected Closing Disclosure that reflects the refund no later than 60 calendar days after consummation

REVISION TO AMOUNTS PAID BY SELLER

- Settlement agents must provide a revised Closing Disclosure if an event related to the settlement occurs during the 30-day period after consummation that causes the Closing Disclosure to become inaccurate and results in a change to an amount actually paid the seller from what was previously disclosed
- The settlement agent must deliver or place in the mail a corrected Closing Disclosure no later than 30 calendar days after receiving information sufficient to establish that such an event has occurred

ESCROW CLOSING NOTICE

- Must be provided no later than three (3) business days before the consumer's escrow account is cancelled when the consumer requests cancellation
- Cancellation for any other reason results in a requirement to provide the Escrow Closing Notice no later than thirty (30) business days before the consumer's account is closed
- You are not required to provide the notice if the escrow account being cancelled was established solely in connection with the consumer's delinquency or default on the underlying obligation
- You are not required to provide the notice when the underlying debt obligation for which the escrow account was established is terminated, including by repayment, refinancing, rescission or foreclosure
- Prescribed language and format outlined within the rule and small entity compliance guide
- Model form provided by the CFPB

PARTIAL PAYMENT POLICIES

- If you are required by the existing rules to provide a mortgage transfer notice when you transfer ownership of a mortgage, you must include in the notice information related to the partial payment policy that will apply to the mortgage loan
- Prescribed language and format outlined within the rule and small entity compliance guide
- Model form provided by the CFPB

RECORD RETENTION

- Three (3) years after consummation