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Reference Guide: Why is TRID Training Important?

The purpose of this document is to review how the upcoming TILA-RESPA Integrated Disclosure (TRID) Rule will significantly impact how we conduct business.

What

Changes to the Loan and Settlement Disclosure forms and processes are coming.

When

The changes will be effective for transactions where a loan application is taken by a lender after TRID implementation.

Why

Because the Dodd-Frank Act of 2010 mandates the combination of the Truth in Lending Act (TILA) loan disclosures with the Real Estate Settlement Procedures Act (RESPA) Good Faith Estimate and HUD-1 Settlement Statement disclosures.

How

The Consumer Financial Protection Bureau (CFPB), an entity created by the Dodd Frank Act, issued a new TILA final regulation that, among other things, created two new forms (each with many variations) and new 3 business day delivery requirements.

- Loan Estimate – 3 business days after application
- Closing Disclosure – 3 business days before consummation

Who will issue the forms?

- Loan Estimate – Lender or Mortgage Broker
- Closing Disclosure – Lender or Settlement Agent (Escrow) – if the Lender delegates responsibility to the Settlement Agent (Escrow)

Enforcement

The CFPB can levy substantial penalties so Lenders will be very cautious:

- Up to $5,000 per day for any violation of a law, rule, or final order or condition imposed in writing by the Bureau;
- Up to $25,000 per day for any person that recklessly engages in a violation of a Federal consumer financial law; and
- Up to $1,000,000 per day for any person who knowingly violates a Federal consumer financial law

Become an ID Hero!

- Continue to learn
- Be a “change champion” who teaches others
- Field questions when the changes come into effect

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AMD: 06/2015