



# Reference Guide: Loan Estimate (LE) TILA-RESPA Integrated Disclosure (TRID) Rule Requirements

The purpose of this document is to provide a reference guide for the Loan Estimate (LE) TILA-RESPA Integrated Disclosure (TRID) Rule Requirements learning.

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## Loan Application

The term loan application was modified to be only six pieces of consumer information provided to a creditor. These six pieces include:

1. Consumer’s name
2. Consumer’s monthly income
3. Consumer’s SSN
4. Property address
5. Estimate of property value
6. Loan amount sought



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## Loan Estimate (LE) Business Day

November-December, 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
22 <b>Not a business day</b>	23 Business day	24 Business day	25 Business day	26 <b>Thanksgiving Federal Holiday - Not a business day</b>	27 Business day	28 Business day
29 <b>Not a business day</b>	30 Business day	1 Business day	2 Business day	3 Business day	4 Business day	5 Business day

A business day does not include Sundays or legal public holidays, but does include Saturday if the creditor is open for substantially all business functions.

## Consummation

The term "consummation" is the target date around which delivery of some of the disclosures revolve.

CFPB explains:

- Commonly occurs at closing or settlement
- Legally distinct event:
  - "Occurs when the consumer becomes contractually obligated to the creditor on the loan"

## Loan Estimate (LE) Provision

Provided to the consumer by:

- Creditor/Lender
- Mortgage broker

Delivery

- 3 business days after application
- 7 business days before consummation

## Shopping Service Providers

A creditor may permit a consumer to shop for a settlement service, subject to reasonable requirements.

It is not considered to be shopping for a provider when

- Consumer chooses from a written list of providers
- Consumer voluntarily chooses a provider from a written list of approved service providers

## Good Faith Determinations

## Zero Variations



Loan Costs		Other Costs	
<b>A. Origination Charges</b> <b>\$3,110</b>		<b>E. Taxes and Other Government Fees</b> <b>\$152</b>	
1 % of Loan Amount (Points)	\$2,110	Recording Fees and Other Taxes	\$152
Application Fee	\$500	Transfer Taxes	
Processing Fee	\$500		
<b>B. Services You Cannot Shop For</b> <b>\$820</b>		<b>F. Prepays</b> <b>\$1,352</b>	
Appraisal Fee	\$305	Homeowner's Insurance Premium ( 12 months)	\$1,000
Credit Report Fee	\$30	Mortgage Insurance Premium ( months)	
Flood Determination Fee	\$35	Prepaid Interest ( \$23.44 per day for 15 days @ 4.00%)	\$352
Lender's Attorney Fee	\$400	Property Taxes ( months)	
Tax Status Research Fee	\$50		
		<b>G. Initial Escrow Payment at Closing</b>	
		Homeowner's Insurance	per month for mo.
		Mortgage Insurance	per month for mo.
		Property Taxes	per month for mo.
		<b>H. Other</b> <b>\$1,436</b>	

The final rule expanded the zero tolerance category to include:

- Transfer Taxes
- Fees to lender/creditor, mortgage broker
- Cannot Shop For
  - Unaffiliated 3<sup>rd</sup> party fees

Zero variance or tolerance examples are found under Loan Costs which can be found on page 2, Sections A and B on the Loan Estimate. Also, Section E is where you would find Transfer Tax.

## 10% Aggregate Variations

C. Services You Can Shop For		\$1,921
Pest Inspection Fee		\$125
Survey Fee		\$150
Title – Courier Fee		\$32
Title – Lender's Title Policy		\$665
Title – Settlement Agent Fee		\$325
Title – Title Search		\$624

The 10% tolerance category applies to:

- Recording fees, and charges imposed by state or local government
- Can Shop For items

You will find the 10% Aggregate variations found on Page 2 under Loan Costs in Section C of the Loan Estimate.



## Unlimited Variations

Other Costs	
<b>E. Taxes and Other Government Fees</b>	<b>\$152</b>
Recording Fees and Other Taxes	\$152
Transfer Taxes	
<b>F. Prepays</b>	<b>\$1,352</b>
Homeowner's Insurance Premium ( 12 months)	\$1,000
Mortgage Insurance Premium ( months)	
Prepaid Interest ( \$23.44 per day for 15 days @ 4.00%)	\$352
Property Taxes ( months)	
<b>G. Initial Escrow Payment at Closing</b>	
Homeowner's Insurance	per month for mo.
Mortgage Insurance	per month for mo.
Property Taxes	per month for mo.
<b>H. Other</b>	<b>\$1,436</b>
Title – Owner's Title Policy (optional)	\$1,436

The third category allows for unlimited variations and includes:

- Prepaid interest, property insurance, impounds or reserves
- Charges for 3<sup>rd</sup> party vendors selected by the consumer NOT on lender's list or services not required by the creditor

These Unlimited Variances are shown on page 2 under Other Costs Section F, G and H of the Loan Estimate.

## Lender Credits

<b>J. TOTAL CLOSING COSTS</b>	<b>\$8,791</b>
D + I	\$8,791
Lender Credits	-\$500

Costs at Closing		
<b>Estimated Closing Costs</b>	\$8,791	Includes \$5,851 in Loan Costs + \$2,940 in Other Costs – \$500 in Lender Credits. See page 2 for details.
<b>Estimated Cash to Close</b>	\$27,791	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

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Handling of Lender credits are now disclosed on the Loan Estimate in two different ways:

- Specific to charge (e.g. appraisal)
- Non-specific (general payment)

Both of these credits will be aggregated together and shown in Section J on page 2 of the LE and in the Costs at Closing section on page 1 as Lender Credits.



## Revised Loan Estimate

A creditor may issue a revised Loan Estimate due to any of six different types of changes:

1. Changed circumstances affecting settlement charges
2. Changed circumstances affecting eligibility
3. Revisions requested by consumer
4. Interest rate dependent changes
5. Loan Estimate expires
6. Delayed settlement date on a construction loan

The Loan Estimate must be delivered to the consumer, or placed in the mail, within 3 business days of receiving information sufficient to establish one of the reasons above and no later than 4 business days prior to consummation. Additionally, a revised Loan Estimate may not be issued after initial Closing Disclosure is issued.



## Federal Holiday Chart for 2014 Thru 2018

Holiday	Calendar Year and Observed Day				
	2014	2015	2016	2017	2018
<b>New Year's Day</b>	January 1	January 1	January 1	January 2	January 1
<b>Birthday of Martin Luther King, Jr.</b>	January 20	January 19	January 18	January 16	January 15
<b>Washington's Birthday</b>	February 17	February 16	February 15	February 20	February 19
<b>Memorial Day</b>	May 26	May 25	May 30	May 29	May 28
<b>Independence Day</b>	July 4	July 4	July 4	July 4	July 4
<b>Labor Day</b>	September 1	September 7	September 5	September 4	September 3
<b>Columbus Day</b>	October 13	October 12	October 10	October 9	October 8
<b>Veterans Day</b>	November 11	November 11	November 11	November 11	November 12
<b>Thanksgiving Day</b>	November 27	November 26	November 24	November 23	November 22
<b>Christmas Day</b>	December 25	December 25	December 26	December 25	December 25



## Loan Estimate (LE) Calendar Example

November-December, 2015						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
22 <b>Not a business day</b>	23	24 Loan Application Received	25 1 <sup>st</sup> Business Day After Loan Application	26 <b>Thanksgiving Federal Holiday - Not a business day</b>	27 2 <sup>nd</sup> Business Day After Loan Application	28 3 <sup>rd</sup> Business Day After Loan Application Loan Estimate Mailed 7 Days Before Consummation
29 <b>Not a business day</b>	30 6 Days Before	1 5 Days Before	2 3 <sup>rd</sup> Business Day after Mailing Deemed Received 4 Days Before	3 3 Days Before	4 2 Days Before	5 1 Day Before
6 <b>Not a business day</b>	7 Earliest Day Consummation may occur	8	9	10	11	12