

TOP 10 List For TRID Implementation

- 1. EFFECTIVE DATE:** October 3rd is the effective date for the TILA-RESPA Integrated Disclosure (TRID) rule. There is no time like the present to make sure you have a clear understanding of all the changes that will be taking place.
- 2. LEARN THE FORMS:** Four documents have now been turned into two:
 - The Loan Estimate
 - The Closing DisclosureWe have prepared informational flyers available for download at www.GuardianTitleAgency.com/CFPBez.aspx to help you and your clients understand the new forms.
- 3. NEW GROUPED FEES:**
 - The Loan Estimate highlights the most important elements of the transaction and allows for easy comparisons among competing lenders.
 - The Loan Estimate along with The Closing Disclosure allows consumers to easily see the estimated total monthly payment along with the estimated cash to close.
- 4. CLOSING DISCLOSURE DELIVERY:** Under the new regulations, the lender is now accountable to approve the final version of the Closing Disclosure for its accuracy, regardless of who prepares/provides it. Find out who will be preparing the Closing Disclosure along with when and how your client can expect to receive it. The Closing Disclosure must be delivered at least three business days before consummation.
- 5. CONTRACT PERIOD EXTENSION:** According to CAR and NAR, since TRID may cause delays in the transaction through no fault of the buyer, purchase contracts need to be adjusted so that the buyer is not in breach of the agreement for not closing on a certain date. With this being said, it is recommended that Real Estate Agents increase the contract time to a minimum of 45 days to accommodate the new rules surrounding TRID. This will give lenders time to adjust to the new processes that they will be implementing.
- 6. STRICTER RULES FOR LENDERS:** Lenders have more liability around disclosure than ever before and will become less flexible because of it. With implementation of the TRID rule, lenders will be looking even closer at the transaction as a whole. Due to these changes, Real Estate Agents and Guardian Title need to work more closely together to ensure compliance.
- 7. ENCOURAGE YOUR CLIENTS TO COMPARE:** Once your clients receive the Closing Disclosure, they should compare it to their initial or revised Loan Estimate. There is some flexibility built into the rule for small changes, however big changes will require a new three-business-day review period.
- 8. EXTRA THREE-DAY REVIEWS:** Many things can change in the days leading up to closing, but the new rule allows for ordinary changes that do not alter the basic terms of the deal. The three changes that will require a new three-day review include:
 - APR increases (by more than 1/8 of a percent for regular loans or 1/4 of a percent for irregular loans)
 - A prepayment penalty is added
 - The basic loan product changes
- 9. NO GRACE PERIOD:** Compliance with the new rules begins October 3rd for everyone including the real estate professional, lenders and settlement agents. There is no grace period for implementation, therefore it is very important that everyone is prepared.
- 10. COMMUNICATION IS KEY:** When any changes regarding the transaction occur, communicate those changes promptly to everyone involved, including your client and the lender!



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