



CHICAGO TITLE

Know before you close.TM

What is the Consumer Financial Protection Bureau?

Simple answers about the CFPB and how the new rules will change real estate transactions.

CFPB Primary Goals:

- Easier-to-use disclosure forms
- Improved consumer understanding
- Better comparison shopping
- Avoid costly surprises at the closing table

To help simplify matters and avoid the confusing situations consumers have often faced when purchasing or refinancing a home in the past, the Dodd-Frank Act provided for the creation of the Consumer Financial Protection Bureau (CFPB) and charged the bureau with integrating the mortgage loan disclosures under the TILA and RESPA.

On November 20, 2013 the CFPB announced the completion of their new integrated mortgage disclosure forms along with their regulations (RESPA Regulation X and TILA Regulation Z) for the proper completion and timely delivery to the consumer. These regulations are known as "The Rule".

Any residential loan originated after October 3, 2015 will be subject to the new rules and forms set forth by the CFPB*. The Rule replaces the Good Faith Estimate (GFE) and early TILA form with the new Loan Estimate. It also replaces the HUD-1 Settlement Statement and final TILA

form with
*Loans in progress (applications submitted prior to October 3, 2015) will use current TILA and RESPA forms.

In plain English, please

For more than 30 years, federal law has required all lenders to provide two disclosure forms to consumers when they apply for a mortgage and two additional short forms before they close on the home loan. These forms were developed by different federal agencies under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA).

What is the Consumer Financial Protection Bureau?

Simple answers about the CFPB and how it's new rules will change real estate transactions.

the new Closing Disclosure. The introduction of the new disclosure forms requires changes to the systems that produced the closing forms. **Chicago Title** is already well underway in preparing our production systems to provide the new required fee quotes, prepare the new closing disclosure forms, and track the delivery and waiting periods required by the new regulations.

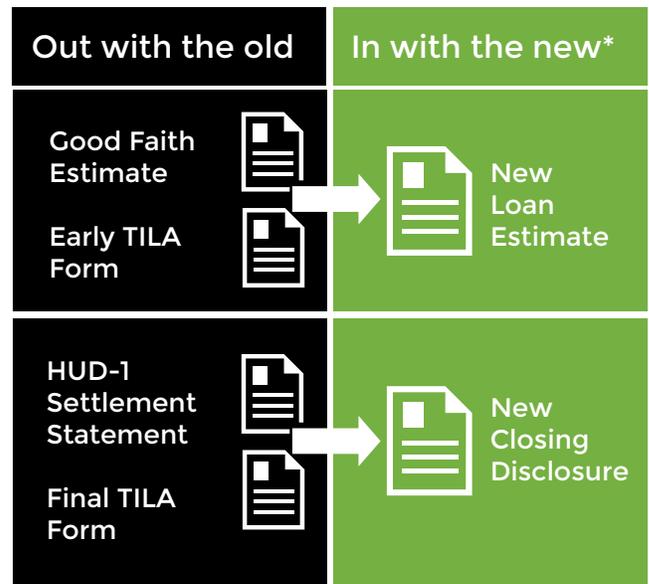
Changes to the Closing Disclosure Timing

In addition to new forms for residential mortgage transactions, the new regulations also require delivery timetables for delivery to consumers, impacting when a closing can take place and disbursements made. Below is a preview of how the CFPB regulations will impact the closing process for transactions that originate after October 3, 2015.

Example Closing Calendar



Which forms are in & out on October 3, 2015?



* As for October 3, 2015 for residential purchase and refinance transactions.



Know before you close.

6 things you should know after October 3rd, 2015

1. What **new terms** should you know?

Business Days

For the purpose of providing the Closing Disclosure in a real estate transaction, business days include all calendar days except Sundays and the legal public holidays such as: New Year's Day, Martin Luther King Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

Creditor

The CFPB broadly defines the lender as a creditor. Note: for the purpose of the new rules and to remain consistent with the current rules under the Truth-in-Lending Act, a person or entity that makes five or fewer mortgages in a calendar year is not considered a creditor.

Consumer

Throughout the rules the borrower is referred to as the consumer. There are also sellers involved in many real estate transactions, which the CFPB also defines as consumers. The focus of the new rules is for the borrower and nearly all of their references to the consumer translate to the borrower.

Consummation*

Consummation is the day the consumer becomes legally obligated under the loan, which would be the date of signing, even if the loan has a rescission period. The concept of a rescission is the consumer accepts the obligation and then later has an opportunity to rescind it.

*NOTE: It is important to note the definition of consummation can be different than the closing date as defined in the purchase agreement where the buyer becomes contractually obligated to a seller on a real estate transaction.

2. What **new forms** should you know?

The Loan Estimate

The creditor is responsible to deliver or place in the mail the Loan Estimate no later than the third business day after receiving the consumer's completed loan application for a mortgage loan. It replaces the early Truth in Lending statement and the Good Faith Estimate, and provides a summary of the key loan terms and estimated loan and closing costs. Consumers can use this new form to compare the costs and features of different loans.

The Closing Disclosure

Consumers will receive this form three business days before closing on a loan. It replaces the final Truth in Lending statement and the HUD-1 settlement statement, and provides a detailed accounting of the transaction.

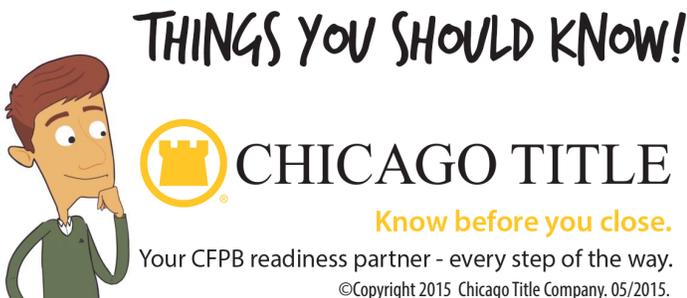
3. What **triggers** a Loan Estimate?

A completed loan application that consists of the submission of the following six pieces of information:

- 1/ The consumer's name;
- 2/ The consumer's income;
- 3/ The consumer's social security number to obtain a credit report;
- 4/ The property address;
- 5/ An estimate of the value of the property; and
- 6/ The mortgage loan amount sought

cont'd

This information is proudly brought to you by:





Know before you close.

6 things you should know after October 3rd, 2015 cont'd

4. Who prepares the Closing Disclosure?

The new CFPB rule provides that the creditor is ultimately responsible for preparation of the CD. However, the rule also allows the creditor to delegate some or all of the preparation to the settlement agent. Determining which system will create the final form is important in establishing workflows for the transfer of information.

5. Who, When & How must the Closing Disclosure be delivered to the Consumer?

Generally, the creditor is responsible for delivery of the Closing Disclosure form no later than three business days before consummation. Creditors may also contract with settlement agents to have the settlement agent provide the Closing Disclosure to consumers on the creditor's behalf.

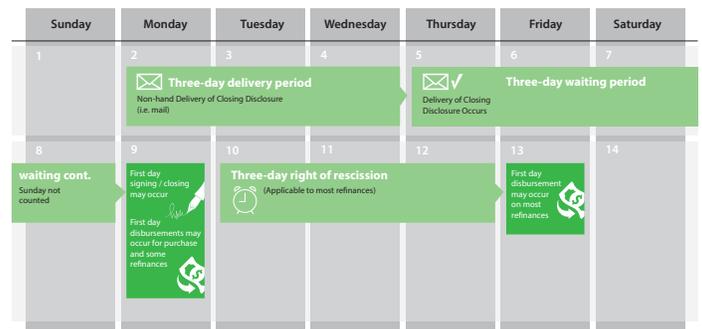
To ensure the consumer receives the Closing Disclosure on time, creditors must arrange for delivery as follows:

- By providing it to the consumer in person.
- By mailing, or by other delivery methods, including email. Creditors may use electronic delivery methods subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act.
- Creditors must ensure that the consumer receives the Closing Disclosure at least three business days prior to consummation even if the settlement agent was to deliver the form.

6. What Closing Disclosure Delivery Timing Period should you know?

As part of the final rule creating the new forms, the CFPB determined that consumers would be better served by having a short time to review the new Closing Disclosure prior to signing their loan documents. As a result, in its rule CFPB mandated consumers have three business days after receipt of the Closing Disclosure to review the form and its contents.

However, note that the three business day review period starts upon "receipt" of the form by the consumer. Unless some positive confirmation of the receipt of the form (i.e., hand delivery), the form is "deemed received" three business days after the delivery process is started (i.e. mailing). As a result, the combination of the "delivery time period" and the "review time period" results in six business days from mailing to loan signing. Below is an example for the Closing Disclosure Timing.



Chicago Title has also prepared a Consummation Calendar for use after October 3, 2015. Please ask your local representative for a copy.

For more information on CFPB, simply visit our website at www.chicagotitlelibrary.com/cfpb.html.



Know before you close.

Your CFPB readiness partner - every step of the way.



Five Things **Realtors**[®] Need to Know Before October 2015

New mortgage disclosure forms and how they change every transaction you work on after October 2015.

Five things to know:

- Understanding the new Loan Estimate and Closing Disclosure
- Timing of closings are impacted by disclosure delivery rules
- Title fees may need to be adjusted at closing and explained
- Line numbers have been removed and there are now 7 fee areas
- Your client will likely receive more than one Closing Disclosure

By now you have heard of the CFPB, but the question still remains, “How will it impact me?” While the CFPB will not significantly impact your day-to-day processing of sales, your seller and buyer will be looking to you for general information about the new rules and forms, as well as the impact on both the loan process and the closing of the transaction.

As a primer, here are five items you will need to know before the new rules and forms take effect October 3, 2015:

1. **Be able to explain the new Loan Estimate and the Closing Disclosure**

After the 2008 financial meltdown, Congress established the Consumer Financial Protection Bureau (CFPB). Among its first tasks was the combination of forms provided to borrowers at both the beginning and end of their loan transaction. In 2013, CFPB published its final rule revealing these two new combined forms.

The Loan Estimate – Currently, borrowers receive two separate forms from their lender at the beginning of the transaction: the Good Faith Estimate (GFE), a form required under the Real Estate Settlement Procedures Act (RESPA), and the initial disclosure required under the Truth-in Lending Act (TILA). For loan applications taken on or after October 3rd, 2015 the creditor will instead use a combined *Loan Estimate* form intended to replace the two previous forms. The new three-page Loan Estimate form must be provided to borrowers on a timetable similar to the current receipt of the GFE.

Five Things Realtors® Need to Know Before October 2015

New mortgage disclosure forms and how they change every transaction you work on.

The Closing Disclosure – The combination of forms continues at the end of the transaction as well, with the HUD-1 Settlement Statement and the final TILA forms now combined into a single *Closing Disclosure* form.

CURRENT

Initial TIL disclosure + Good Faith Estimate

TRUTH IN LENDING DISCLOSURE STATEMENT
(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

LENDER: Ficus Bank
BORROWERS: John A. and Mary B.
ADDRESS: 123 Anywhere Street
CITY/STATE/ZIP: Anytown, ST 12345
PROPERTY: 456 Somewhere Avenue, Anytown, ST 12345

ANNUAL PERCENTAGE RATE: 4.49%
FINANCE CHARGE: \$124,006.17
Amount Financed: \$156,021.00
Total of Payments: \$296,906.17

INVESTMENT RATE AND PAYMENT SUMMARY:		
First 78 Payments	Last 282 Payments	
Principal and Interest	\$761.78	\$761.78
Mortgage Insurance	82.35	—
Property Tax and Insurance (Escrow)	206.13	206.13
Total Monthly Payment	\$1,050.26	\$967.91

Good Faith Estimate (GFE)

Purpose: This GFE gives you an estimate of your settlement charges and loan terms. If you are approved for this loan, you are obligated to pay the settlement charges shown on this GFE unless you receive a written notice of a change in the settlement charges or loan terms.

Shopping for your loan: Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping sheet on page 2 to compare all of the offers you receive.

Summary of your loan:

- Loan term: 30 years
- Rate: 4.49%
- Monthly payment: \$1,050.26

Estimated Taxes, Insurance & Assessments: \$206 a month

Costs at Closing: \$8,054

Estimated Cash to Close: \$16,054

This new five-page form is used not only to disclose many terms and provisions of the loan, but also the financial details of the transaction.

On or AFTER October 3, 2015 NEW Loan Estimate

FICUS BANK
4321 Random Boulevard - Somerville, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED: 2/15/2013
APPLICANTS: Michael Jones and Mary Stone
PROPERTY: 456 Somewhere Avenue, Anytown, ST 12345
SALE PRICE: \$180,000

LOAN TERM: 30 years
PURPOSE: Purchase
PRODUCT: Fixed Rate
LOAN TYPE: Conventional
RATE LOCK: 120 days, until 4/16/2013 at 5:00 p.m. EDT

Loan Terms	Can this amount increase after closing?
Loan Amount	\$162,000 NO
Interest Rate	3.875% NO
Monthly Principal & Interest	\$761.78 NO
Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	—
Estimated Escrow	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments: \$206 a month

Costs at Closing: \$8,054

Estimated Cash to Close: \$16,054

[Download Sample Loan Estimate](#)

Final TIL disclosure + HUD-1 Settlement Statement

TRUTH IN LENDING DISCLOSURE STATEMENT
(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

LENDER: Ficus Bank
BORROWERS: John A. and Mary B.
ADDRESS: 123 Anywhere Street
CITY/STATE/ZIP: Anytown, ST 12345
PROPERTY: 456 Somewhere Avenue, Anytown, ST 12345

ANNUAL PERCENTAGE RATE: 4.441%
FINANCE CHARGE: \$123,997.56
Amount Financed: \$156,964.47
Total of Payments: \$292,420.85

INVESTMENT RATE AND PAYMENT SUMMARY:		
First 78 Payments	Last 282 Payments	
Principal and Interest	\$761.78	\$761.78
Mortgage Insurance	82.35	—
Property Tax and Insurance (Escrow)	206.13	206.13
Total Monthly Payment	\$1,050.26	\$967.91

A Settlement Statement (HUD-1)

Section 1: Loan Information

Section 2: Borrower's Obligations

Section 3: Seller's Obligations

Section 4: Other Obligations

Section 5: Other Disclosures

Section 6: Other Disclosures

Section 7: Other Disclosures

Section 8: Other Disclosures

Section 9: Other Disclosures

Section 10: Other Disclosures

Section 11: Other Disclosures

Section 12: Other Disclosures

Section 13: Other Disclosures

Section 14: Other Disclosures

Section 15: Other Disclosures

Section 16: Other Disclosures

Section 17: Other Disclosures

Section 18: Other Disclosures

Section 19: Other Disclosures

Section 20: Other Disclosures

Section 21: Other Disclosures

Section 22: Other Disclosures

Section 23: Other Disclosures

Section 24: Other Disclosures

Section 25: Other Disclosures

Section 26: Other Disclosures

Section 27: Other Disclosures

Section 28: Other Disclosures

Section 29: Other Disclosures

Section 30: Other Disclosures

Section 31: Other Disclosures

Section 32: Other Disclosures

Section 33: Other Disclosures

Section 34: Other Disclosures

Section 35: Other Disclosures

Section 36: Other Disclosures

Section 37: Other Disclosures

Section 38: Other Disclosures

Section 39: Other Disclosures

Section 40: Other Disclosures

Section 41: Other Disclosures

Section 42: Other Disclosures

Section 43: Other Disclosures

Section 44: Other Disclosures

Section 45: Other Disclosures

Section 46: Other Disclosures

Section 47: Other Disclosures

Section 48: Other Disclosures

Section 49: Other Disclosures

Section 50: Other Disclosures

Section 51: Other Disclosures

Section 52: Other Disclosures

Section 53: Other Disclosures

Section 54: Other Disclosures

Section 55: Other Disclosures

Section 56: Other Disclosures

Section 57: Other Disclosures

Section 58: Other Disclosures

Section 59: Other Disclosures

Section 60: Other Disclosures

Section 61: Other Disclosures

Section 62: Other Disclosures

Section 63: Other Disclosures

Section 64: Other Disclosures

Section 65: Other Disclosures

Section 66: Other Disclosures

Section 67: Other Disclosures

Section 68: Other Disclosures

Section 69: Other Disclosures

Section 70: Other Disclosures

Section 71: Other Disclosures

Section 72: Other Disclosures

Section 73: Other Disclosures

Section 74: Other Disclosures

Section 75: Other Disclosures

Section 76: Other Disclosures

Section 77: Other Disclosures

Section 78: Other Disclosures

Section 79: Other Disclosures

Section 80: Other Disclosures

Section 81: Other Disclosures

Section 82: Other Disclosures

Section 83: Other Disclosures

Section 84: Other Disclosures

Section 85: Other Disclosures

Section 86: Other Disclosures

Section 87: Other Disclosures

Section 88: Other Disclosures

Section 89: Other Disclosures

Section 90: Other Disclosures

Section 91: Other Disclosures

Section 92: Other Disclosures

Section 93: Other Disclosures

Section 94: Other Disclosures

Section 95: Other Disclosures

Section 96: Other Disclosures

Section 97: Other Disclosures

Section 98: Other Disclosures

Section 99: Other Disclosures

Section 100: Other Disclosures

NEW Closing Disclosure

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information: Date Issued: 4/15/2013, Closing Date: 4/15/2013, Settlement Date: 4/15/2013, Property: 456 Somewhere Ave, Anytown, ST 12345, Sale Price: \$180,000

Transaction Information: Borrower: Michael Jones and Mary Stone, Seller: Steve Cole and Amy Doe, Lender: Ficus Bank

Loan Information: Loan Term: 30 years, Purpose: Purchase, Product: Fixed Rate, Loan Type: Conventional, Rate Lock: 120 days, until 4/16/2013 at 5:00 p.m. EDT, Loan ID #: 123456789, MIC #: 00064321

Loan Terms	Can this amount increase after closing?
Loan Amount	\$162,000 NO
Interest Rate	3.875% NO
Monthly Principal & Interest	\$761.78 NO
Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	—
Estimated Escrow	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments: \$356.13 a month

Costs at Closing: \$9,712.10

Cash to Close: \$14,147.26

[Download Sample Closing Disclosure](#)

Five Things Realtors® Need to Know Before October 2015

New mortgage disclosure forms and how they change every transaction you work on.

2. Timing Of A Closing Will Be Impacted By Closing Disclosure Delivery

As part of the final rule creating these two new combined forms, the CFPB determined that borrowers would be better served by having a short time to review the new Closing Disclosure prior to signing their loan documents. As a result, in its rule CFPB mandated borrowers have three days after receipt of the Closing Disclosure to review the form and its contents.

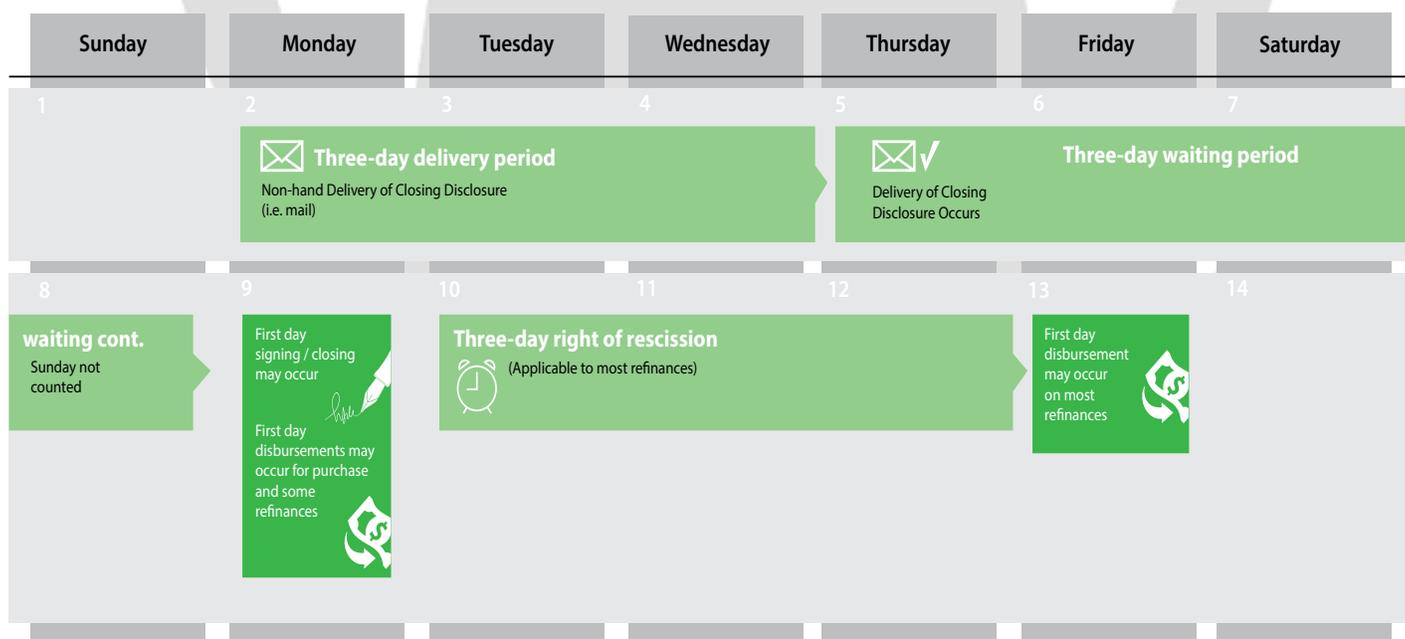
However, note that the three-day review period starts upon “receipt” of the form by the borrower. Unless some positive confirmation of the receipt of the form (i.e., hand delivery), the form is “deemed received” three days after the delivery process is started (i.e. mailing). As a result, the combination of the “delivery time period” and the “review time period” results in six business days from mailing to loan signing.

3. Title Fees May Need To Be Adjusted At Closing And Explained

Both the new Loan Estimate and Closing Disclosure forms require any listing of a settlement service involving title insurance or closing activities to be preceded by the phrase “Title – “. In doing so, a borrower can clearly see all such charges in the same area. However, that is where the clarity ends.

In most jurisdictions, title insurers offer a discount (often called a simultaneous-issue discount) on the loan policy premium when purchased at the same time as an owner’s policy. However, in some parts of the country, the standard purchase of an owner’s policy is not as well established. As a result, CFPB determined consumers were better served by showing the full, not discounted, simultaneous-issue loan policy premium in all situations on both the Loan Estimate

Changes to the Closing Disclosure Timing



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New mortgage disclosure forms and how they change every transaction you work on.

and the Closing Disclosure instead of, where applicable, the discounted premium. If an owner's policy is also purchased in the transaction, a formula is used to discount the owner's policy.

In those areas where custom and practice provide that a buyer/borrower pay for both the owner's and lender's policies, **the total actual amount paid for both policies is the same**, however the actual premium amounts reflected on the form may vary.

More problematic are those areas where custom provides the seller pay for the owner's policy and the buyer purchase the lender's policy. In these areas, the policy premium for the lender's policy will be overstated and the owner's policy premium understated. As a result, look for an adjustment to be made on page 3 of the new Closing Disclosure form to correct premium amounts to those obligated by the parties in their contract.

4. Line Numbers Have Been Removed And There Are Now Seven Fee Areas On The Disclosure

Yes, it's true. The line numbering on the HUD-1 familiar to most of us is gone. Instead, the fees and charges are placed on the Closing Disclosure in one of seven areas:

- Origination Charges
- Services Borrower Did Not Shop For
- Services Borrower Did Shop For
- Taxes and Other Government Fees
- Pre-paids
- Initial Escrow Payment at Closing
- Other

Individual charges within each of these major groupings are listed alphabetically. Columns are provided to separate charges of buyer, seller and others, as well as columns for both payments before and at closing.

5. Your Client Will Likely Receive More Than One Closing Disclosure

Since the buyer/borrower will receive a Closing Disclosure several days before the closing (and likely a few days before a walk-through on the property), buyers/borrowers will likely receive a new, adjusted Closing Disclosure at the closing.

This will reflect any changes that occurred between the initial disclosure and the closing, including adjustments due to timing of the closing, walk-through adjustments and other matters.

But changes may not end there and CFPB mandates that changes in financial disclosure numbers (i.e. changes in a recording fee) in any amount must be re-disclosed, even post-closing.



Five Things **Lenders** Need to Know Before October 2015

Straight talk about how we can have a smooth transition to the new CFPB regulations and the Closing Disclosures.

A few things we should talk about:

- Who will prepare the new Closing Disclosure?
- Who will deliver the Closing Disclosure?
- How will settlement agents and lenders communicate data?
- Who will make changes to the Closing Disclosure?
- How will settlement agents communicate title and settlement fees?

Changes to the new RESPA/TILA Mortgage Disclosure forms are just around the corner (October 3, 2015) and that means we need to work with our lender partners to determine processes for completing and delivering the new Closing Disclosure ("CD") form. To get things started, here are some of the topics we would like to cover:

1. Who will be responsible for preparation of the new Closing Disclosure?

The new CFPB rule provides that the lender is ultimately responsible for preparation of the CD. However, the rule also allows the lender to delegate some or all of the preparation to the settlement agent. Determining which system will create the final form is important in establishing workflows for the transfer of information.

2. Who will be responsible for the delivery of the new Closing Disclosure?

The rule contains a requirement that the borrower receive a copy of the CD three days prior to "consummation" (most often the date of signing loan documents). Similar to preparation of the new CD, the Rule allows for a settlement agent, at the lender's discretion, to deliver the CD to the borrower. We are gearing up to provide compliance information regarding delivery, but some lenders, as a result of compliance concerns, may opt to deliver the CD themselves. Again, impacts to workflow will occur based upon the decision regarding delivery.

Five Things Lenders Need to Know Before October 2015

Straight talk about the new CFPB regulations and the Closing Disclosures.

3. How will settlement agents and lenders communicate information contained in their respective systems?

Not all information on the CD is contained in a single system. As a result, we need to decide how to exchange the information needed to complete the CD. Some lenders have indicated this “collaboration” process will occur electronically, while others may need to rely on a less automated approach.

4. Who will make any necessary changes to the CD?

Changes to numbers contained on the initial CD may occur prior to closing, necessitating adjustments, re-printing and delivery of the corrected CD at signing. It is important to consider and decide if the party that prepared the initial CD will also make the changes for an amended CD? In addition, we need to discuss whether settlement agents can make some changes to a lender-prepared CD?

Changes to the settlement numbers on the CD may also occur after the closing (for example if there are changes to recording fees). While documentation of such changes currently falls to the settlement agent in the preparation and delivery of an amended HUD-1 settlement statement, for transactions processed under the new Rule, lenders will need to arrange for the preparation and delivery of such amended documentation.

5. How will settlement agents communicate title and settlement fees for use in the new forms?

Lenders will continue to need accurate estimates of title and settlement fees for the preparation of both Loan Estimate and CD. In addition, for transactions in which an owner’s policy will be purchased, the Rule prescribes special mathematical calculations for disclosure of the owner’s and lender’s title insurance premiums, which may require receipt of rates for both a stand-alone and simultaneously-issued lender’s policy, as well as the owner’s policy rate. We are modifying our online rate calculators to assist in these calculations and make these disclosures smooth and easier to distribute and understand.

So, Let’s talk!

We are committed to working with you to think through all the implications of the CFPB Rule, so that the transition is as smooth as possible. So let’s talk, discuss the impacts, and come up with solutions and processes that will be compliant with the new regulations and that will work for you.



Five Things **Escrow Agents** Need to Know Before October 2015

Important things to know and how they change transactions you work on every day.

Five things to know:

- What Transactions Types Are Affected?
- What Transaction Types Are Exempt?
- What New Forms Will Be Used In Transactions?
- Closing vs. Consummation
- How Can I Find Out More And Be Prepared?

Starting October 3, 2015, the new CFPB Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth-In-Lending Act (Regulation Z) will be used for residential real estate transactions. In anticipation of the monumental changes the new rule require, here are five things you need to know before you close your first transactions.

1. What Transactions Types Are Affected?

The new rules and the new forms apply to all closed-end consumer credit transactions secured by real property, other than reverse mortgages, which include the following types of loans:

- Purchase money
- Refinance
- 25 acre
- Vacant-land
- Construction-only
- Timeshare

2. What Transaction Types Are Exempt?

Consumer loans exempted from the new rules and the new forms are as follows:

- Reverse Mortgages
- Home Equity Lines of Credit (HELOCs)
- Chattel-Dwelling/Mobile Home Only Loans
- Creditors who originate less than 5 loans in a calendar year



Five Things Escrow Agents Need to Know Before October 2015

Important things to know and how they change transactions you work on every day.

The portions of TILA and RESPA governing Reverse Mortgages are not being replaced or deleted. Creditors will be required to issue a TILA disclosure and Good Faith Estimate (GFE) on these types of loans. Settlement agents will be required to use a 2010 HUD-1 settlement statement to close these types of loans. Loans in progress (applications submitted prior to October 3, 2015) are not subject to the new rules or the new forms.

3. What New Forms Will Be Used In Transactions?

The Dodd-Frank Act provided for the creation of the Consumer Financial Protection Agency, which in turn created a bureau, referred to now as the CFPB. The Dodd-Frank Act required the bureau to integrate the mortgage loan disclosures under TILA and RESPA. The rules replace the Good Faith Estimate (GFE) and early TILA with the new Loan Estimate and the final TILA and HUD-1 Settlement Statement with the Closing Disclosure.

4. What is Closing vs. Consummation?

The rules introduce a new term into real estate transactions. The term is *consummation* and is defined in the rule as the day the borrower becomes legally obligated under the loan. This will generally be the date of signing.

Consummation may be different than the closing date as defined in the purchase agreement where the buyer becomes contractually obligated to a seller on a real estate transaction. In most cases these two dates are not the same and clearly have very different meanings.

The reason it is important to understand the difference between the date of consummation and the closing date is because the Closing Disclosure must be delivered at least three business days prior to the consummation of the transaction. If the Closing Disclosure is hand delivered a Waiting Period commences. If the Closing Disclosure is delivered by mail, courier or fax, a Delivery Period of three business days precedes the Waiting Period.

5. How Can I Find Out More And Be Prepared?

With the forms, dates, rules, and laws taking effect this year it can seem like a lot to take in and remember. The good news is that we have done our homework and we are here to guide you through. If you have questions, concerns, or need more information about what else you can do to be ready for the changes coming - just ask. We are your CFPB readiness partner every step of the way.



Five Things Attorneys Need to Know Before October 2015

Straight talk about how to have a smooth transition to the new CFPB regulations and forms.

Five Things to Know Before October 3, 2015

- What Transactions Are Affected And Exempt?
- What Are The New Forms Being Introduced?
- How Will The Timing Of A Closing Be Impacted?
- How Will The Communication Of Fees And Figures Be Handled?
- How Are Title Charges Reflected On The New Forms?

By now you have heard of CFPB, but the question still remains, "How will it impact me?" So, we have put together some general information about the new rules and forms, as well as, the impact these will have on both the loan process and the closing of the transaction. With the changes just around the corner (October 3, 2015) we want to work with you to make sure we are all ready for the change.

1. What Transaction Types Are Affected and Exempt?

The new rules and the new forms apply to all closed-end consumer credit transactions secured by real property, other than reverse mortgages, which include the following types of loans:

- Purchase money
- Refinance
- 25 acres or less
- Vacant-land
- Construction-only
- Timeshare

Consumer loans exempted from the new rules and forms are:

- Reverse Mortgages
- Home Equity Lines of Credit (HELOCs)
- Chattel-Dwelling/Mobile Home Only Loans
- Creditors who originate less than 5 loans in a calendar year

The portions of Truth-in-Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA) governing

Five Things Attorneys Need to Know Before October 2015

Straight talk about the new CFPB regulations and forms.

Reverse Mortgages are not being replaced or deleted. Creditors will be required to issue a TILA disclosure and Good Faith Estimate (GFE) on these types of loans. Settlement agents will be required to use a 2010 HUD-1 Settlement Statement to close these types of loans. Loans in progress (applications submitted prior to October 3, 2015) are not subject to the new rules or the new forms.

2. What Are The New Forms Being Introduced?

On November 20, 2013 the CFPB announced the completion of their new integrated mortgage disclosure forms along with their regulations (RESPA Regulation X and TILA Regulation Z) for the proper completion and timely delivery to the consumer. These regulations are known as “the Rule”.

Any residential loan originated on or after October 3, 2015 will be subject to the new rules and forms set forth by the CFPB. The Rule replaces the Good Faith Estimate (GFE) and early TILA form with the new Loan Estimate. It also replaces the HUD-1 Settlement Statement and final TILA form with the new Closing Disclosure. The introduction of the new disclosure forms require changes to the systems that produce the closing forms. Our company has prepared our production systems to provide the new required fee quotes, generate the new closing disclosure forms, and track the delivery and waiting periods required by the new regulations.

The Loan Estimate – Currently, borrowers receive two separate forms from their lender at the beginning of the transaction: the Good Faith Estimate (GFE), a form required

Which forms are in & out on October 3, 2015?

Out with the old	In with the new*
Good Faith Estimate TILA	New Loan Estimate
HUD-1 Settlement Statement	New Closing Disclosure

* As for October 3, 2015 for residential purchase and refinance transactions.

under the RESPA, and the initial disclosure required under TILA. For loan applications taken on or after October 3rd, 2015 the creditor will instead use a combined *Loan Estimate* form. The new three-page Loan Estimate form must be provided to borrowers on a timetable similar to the current receipt of the GFE.

The Closing Disclosure – The combination of forms continues at the end of the transaction as well, with the HUD-1 Settlement Statement and the final TILA forms now combined into a single *Closing Disclosure* form. This new five-page form is used not only to disclose many terms and provisions of the loan, but also the financial transaction of the closing.

Five Things Attorneys Need to Know Before October 2015

Straight talk about the new CFPB regulations and forms.

3. How Will the Timing Of a Closing Be Impacted By Closing Disclosure Delivery?

As part of the final rule creating these two new combined forms, the CFPB determined that borrowers would be better served by having a short time to review the new Closing Disclosure prior to signing their loan documents. As a result, the Rule requires borrowers have three days after receipt of the Closing Disclosure to review the form and its contents prior to signing loan documents.

However, note that the three-day review period starts upon “receipt” of the form by the borrower. Unless some positive confirmation of the receipt of the form (i.e., hand delivery), the form is “deemed received” three days after the delivery process is started (i.e. mailing). As a result, the combination of the “delivery time period” and the “review time period” results in six business days from mailing to loan signing.

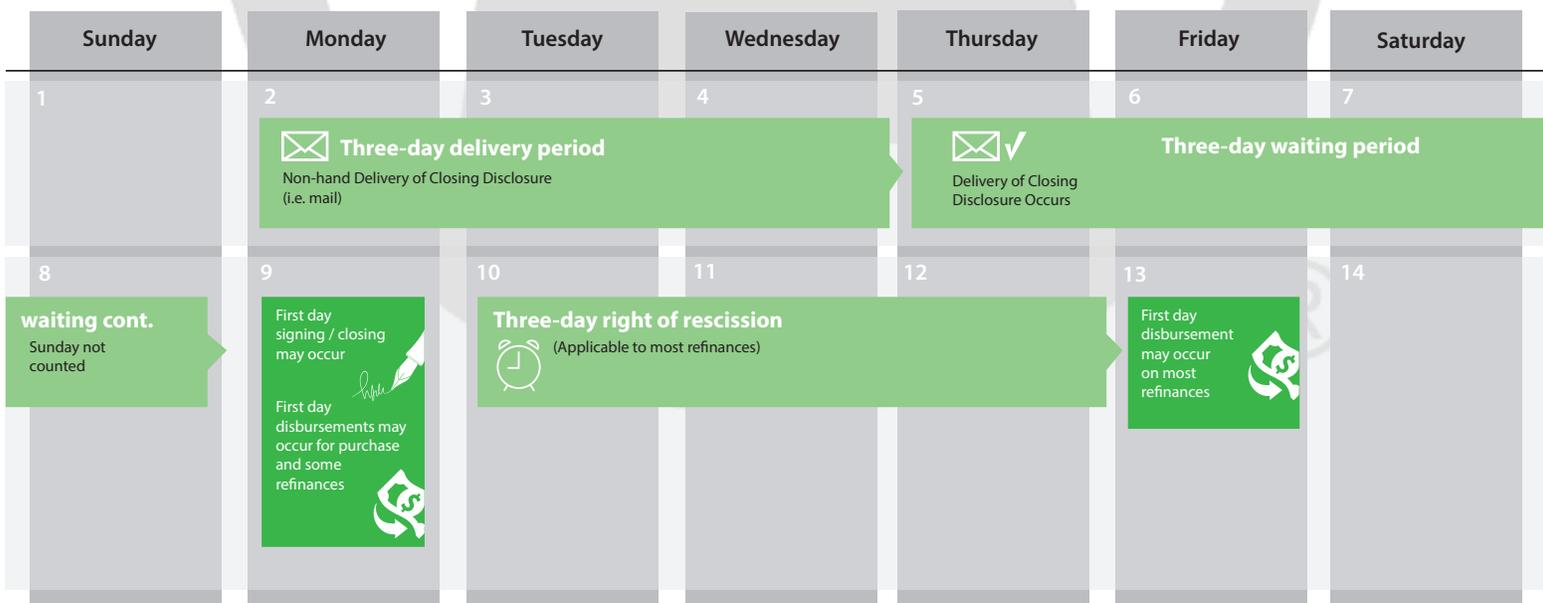
After delivery of the initial Closing Disclosure changes may require a re-disclosure and new waiting period:

- Increase of APR by greater than 1/8%
- Change in loan program such as Fixed rate to ARM
- Addition of pre-payment penalty after the initial disclosure

4. How Will the Communication of Fees and Figures Be Handled (Proration, Credits, etc.)?

Lenders will continue to need accurate estimates of title and settlement fees for the preparation of both the Loan Estimate and Closing Disclosure. In addition, for transactions in which an owner’s policy will be purchased, the rule prescribes special mathematical calculations for disclosure of the owner’s and lender’s title insurance premiums, which may require receipt of rates for both a stand-alone and simultaneously-issued lender’s policy, as well as the owner’s policy rate. We are modifying our online

Example Closing Calendar



Five Things Attorneys Need to Know Before October 2015

Straight talk about the new CFPB regulations and forms.

rate calculators to assist in these calculations. Preparation of the Closing Disclosure will take a collaborative effort between lenders, settlement companies and other vendors and may require fees to be submitted approximately 2 weeks in advance of “consummation” - the date on which the borrower becomes legally obligated on the loan.

5. How are Title Charges Reflected on the New Forms?

Both the new Loan Estimate and Closing Disclosure require any listing of a settlement service involving title insurance or closing activities to be preceded by the phrase “Title – “. In doing so, a borrower can clearly see all such charges in the same area.

However, that is where the clarity ends. In most jurisdictions, title insurers offer a discount (often called a simultaneous-issue discount) on the loan policy premium when purchased at the same time as an owner’s policy. However, in some parts of the country, the standard purchase of an owner’s policy of title insurance is not as well established. As a result, the CFPB determined consumers were better served by showing the full, not discounted, loan policy premium in all situations on both the Loan Estimate and the Closing Disclosure instead of, where applicable, the discounted premium. If an owner’s policy is also purchased in the transaction, a formula is used to discount the owner’s policy. In those areas where custom and practice provide that a buyer/borrower pay for both the owner’s and lender’s policies, the total actual amount paid for both policies is the same, even though the actual premium amounts are reflected differently on the new forms.

More problematic are those areas where custom provides the seller pay for the owner’s policy and the buyer purchase the lender’s policy. In these areas, the policy premium for the lender’s policy will be overstated and the owner’s policy premium understated. As a result, look for an adjustment to be made on Page 3 of the new Closing Disclosure form to correct premium amounts to those contemplated by the parties in their contract.

Also, line numbers have been removed and there are now seven fee areas on the disclosure. The line numbering on the HUD-1 familiar to most of us is gone. Instead, the fees and charges are placed on the Closing Disclosure in one of seven areas:

- Origination Charges
- Services Borrower Did Not Shop For
- Services Borrower Did Shop For
- Taxes and Other Government Fees
- Pre-paids
- Initial Escrow Payment at Closing
- Other

Individual charges within each of these major groupings are listed alphabetically. Columns are provided to separate charges of buyer, seller and others, as well as columns for payments both before and at closing.





Know before you close.

WILL THE NEW (FPB) RULE DELAY MY CLOSING?

According to the Consumer Financial Protection Bureau, the answer is NO for just about everybody.

For mortgage applications submitted on or after October 3, 2015, lenders must give you new, easier-to-use disclosures about your loan three business days before closing. This gives you time to review the terms of the deal before you get to the closing table.

Many things can change in the days leading up to closing. Most changes will not require your lender to give you three more business days to review the new terms before closing. The new rule allows for ordinary changes that do not alter the basic terms of the deal.

Only **THREE** changes require a new 3-day review:

1. The APR (annual percentage rate) increases by more than $\frac{1}{8}$ of a percent for fixed-rate loans or $\frac{1}{4}$ of a percent for adjustable loans*. A decrease in APR will not require a new 3-day review if it is based on changes to interest rate or other fees.
2. A prepayment penalty is added, making it expensive to refinance or sell.
3. The basic loan product changes, such as a switch from fixed rate to adjustable interest rate or to a loan with interest-only payments.

* Lenders have been required to provide a 3-day review for these changes in APR since 2009.

NO OTHER changes require a new 3-day review:

There has been much misinformation and mistaken commentary around this point. Any other changes in the days leading up to closing do not require a new 3-day review, although the lender will still have to provide an updated disclosure. For instance, the following circumstances do not require a new 3-day review:

- Unexpected discoveries on a walk-through such as a broken refrigerator or a missing stove, even if they require seller credits to the buyer.
- Most changes to payments made at closing, including the amount of the real estate commission, taxes and utilities proration, and the amount paid into escrow.
- Typos found at the closing table.

Source: consumerfinance.gov

This information is proudly brought to you by:



 **CHICAGO TITLE**
Know before you close.

Your CFPB readiness partner - every step of the way.

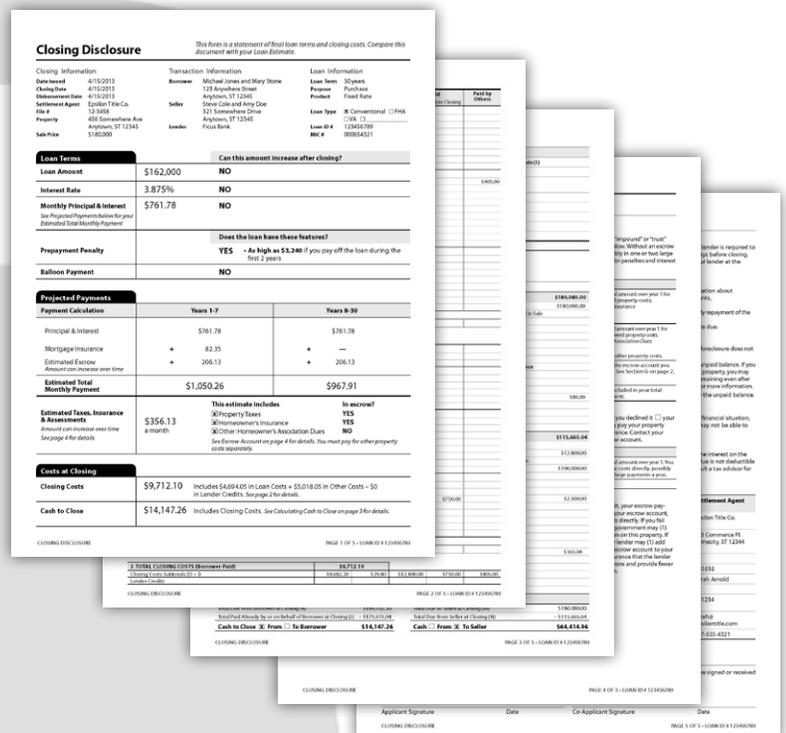


The New Closing Disclosure Explained

A look at the different sections of the Closing Disclosure and explanations of each page.

Closing Disclosure At-a-glance

- The new form is 5 pages long
- New form replaces the TILA and HUD-1
- One Closing Disclosure is required for each loan
- Charge descriptions on both the Loan Estimate and Closing Disclosure must match.



The Closing Disclosure replaces the Truth-in-Lending Act (TILA) disclosure and the HUD-1 Settlement Statement. Under the final rule, the creditor is responsible for delivering the Closing Disclosure to the consumer, but creditors may use settlement agents to provide the Closing Disclosure, provided they comply with the final rule.

There is still a requirement for one Closing Disclosure for each loan and charge descriptions used on the Loan Estimate must be substantially similar to the descriptions used on the Closing Disclosure. This is so a consumer may easily identify a change in costs or terms by a comparison of the two forms.

The New Closing Disclosure Explained.

A look at the different sections of the Closing Disclosure and explanations of each page.

Page 1.

The first page of the Closing Disclosure is almost identical to the Page 1 of Loan Estimate. It describes the:

- Loan terms
- Loan amount
- Interest rate
- Monthly P&I, and
- Any prepayment penalty or balloon payment.

This page also provides the projected payments over the life of the loan. This page also discloses to the borrower what amounts will be deposited into their impound or escrow account and provides the total estimated costs closing costs and cash to close.

Page 2.

The second page is similar to the current Page 2 of the HUD-1 Settlement Statement. It provides a breakdown of all the closing cost details and lists all loan costs and other costs paid by borrower, seller, and other parties.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013	Seller	123 Anywhere Street Anytown, ST 12345	Purpose	Purchase
Disbursement Date	4/15/2013	Settlement Agent	Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345	Product	Fixed Rate
File #	Epsilon Title Co. 12-3456	Property	456 Somewhere Ave Anytown, ST 12345	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
Property	456 Somewhere Ave Anytown, ST 12345	Lender	Ficus Bank	Loan ID #	123456789
Sale Price	\$180,000			MIC #	000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments Below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>
		In escrow? YES YES NO

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE PAGE 1 OF 5 - LOAN ID #123456789

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
(1) 0.25 % of Loan Amount (Points)	\$405.00				
(2) Application Fee	\$300.00				
(3) Underwriting Fee	\$1,097.00				
(4)					
(5)					
(6)					
(7)					
(8)					
B. Services Borrower Did Not Shop For	\$236.55				
(1) Appraisal Fee	to: John Smith Appraisers Inc.				\$405.00
(2) Credit Report Fee	to: Information Inc.	\$29.80			
(3) Flood Determination Fee	to: Info Co.	\$20.00			
(4) Flood Monitoring Fee	to: Info Co.	\$11.25			
(5) Tax Monitoring Fee	to: Info Co.	\$75.00			
(6) Tax Status Research Fee	to: Info Co.	\$80.00			
(7)					
(8)					
(9)					
(10)					
C. Services Borrower Did Shop For	\$2,655.50				
(1) Post Inspection Fee	to: Pests Co.	\$120.50			
(2) Survey Fee	to: Surveys Co.	\$85.00			
(3) Title - Insurance Binder	to: Epsilon Title Co.	\$650.00			
(4) Title - Lender's Title Insurance	to: Epsilon Title Co.	\$900.00			
(5) Title - Settlement Agent Fee	to: Epsilon Title Co.	\$500.00			
(6) Title - Title Search	to: Epsilon Title Co.	\$800.00			
(7)					
(8)					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B - C)	\$4,664.25	\$29.80			
E. Taxes and Other Government Fees	\$85.00				
(1) Recording Fees	Deed: \$40.00 Mortgage: \$45.00	\$85.00			
(2) Transfer Tax	to: Any State		\$950.00		
F. Prepaids	\$2,120.80				
(1) Homeowner's Insurance Premium (12 mo.)	to: Insurance Co.	\$1,209.95			
(2) Mortgage Insurance Premium (mo.)		\$229.04			
(3) Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)		\$631.80			
(4) Property Taxes (6 mo.) to Any County USA					
(5)					
G. Initial Escrow Payment at Closing	\$412.25				
(1) Homeowner's Insurance \$100.85 per month for 2 mo.		\$201.69			
(2) Mortgage Insurance per month for mo.					
(3) Property Taxes \$105.30 per month for 2 mo.		\$210.60			
(4)					
(5)					
(6)					
(7)					
(8) Aggregate Adjustment		-0.01			
H. Other	\$2,400.00				
(1) HOA Capital Contribution	to: HOA Acze Inc.	\$500.00			
(2) HOA Processing Fee	to: HOA Acze Inc.	\$150.00			
(3) Home Inspection Fee	to: Engineers Inc.	\$750.00		\$750.00	
(4) Home Warranty Fee	to: XYZ Warranty Inc.		\$450.00		
(5) Real Estate Commission	to: Alpha Real Estate Broker		\$5,700.00		
(6) Real Estate Commission	to: Omega Real Estate Broker		\$5,700.00		
(7) Title - Owner's Title Insurance (optional)	to: Epsilon Title Co.	\$1,000.00			
(8)					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + E)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE PAGE 2 OF 5 - LOAN ID #123456789

The New Closing Disclosure Explained.

A look at the different sections of the Closing Disclosure and explanations of each page.

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.		
	Loan Estimate	Final	Did this change?	
Total Closing Costs (I)	\$8,054.00	\$9,712.10	YES	- See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	-\$29.80	YES	- You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO	
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO	
Deposit	-\$10,000.00	-\$10,000.00	NO	
Funds for Borrower	\$0	\$0	NO	
Seller Credits	\$0	-\$2,500.00	YES	- See Seller Credits in Section L
Adjustments and Other Credits	\$0	-\$1,035.04	YES	- See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26		

Borrower's Transaction		Seller's Transaction	
K. Due from Borrower at Closing	\$189,762.30	M. Due to Seller at Closing	\$180,080.00
01. Sale Price of Property	\$180,000.00	01. Sale Price of Property	\$180,000.00
02. Sale Price of Any Personal Property Included in Sale		02. Sale Price of Any Personal Property Included in Sale	
03. Closing Costs Paid at Closing (I)	\$9,682.30	03. Existing Loan(s) Assumed or Taken Subject to	
04.		04. Payoff of First Mortgage Loan	\$100,000.00
05.		05. Payoff of Second Mortgage Loan	
06.		06.	
07.		07.	
08.		08. Seller Credit	\$2,500.00
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100.		100.	

Page 3.

The third page displays a Calculating Cash to Close table similar to the table on Page 2 of the Loan Estimate. This table provides a comparison to the charges disclosed on the Loan Estimate. The rest of the page shows the summaries of the borrower and seller costs and credits, similar to the current Page 1 of the HUD-1 Settlement Statement.

Page 4.

The fourth page contains disclosures about other terms of the loan, including:

- Whether the loan is assumable
- If the loan has a demand feature
- May include a late payment fee and when it may be incurred
- If the loan has a negative amortization feature
- Whether the lender will accept partial payments
- Informs the borrower the lender will have a security interest in their property.

The page also includes a table describing what charges will be impounded and how much will be collected each month. Finally, the page includes adjustable payment and interest rate tables if they are applicable to the loan.

Additional Information About This Loan	
Loan Disclosures	
Assumption If you sell or transfer this property to another person, your lender <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.	
Demand Feature Your loan <input type="checkbox"/> has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details. <input checked="" type="checkbox"/> does not have a demand feature.	
Late Payment If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.	
Negative Amortization (increase in Loan Amount) Under your loan terms, you <input type="checkbox"/> are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property. <input type="checkbox"/> may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property. <input checked="" type="checkbox"/> do not have a negative amortization feature.	
Partial Payments Your lender <input checked="" type="checkbox"/> may accept payments that are less than the full amount due (partial payments) and apply them to your loan. <input type="checkbox"/> may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan. <input type="checkbox"/> does not accept any partial payments. If this loan is sold, your new lender may have a different policy.	
Security Interest You are granting a security interest in 456 Somewhere Ave., Anytown, ST 12345 You may lose this property if you do not make your payments or satisfy other obligations for this loan.	
Escrow Account For now, your loan <input checked="" type="checkbox"/> will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.	
Escrow	Estimated total amount over year 1 for your escrowed property costs: Homeowner's insurance Property Taxes
Escrowed Property Costs over Year 1	\$2,473.56
Non-Escrowed Property Costs over Year 1	\$1,800.00 Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25 A cushion for the escrow account you pay at closing. See Section 6 on page 2.
Monthly Escrow Payment	\$206.13 The amount included in your total monthly payment.
<input type="checkbox"/> will not have an escrow account because <input type="checkbox"/> you declined it <input type="checkbox"/> your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.	
No Escrow	Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Estimated Property Costs over Year 1	
Escrow Waiver Fee	
In the future, Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.	

The New Closing Disclosure Explained.

A look at the different sections of the Closing Disclosure and explanations of each page.

Page 5.

On the fifth page under the heading “Loan Calculations” the consumer will find the:

- Total of payments over the life of the loan
- Finance charge
- Amount financed
- Annual Percentage Rate (APR)
- Total interest percentage information

Under “Other Disclosures” the consumer will find information about the:

- Appraisal (if applicable)
- Contract details
- Liability after foreclosure
- Refinance information
- Tax deductions

At the bottom of the page is the Contact Information and Signature lines. If signature lines are included, the following disclosure is used: “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form” indicating a signature is intended only as a receipt of the form.

All of these forms, dates, rules, and laws can seem like a lot to take in. The good news is that we’ve done our homework and are here to help you understand what you need to know before you close.

Loan Calculations		Other Disclosures			
Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36	Appraisal If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.			
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27	Contract Details See your note and security instrument for information about: - what happens if you fail to make your payments, - what is a default on the loan, - situations in which your lender can require early repayment of the loan, and - the rules for making payments before they are due.			
Amount Financed. The loan amount available after paying your upfront finance charge.	\$152,000.00	Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan: <input checked="" type="checkbox"/> state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information. <input type="checkbox"/> state law does not protect you from liability for the unpaid balance.			
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%	Refinance Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.			
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%	Tax Deductions If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.			

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Some town, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			2765416	261455	261616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			PT16415	PS1461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt
By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____ Co-Applicant Signature _____ Date _____
CLOSING DISCLOSURE PAGE 5 OF 5 - LOAN ID #123456789



Know before you close.

OWNER'S TITLE INSURANCE – what you need to know on or after Oct 3rd, 2015?

If the seller has agreed under the terms of the purchase contract or by local custom to pay for the owner's policy of title insurance, then the creditor does not show the premium on the Loan Estimate and the buyer is not charged at closing with an offset to the seller. Instead the seller is charged the premium at closing.

However, if the buyer has agreed to pay any portion of the owner's premium at closing, the creditor must show the charge on the Loan Estimate as optional.

Example: Title – Owner's Title Policy (optional) \$1,017

The portion of the Owner's Title Policy premium paid for by the buyer at closing must be shown as "optional" on the Closing Disclosure in the same manner. Conceivably the buyer could opt not to purchase an owner's policy at the closing table.

It is important to understand the CFPB never intended for buyers to get the impression an Owner's Title Policy is not necessary. Their intent was only to ensure the Loan Estimate provided a true estimate of the required costs related to their transaction, in order to obtain a loan for the purchase of the property.

Although the lender may not require their borrower purchase an Owner's Title Policy as a part of the purchase, the purchase agreement or contract will most likely require a policy be purchased. The optional wording on the Loan Estimate and Closing Disclosure is really only there to alert the buyer the purchase of an Owner's Title Policy is not required as a part of the loan program.

Keep in mind any portion of the Owner's Title Policy premium paid by the seller should not contain the word "optional" in the charge description.

If a buyer opts not to purchase an owner's policy, in most states they would not receive the benefit of a simultaneous issue discount applied to the loan policy premium. Currently, in a typical residential transaction, a lender quotes the discounted rate on a Loan Estimate.

However, any increase in this premium would result in a tolerance violation or increased annual percentage rate. Therefore, the CFPB wrote into the new rules any simultaneous issue discount must be applied to the owner's policy premium and not the loan policy premium.

Therefore, when the new CFPB rules are implemented, the lender will need to disclose the full lender's policy premium on the Loan Estimate and the preparer of the Closing Disclosure will charge the full loan premium. The new formula for calculating the owner's premium with the simultaneous issue discount applied is as follows:

Owner's Premium
+ Simultaneous Issue Rate
- Full Loan Premium
= Owner's Rate

cont'd on next page

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 **CHICAGO TITLE**
Know before you close.

Your CFPB readiness partner - every step of the way.



"Never buy a home without your Owner's Title Insurance Policy."

The new calculation method applies regardless of which party to the transaction is paying the owner's policy premium. For example, the premiums on the purchase of a \$300,000 residence with a \$240,000 loan closed simultaneously with actual premiums are as follows:

Owner's Policy Premium	\$1,090
Loan Policy Premium (Full Rate)	\$928
Loan Policy Premium (Simultaneous Issue Rate)	\$469

On a transaction closed prior to the effective date of the new rules, if the seller is paying for the Owner's Title Insurance, the seller would pay \$1,090 and the buyer would pay \$469. On the same transaction closed after the effective date of the new rules the disclosure would reflect the seller paying the calculated premium of \$631 and the buyer paying the full loan premium of \$928.

The title provider will still receive all the total premium dollars due to them. However, the seller ends up paying \$459 less than obligated and the buyer ends up paying \$459 more than obligated.

	Seller's Cost per Contract	Buyer's Cost per Contract	Seller's "Cost" per Disclosure	Buyer's "Cost" per Disclosure	"Cost" Difference - Seller	"Cost" Difference - Buyer
Owner's Policy	\$1,090	\$0	\$631 (\$1,090 +\$469 - \$928)	\$0	\$459 less (\$1,090 - \$631)	\$0
Lender's Policy	\$0	\$469	\$0	\$928	\$0	\$459 more (\$928 - \$469)

The only way the formula works is if one of the parties to the transaction is paying both policy premiums, which in most markets is not customary. As a result, our systems have been designed to provide an off-setting debit to the seller for the balance of the owner's premium and an offsetting credit for the same to the buyer.

The disclosure amounts, and off-setting debits and credits only appear when the Closing Disclosure is printed using the Company's escrow production systems. Any other document, such as a closing statement or fee ticket, will print the premium dollars in the normal fashion.

Despite all the CFPB changes, we all need to remind our Consumers that these **30 Common Title Problems** can always occur after they purchase the property:

1. Impersonation of the true owner of the land
2. Forged deeds, releases, etc.
3. Instruments executed under fabricated or expired power of attorney
4. Deeds delivered after death of grantor/grantee, or without consent of grantor
5. Deeds to or from defunct corporation
6. Undisclosed or missing heirs
7. Misinterpretation of wills
8. Deeds by persons of unsound mind
9. Deeds by minors
10. Deeds by illegal aliens
11. Deeds by persons supposedly single but secretly married
12. Birth or adoption of children after date of will
13. Surviving children omitted from will
14. Mistakes in recording legal documents
15. Want of jurisdiction of persons in judicial proceedings
16. Discovery of will of apparent intestate
17. Falsification of records
18. Claims of creditors against property sold by heirs or devisees
19. Deeds in lieu of foreclosure given under duress
20. Easements by prescription not discovered by a survey
21. Deed of community property recited to be separate property
22. Errors in tax records
23. Deed from a bigamous couple
24. Defective acknowledgements
25. Federal condemnation without filing notice
26. Corporation franchise taxes, a lien on all corporate assets
27. Erroneous reports furnished by tax officials
28. Administration of estates of persons absent but not deceased
29. Undisclosed divorce of spouse who conveys as consort's heir
30. Marital rights of spouse purportedly, but not legally divorced



Know before you close.

Changes to the Closing Disclosure Timing (effective Oct 3, 2015)

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
	Three-day delivery period Non-hand Delivery of Closing Disclosure (i.e. mail)			Three-day waiting period Delivery of Closing Disclosure Occurs		
8	9	10	11	12	13	14
waiting cont. Sunday not counted	First day signing / closing may occur First day disbursements may occur for purchase and some refinances 	Three-day right of rescission (Applicable to most refinances) 			First day disbursement may occur on most refinances 	

Timing References by Day

Signing 	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
↓	↓	↓	↓	↓	↓	↓
Waiting Period 	Preceding Thursday	Preceding Friday	Preceding Saturday	Preceding Monday	Preceding Tuesday	Preceding Wednesday
↓	↓	↓	↓	↓	↓	↓
Delivery Period 	Preceding Monday	Preceding Tuesday	Preceding Wednesday	Preceding Thursday	Preceding Friday	Preceding Saturday

NOTE:

- If a federal holiday falls within the Delivery and/or Waiting Periods, add an additional business day.
- The three-day period is measured by days, not hours. Thus, disclosure must be delivered three days before closing, and not 72 hours prior to closing.
- Disclosures may also be delivered electronically to start the Delivery Period and may be signed in compliance with E-Sign requirements.

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CHICAGO TITLE

Know before you close.

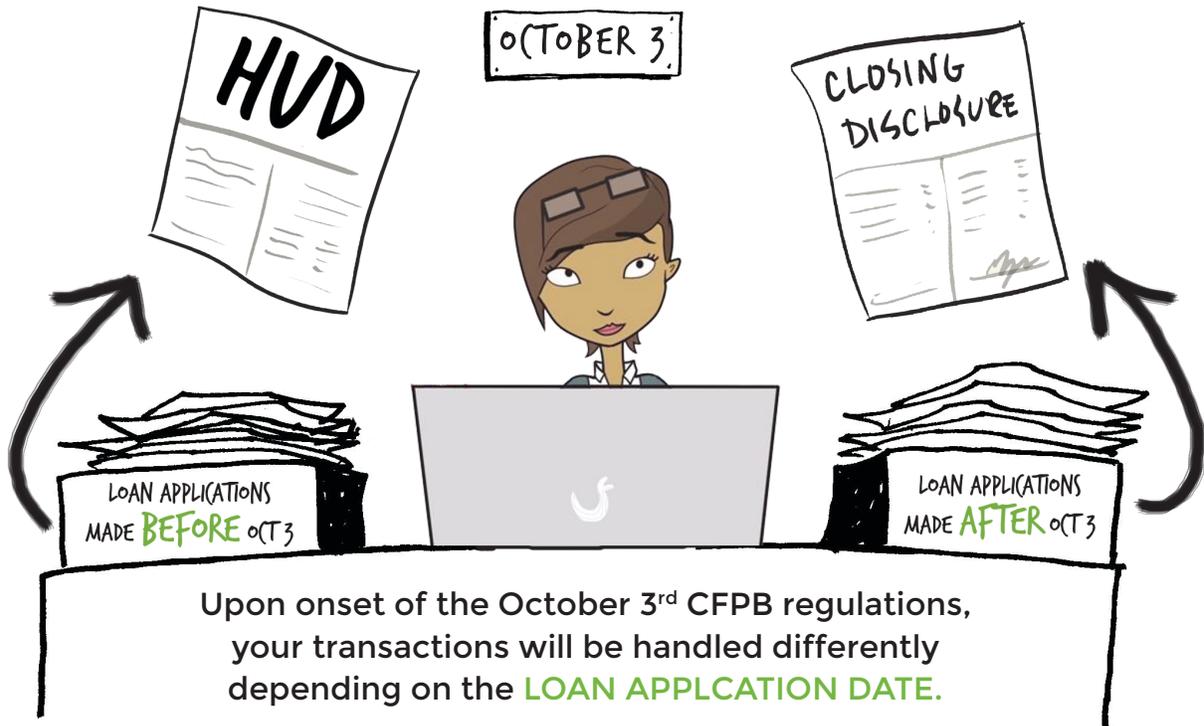
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Know before you close.

WHICH FORM WILL YOU RECEIVE?



Upon onset of the October 3rd CFPB regulations, your transactions will be handled differently depending on the **LOAN APPLICATION DATE**.

COMMUNICATION IS KEY

Let us know the date of the loan application at the time of the order. This is the best option for a seamless, smooth transaction. If you don't have a loan application date at the time of opening, please let us know as soon as you do so that we may ensure that your transaction is smooth and successful.



You will receive a HUD if the Loan Application was made **BEFORE** October 3, 2015



You will receive a CD if the Loan Application was made **ON or AFTER** October 3, 2015

Regardless of the date of the Loan Application, we are prepared to serve you and dedicated to your successful transaction.

 **CHICAGO TITLE**
Know before you close.

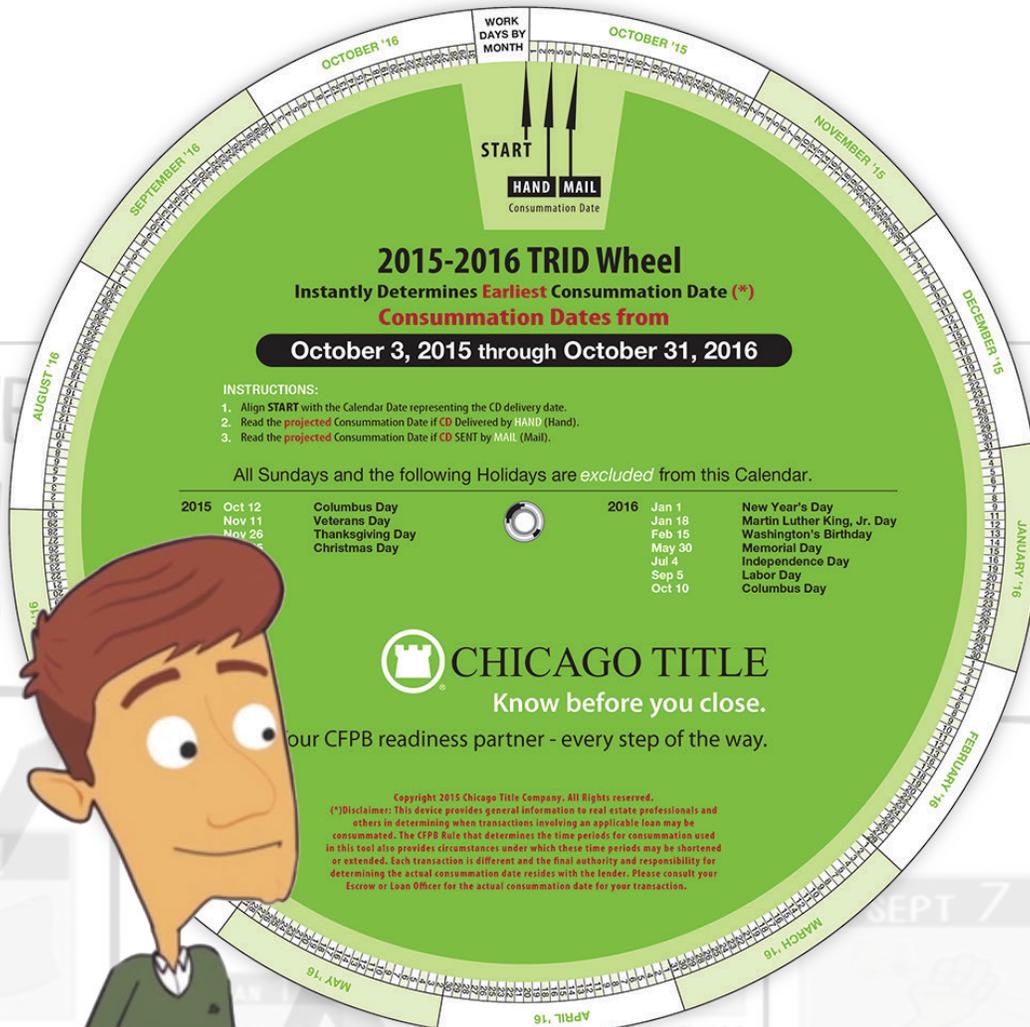
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Chicago Title Proudly Presents **THE TRID WHEEL**

“The only wheel that instantly determines earliest Consummation Date”



Stop guessing. Start knowing.

Based on the new CFPB rule that goes into effect beginning Oct. 3, 2015, this carefully crafted and well planned **TRID WHEEL** is designed to eliminate the guesswork in determining earliest Consummation Date **Use the wheel to:**

- Instantly determines earliest Consummation Date
- Estimate required closing days by working backwards on the wheel

RESERVE YOURS TODAY!



Know before you close.

2015 TRID Calendar (OCT - DEC)

The right to rescind extends until midnight of the third business day after the latest of the following occurs: (a) the consummation date; (b) the date the borrower received the Truth in Lending Disclosure or Closing Disclosure, as applicable; or (c) the date the borrower receives the Notice of Right to Cancel. Business days include any day of the week except Sunday and Federal Holidays.

OCTOBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	5	6	7	-	8	9	10	13	14	15	-	-	16	17	19	20	21	-	22	23	24	26	27	28	-	29	30	31	2	3	4
Signing Date (Mail)	8	9	10	-	13	14	15	16	17	19	-	-	20	21	22	23	24	-	26	27	28	29	30	31	-	2	3	4	5	6	7

NOVEMBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Signing Date (Hand)	-	5	6	7	9	10	12	-	13	14	-	16	17	18	-	19	20	21	23	24	25	-	27	28	30	-	1	2	-	3
Signing Date (Mail)	-	9	10	12	13	14	16	-	17	18	-	19	20	21	-	23	24	25	27	28	30	-	1	2	3	-	4	5	-	7

DECEMBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	4	5	7	8	9	-	10	11	12	14	15	16	-	17	18	19	21	22	23	-	24	26	28	29	-	30	-	31	2	4	5
Signing Date (Mail)	8	9	10	11	12	-	14	15	16	17	18	19	-	21	22	23	24	26	28	-	29	30	31	2	-	4	-	5	6	7	8

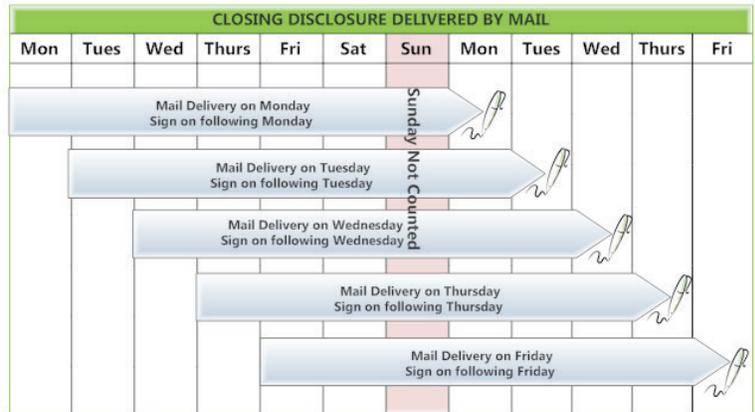
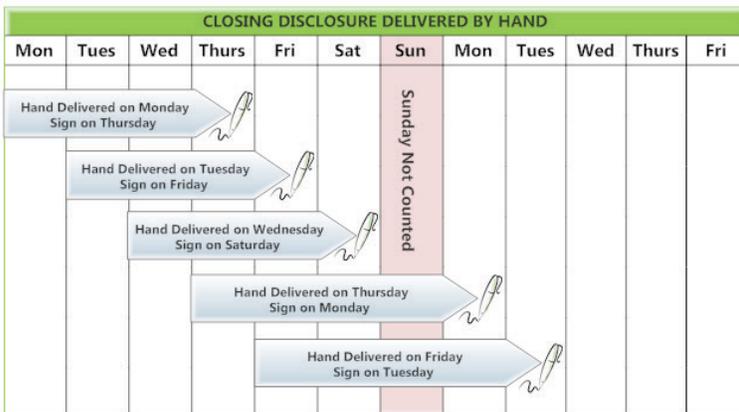
2015 Observed Federal Holidays:

JAN 1 NEW YEAR'S DAY	JUL 4 INDEPENDENCE DAY	NOV 26 THANKSGIVING DAY
JAN 19 MARTIN LUTHER KING, JR. DAY	SEP 7 LABOR DAY	DEC 25 CHRISTMAS DAY
FEB 16 WASHINGTON'S BIRTHDAY	OCT 12 COLUMBUS DAY	JAN 1/2016 NEW YEAR'S DAY
MAY 25 MEMORIAL DAY	NOV 11 VETERANS DAY	

NOTE:

- The three-day period is measured by days, not hours. Thus, disclosure must be delivered three days before closing, and not 72 hours prior to closing.
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Reference by day of the week



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2016 TRID Calendar

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JANUARY

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	-	6	-	7	8	9	11	12	13	-	14	15	16	19	20	21	-	-	22	23	25	26	27	-	28	29	30	1	2	3	-
Signing Date (Mail)	-	9	-	11	12	13	14	15	16	-	19	20	21	22	23	25	-	-	26	27	28	29	30	-	1	2	3	4	5	6	-

FEBRUARY

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Signing Date (Hand)	4	5	6	8	9	10	-	11	12	13	16	17	18	-	-	19	20	22	23	24	-	25	26	27	29	1	2	-	3
Signing Date (Mail)	8	9	10	11	12	13	-	16	17	18	19	20	22	-	-	23	24	25	26	27	-	29	1	2	3	4	5	-	7

MARCH

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	4	5	7	8	9	-	10	11	12	14	15	16	-	17	18	19	21	22	23	-	24	25	26	28	29	30	-	31	1	2	4
Signing Date (Mail)	8	9	10	11	12	-	14	15	16	17	18	19	-	21	22	23	24	25	26	-	28	29	30	31	1	2	-	4	5	6	7

APRIL

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Signing Date (Hand)	5	6	-	7	8	9	11	12	13	-	14	15	16	18	19	20	-	21	22	23	25	26	27	-	28	29	30	2	3	4
Signing Date (Mail)	8	9	-	11	12	13	14	15	16	-	18	19	20	21	22	23	-	25	26	27	28	29	30	-	2	3	4	5	6	7

MAY

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	-	5	6	7	9	10	11	-	12	13	14	16	17	18	-	19	20	21	23	24	25	-	26	27	28	31	1	2	-	-	3
Signing Date (Mail)	-	9	10	11	12	13	14	-	16	17	18	19	20	21	-	23	24	25	26	27	28	-	31	1	2	3	4	6	-	-	7

JUNE

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Signing Date (Hand)	4	6	7	8	-	9	10	11	13	14	15	-	16	17	18	20	21	22	-	23	24	25	27	28	29	-	30	1	2	5
Signing Date (Mail)	8	9	10	11	-	13	14	15	16	17	18	-	20	21	22	23	24	25	-	27	28	29	30	1	2	-	5	6	7	8

JULY

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	6	7	-	-	8	9	11	12	13	-	14	15	16	18	19	20	-	21	22	23	25	26	27	-	28	29	30	1	2	3	-
Signing Date (Mail)	9	11	-	-	12	13	14	15	16	-	18	19	20	21	22	23	-	25	26	27	28	29	30	-	1	2	3	4	5	6	-

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AUGUST

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Signing Date (Hand)	4	5	6	8	9	10	-	11	12	13	15	16	17	-	18	19	20	22	23	24	-	25	26	27	29	30	31	-	1	2	3
Signing Date (Mail)	8	9	10	11	12	13	-	15	16	17	18	19	20	-	22	23	24	25	26	27	-	29	30	31	1	2	3	-	6	7	8

SEPTEMBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Signing Date (Hand)	6	7	8	-	-	9	10	12	13	14	-	15	16	17	19	20	21	-	22	23	24	26	27	28	-	29	30	1	3	4
Signing Date (Mail)	9	10	12	-	-	13	14	15	16	17	-	19	20	21	22	23	24	-	26	27	28	29	30	1	-	3	4	5	6	7

OCTOBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
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Signing Date (Mail)	8	-	11	12	13	14	15	17	-	-	18	19	20	21	22	-	24	25	26	27	28	29	-	31	1	2	3	4	5	-	7

NOVEMBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
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Signing Date (Mail)	8	9	10	12	14	-	15	16	17	18	-	19	-	21	22	23	25	26	28	-	29	30	1	-	2	3	-	5	6	7

DECEMBER

CD delivery date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
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Signing Date (Mail)	8	9	10	-	12	13	14	15	16	17	-	19	20	21	22	23	24	-	27	28	29	30	31	2	-	-	3	4	5	6	7

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