

## Closing Disclosure - *What You Should Know...*

### *The Seller(s)...*

- The settlement agent is required to provide the seller with the Closing Disclosure reflecting the actual terms of the seller's transaction, including only the information applicable to the seller's transaction from the buyer's Closing Disclosure.
- The settlement agent must provide the seller its copy of the Closing Disclosure no later than the day of consummation however, acknowledgement of receipt is not required.

### *The Buyer(s)...*

- Generally, the creditor is responsible for delivering the Closing Disclosure to the buyer, but creditors may use settlement agents to provide the Closing Disclosure, provided they comply with the final rule.
- Under the rule, creditors must ensure that buyers receive the Closing Disclosure no later than three business days before consummation, which is the time that a buyer becomes contractually obligated on the credit transaction, and may not necessarily be the same as the closing day. This requirement imposes a three-business-day waiting period, meaning that the loan may not be consummated less than three business days after the Closing Disclosure is received by the buyer.
- Delivery of the buyer's Closing Disclosure can be arranged as follows:
  1. **By providing it to the buyer in person**  
If delivered in person, it is considered received by the buyer on the day it is provided
  2. **By mailing, or by other delivery methods, including email (subject to electronic signatures act)**  
If mailed or delivered electronically, the buyer is considered to have received the Closing Disclosure three business days after it is delivered or placed in the mail. However, if the creditor has evidence that the buyer received the Closing Disclosure earlier than three business days after it is mailed or delivered, it may rely on that evidence and consider it to be received on that date.

- Buyers may waive or modify the three-business-day waiting period **ONLY** under the following circumstances:
  1. *The extension of credit is needed to meet a bona fide personal financial emergency.*
  2. *The buyer has received the Closing Disclosure; and*
  3. *The buyer gives the creditor a dated written statement that describes the emergency, specifically modifies or waives the waiting period, and bears the signature of all buyers who are primarily liable on the legal obligation.*
- If the following occurs after delivery of the Closing Disclosure and before consummation, the creditor must provide a corrected Closing Disclosure containing all changed terms and ensure that the consumer receives it no later than three business days before consummation.
  1. *The disclosed APR becomes inaccurate.*
  2. *The loan product changes.*
  3. *A prepayment penalty is added.*

For any other changes before consummation that do not fall under the three categories, the creditor still must provide a corrected Closing Disclosure with any terms or costs that have changed and ensure that the consumer receives it before consummation and is not subject to the additional three-business-day waiting period.

To learn more on Closing Disclosure, click on the following videos:



Contact your Chicago Title Escrow Officer with any questions!