



CFPB - Frequently Asked Questions

1. Are loans originated prior to Oct 3, 2015 going to be closed using the new Closing Disclosure Form?

NO - Only loans that were originated on or after Oct 3, 2015 will be governed by the new rule, thus using the new Closing Disclosure Form.

2. True or False: After Oct 3, 2015 the HUD-1 Settlement Statement will be obsolete.

FALSE - The HUD-1 Settlement Statement will still be used for reverse mortgages and some HELOC's.

3. Fill in the blank: _____ is the day the borrower becomes legally obligated under the loan.

CONSUMMATION is the day the borrower becomes contractually obligated to the lender on the loan or the day the borrower signed their loan documents.

4. Fill in the blank. The charges on the Loan Estimate and Closing Disclosure must be alphabetized in each section by the charge description. Title and Escrow charges must all be grouped together by the preceding word _____.

TITLE - The charges must be preceded by the word title and then a hyphen, before describing the service or product.

5. True or false. The buyer and seller must accept all the charges on the Closing Disclosure by signing the last page.

FALSE - The seller's form does not ever have to be signed. The borrower's form can be signed, but the borrower is only acknowledging their receipt of the form and not their acceptance of the charges.

6. The rule tightens the tolerances and does not allow changes to even more types of charges from the Loan Estimate to the date of consummation. Charges that cannot increase at closing now include (Select All that Apply).

- A. Fees charged by an affiliate of the creditor or broker
- B. Recording fees
- C. Owners title premium
- D. Creditor or broker charges
- E. Escrow/closing fee
- F. Charges for services the consumer shopped for using the creditor's provider list
- G. Charges for services for which the borrower is not permitted to shop

A, D & G are the correct answers. Fees paid to the creditor, mortgage broker, or an affiliate of either or fees paid to an unaffiliated third party providing a settlement service the lender did not permit the borrower to shop for or Transfer taxes cannot increase at closing.

7. True or false. The lender has to include a provider list reflecting at least one service provider for services they can and cannot shop for.

FALSE - The lender does have to provide a provider list of services the borrower may shop for, but the lender does not have to provide a list of services the borrower cannot shop for. They may provide a list of both, but are not required to.

8. Fill in the blank. If the borrower is paying for the Owner's Title Policy the charge on both the Loan Estimate and Closing Disclosure must be labeled as _____.

OPTIONAL - The CFPB decided the Owner's Title Policy must be disclosed as optional if the buyer is paying any portion or all of the cost, since the product is not required in order to obtain the loan. Chicago Title will imply certain steps for the borrower to follow if he/she decides to waive an Owner's Title Policy.

9. In all instances, the charge for the lender's title policy must be disclosed at the full premium rate, with no discounts applied on the Loan Estimate and Closing Disclosure.

YES - when the transaction involves a sale. On a refinance, the actual charge for the lender's title policy will appear on the Loan Estimate and Closing Disclosure.

10. If the Closing Disclosure is delivered by mail, email, courier or fax on a Monday it is assumed the delivery period expires:

- On Thursday at midnight
- On Wednesday at midnight
- The same day and the waiting period begins
- I do not know what the delivery period is

The correct answer is the delivery period would expire Wednesday at midnight. The delivery and waiting periods start on the same day the action occurs and last for three business days.

11. The Waiting Period requires the lender to ensure the Closing Disclosure is delivered to the borrower how many days prior to consummation?

- The same day
- Three business days
- Three calendar days
- Six business days

The correct answer is **THREE BUSINESS DAYS**.

For everything you need to know about CFPB, Please visit our website at www.ChicagoTitleLibrary.com/cfpb.html.

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