

# TILA/RESPA Integrated Disclosure (TRID) FAQ'S:

Will Dukes, Summit Mortgage, with Jim Pilon, NABOR® Legal Resources Committee



TRID is the TILA/RESPA Integrated Disclosure Rule, also known as the "Know Before You Owe" rule.

**C**onfused about what is going on with residential mortgage loan transactions? Below are some frequently asked questions and answers regarding the requirements of the Dodd-Frank Act as implemented by the Consumer Financial Protection Bureau (CFPB) effective with residential mortgage loan applications made on or after October 3, 2015:

**Q: I keep hearing about TRID. What does this stand for and what does it involve?**

A: TRID is the TILA/RESPA Integrated Disclosure Rule. TILA is the Truth in Lending Act and RESPA is the Real Estate Settlement Procedures Act. Together, the federal government calls it TRID or at times, the "Know Before You Owe" rule.

**Q: Do the TRID requirements apply to all real estate transactions?**

A: No, TRID applies only to residential transactions in which a mortgage loan is involved.

**Q: Do the TRID requirements apply to commercial transactions in which a mortgage loan is involved?**

A: No, the TRID requirements apply only to residential transactions in which a mortgage loan is involved.

**Q: Does the CFPB have the authority to monitor, inspect or review REALTOR® files?**

A: No, the CFPB has authority only over lenders (now called "Creditors" by the CFPB).

**Q: Are there any other new names being used by the CFPB?**

A: Yes, the CFPB now calls the borrower the "Consumer."

**Q: Is the HUD-1 form still used in TRID transaction?**

A: No, it may still have some use as an unofficial form, but it has been supplanted by what is now called the "Closing Disclosure" (CD).

**Q: Can the closing agent share the CD with third parties such as the REALTORS® involved in the transaction?**

A: That depends on the lender's/creditor's privacy policies which they were required to adopt under the Graham, Leach, Bliley Act and which they require the closing agent to follow.

**Q: Can the borrower/consumer share the CD with third parties such as the REALTORS® involved in the transaction?**

A: Yes, the borrower/consumer can share it with whomever they please and can authorize REALTORS® to receive a copy from the closing agent.

**Q: I have been asked by the closing agent for my state issued real estate license number and for my brokerage's state issued license number. Is this now required?**

A: Yes, the lender/creditor now needs those numbers for inclusion in its disclosure(s).

**Q: I have been told that the borrower/consumer has the right to review the CD three days prior to the loan closing. Can this right be waived so that closing is not delayed?**

A: No, the borrower/consumer cannot waive this three-day review period.

**Q: Do all changes to the CD require that the borrower/consumer be given another three-day review period?**

A: No, minor changes to the CD may not require a new three-day review period, but it is up to the lender/creditor to decide if a new review period is required.

**Q: Why all of these changes?**

A: In the past, often times borrowers had little or practically no opportunity to review closing numbers prior to the closing. The regulations now assure them of this opportunity (the three-day review period) and, because of the requirement for the issuance of the Loan Estimate (LE) the borrower/consumer has more of an opportunity to shop for the most favorable loan terms.