

SDHDA : TRID 2.0

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Effective: October 1, 2018

TWO Separate Executive Summaries

1st – Changes to Amend and Clarify RESPA/REG Z

- Effective 10/01/2018

2nd – Amend using CD to reset Tolerances

- Effective 06/01/2018

1ST - CFPB Amends and Clarifies RESPA/REG Z

Partial Payment Disclosures & Escrow Closing Notices

Loans Secured by Cooperatives

Loan to Certain Trusts

Partial Exemption for Certain Housing assistance Loans

Construction Loans

Simultaneous Subordinate Lien Loans

Tolerances for Total of Payments Disclosure

Good Faith & Revised Disclosures

Decimal Place and Rounding

Calculating Cash to Close

Other Disclosures in Loan Estimates and Written List of Providers

Other Disclosures in Closing Disclosures

Sharing Disclosures with Various Parties during Origination Process

Technical Corrections and Clarifications



Change
Clarify
Instruct

Some highlights:

1. Escrow:

- Provide Escrow Closing notice before escrow account is cancelled
- Notify Consumer of Partial Payment policy (even new servicer)
 - Mandatory on covered loans 10/01/2018 regardless of application date

2. Construction Loans:

- Explain 2 phase & Single phase
- Inspection Fees – both prior and after loan consummation
- Loan Value Estimate on LE VS CD difference (Construction w/o Seller)
- Single Phase Loan term example
- Product and interest only disclosure issues
- Projected payments (Use old TIL Rule ½ or whole disburse)
- Portion of Proceeds in reserve account

Highlights continued...

3. Simultaneous Subordinate Lien Loans

- Seller Information can be on 1st Lien CD
- Purpose can be Purchase

4. Good Faith and Revised Disclosures

- If you fail to list a provider on Written providers list and it is a normal 10% tolerance bucket items you can still use in your tolerance if you allowed to shop – if you did not allow to shop then goes into 0%
- Leave the expiration date & Time Blank for disclosed cost on revised LE if you have intent to proceed prior
- If only change on CD is per diem interest you do not need to issue corrected CD.
- Lender or Seller credits can be in lump sum or at the fee level on LE



Can you spot the changes in the Pictures:
Lending Estimate Changes at the Fee and Bucket level

Lending Estimate: Fee level

1. Estimate and Send LE as normal
2. All following LE's sent must include "current information" that the lender has – reset on tolerance is for fee lines with an eligible changed circumstance only.
3. Tolerance Comparison's for CD will reference back to original LE fee or eligible changed circumstance fee, not the "current information" fee's

Cures can be done at LE level or CD level.

2nd - Using CD to reset Tolerances

Came into Effect 06/01/2018-

You can use the CD to reset tolerances –

Do not send an LE and CD on Same day

CD is still required 3 days prior to loan consummation

Three day reset is on APR, Pre-Payment Penalty added, or Changed Product

Handouts and Websites:

LE Changes Example – Thank you to Jerod Moyer of Banker Compliance Consulting

BCFP (CFPB) Websites:

<https://www.consumerfinance.gov/>

<https://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/tila-respa-disclosure-rule/>

<https://www.consumerfinance.gov/policy-compliance/notice-opportunities-comment/>