
Remember, a knowing or reckless violation of TRID, even if done under instructions from the lender, may result in penalties of up to \$1 million a day per violation against the individual settlement agent.

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Covered Loans

Q. Which real estate mortgage transactions are impacted by the Consumer Financial Protection Bureau® (CFPB) TILA-RESPA Integrated Disclosure (TRID) rule?

A. The TRID rule and disclosure forms apply to most closed-end consumer mortgage loans.

Q. Which current lender disclosures do the TRID forms replace?

A. The new integrated mortgage disclosures replace the current Good Faith Estimate, HUD-1 and Truth-in-Lending disclosures, for most transaction types.

Q. Which real estate mortgage transactions require the integrated mortgage disclosures and are subject to timing requirements?

A. All closed-end consumer mortgage loans secured by real property purchased primarily for personal, family or household purposes – including construction loans, vacant land loans, 25 acres or more loans, or single-family residence loans – require the integrated mortgage disclosures.

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Exempt Loans

Q. Which real estate mortgage transactions are exempt from the integrated mortgage disclosures?

- A. The integrated mortgage disclosures do not apply to:
- Home-equity lines of credit (HELOCs; not subject to RESPA);
 - Reverse mortgages (continue to be subject to RESPA);
 - Mortgages secured by a mobile home or dwelling not attached to land (if the mobile home is real property, the rule does apply);
 - No-interest second mortgage made for down payment assistance, energy efficiency or foreclosure avoidance (§[12 CFR 1026.3\(h\)](#));
 - Loans made by a creditor who makes five or fewer mortgages in a single year.

Q. Are mortgages that are exempt from using the integrated disclosures still subject to TILA and RESPA?

- A. Yes. These exempt mortgages are still subject to TILA and RESPA, and the 2010 HUD-1 Settlement form will be used in these instances.

Cash Transactions

Q. Do the integrated mortgage disclosures apply to cash transactions?

- A. Currently, they do not.

Q. A closer called and said that they have an investor who only buys and pays cash. Because this is an investor, do the integrated mortgage disclosures apply?

- A. Currently, TRID disclosures do not apply to any cash transactions. The rule is designed only to apply to consumer mortgages, with a particular focus on closed-end transactions. Federal law does not require the use of the HUD-1 or the new integrated mortgage disclosure in all cash transactions. However, some states have laws requiring the use of promulgated forms in cash transactions. The Closing Disclosure or any other settlement statement may be used in cash transactions.

Private/ Seller Financing

Q. Do the integrated mortgage disclosures apply to private/seller financing and/or land contracts?

- A. TRID does not apply to loans made by a person or entity that makes five or fewer mortgages in a calendar year and thus is not a **creditor** (§[12 CFR 1026.2\(a\)\(17\)](#)). If the seller makes more than five loans in a calendar year, the rule may apply to the seller as a creditor. RESPA still applies to those loans if they qualify as federally related mortgage loans under Regulation X.

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Q. We have a lot of seller and private financing. Are we liable when insuring seller financed transactions, where the seller or private lender may be required to comply with TRID?

A. If the seller or private lender has done more than five loans in a year, TRID will apply. The seller or private lender will have to follow the rule, forms, and timing and delivery requirements. An affidavit and indemnity should be obtained in every transaction where a seller or private lender is providing the financing for a residential mortgage. For seller and private financing, an executed and attested affidavit and indemnity is sufficient, as long as the settlement agent does not have knowledge of misrepresentation of a material fact.

For example, if a seller has closed 10 loans in last 5 months in the office of Title Company A and Title Company A takes an affidavit to the contrary, Title Company A could be brought into regulatory action. If seller has closed 10 loans in last 5 months across the state using different settlement agents and none of them know about the other closings, then it is unlikely that there would be regulatory liability if the affidavit and indemnity prove to be false.

TIP: Sellers and private lenders should always be advised to seek the advice of legal counsel for any loan transaction. There are other state and federal laws and regulations that may impact the residential loan transaction.

Timeshares

Q. Are timeshare loans included in the integrated mortgage disclosure delivery requirements?

A. Timeshare loans are affected, but the delivery times are different from the other loans secured by real property because of the unique way that timeshares are purchased and financed. For timeshare transactions, the creditor must ensure that the consumer receives the Closing Disclosure no later than consummation.

The Loan Estimate

Q. When must the Loan Estimate be given by the creditor?

A. The Loan Estimate must be provided to the consumer by the creditor no later than the third business day after the creditor receives the consumer's application. Additionally, the Loan Estimate must be delivered or placed in the mail no later than the seventh business day before consummation.

Q. How is the "application" defined under the integrated mortgage disclosure rules?

A. An application is defined by the following: (1) borrower name; (2) income; (3) Social Security number; (4) property address; (5) estimated property value; (6) mortgage loan amount sought. Once a lender has these items, the Loan Estimate must be provided to the consumer within three business days.

Q. What if the consumer goes on extended vacation and the Loan Estimate expires?

A. The rule permits a revised Loan Estimate only in certain limited "changed circumstances." The expiration of the Loan Estimate is an example of such a changed circumstance. The lender will instruct settlement agent of the need to start the process over.

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Three Business Days – Closing Disclosure

Q. When does the creditor have to provide the Closing Disclosure to the consumer?

A. The rule requires a creditor to provide the closing disclosure to the consumer three business days before consummation. For timeshare transactions, the creditor must ensure that the consumer receives the closing disclosure no later than consummation. [View the three-day Closing Disclosure calendar](#) for details.

Q. How are weekends and holidays factored into the three business day rule?

A. For purposes of counting the three business day rule as it relates to delivery of the Closing Disclosure, Saturdays count but Sundays do not. All U.S. Postal holidays do not count.

Preparation and Use of Closing Disclosure

Q. Who can deliver the Closing Disclosure?

A. The creditor may prepare and deliver the Closing Disclosure to the consumer. The settlement agent may also deliver the Closing Disclosure, provided it complies with all requirements of [§12 CFR 1026.19\(f\)](#) as if it were the creditor. The lender and settlement agent may also agree to divide the responsibility. The creditor remains responsible for ensuring the requirements have been satisfied. Many lenders will prepare and deliver the Closing Disclosure to the consumer. Lenders will ask the settlement agent to prepare the Closing Disclosure for the seller.

Q. Can settlement agents prepare the Closing Disclosure and send it to the lender for approval, just as they can today for the HUD-1?

A. Lenders are accountable for compliance, including the timing and accuracy of the Closing Disclosure, and most will therefore prepare and deliver the Closing Disclosure to the consumer.

Seller's Closing Disclosure

Q. Who is responsible for preparing and providing Seller's Closing Disclosure to the Seller?

A. The settlement agent is responsible for preparing and providing the Seller's Closing Disclosure to the seller, reflecting the actual fees and terms related to the seller's transaction. (See §1026.19(f)(4)(i)).

Q. When must the settlement agent provide the seller with the Seller's Closing Disclosure?

A. The Seller's Closing Disclosure must be provided to the seller at or before consummation (as defined by lenders closing instructions).

Q. How do you document delivery of the Seller's Closing Disclosure?

A. As settlement agent, you may have the seller sign the Seller's Closing Disclosure at or before the time that the consumer signs the loan documents. You may have the seller acknowledge, in writing, the date of receipt of the Seller's Closing Disclosure. You may also prepare and execute an affidavit of delivery which confirms that you provided the Seller's Closing Disclosure at or before the consumer signs the loan documents.

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Q. Is the settlement agent required to provide an updated Seller's Closing Disclosure if amounts change?

A. Yes. If any amounts change, the settlement agent must provide a revised Seller's Closing Disclosure no later than 30 days after receiving information that necessitates the change that occurred. (See §1026.19(f)(4)(ii).) The revised Seller's Closing Disclosure should be consistent with the finalized Seller's ALTA Settlement Statement.

Closing Disclosure: Signatures

Q. Will both the seller and buyer sign the disclosure and the seller statement?

A. Currently, the integrated mortgage disclosure rule only requires that the borrower disclosures (Loan Estimate and Closing Disclosure) be signed. Furthermore, signing of the Closing Disclosure does not obligate the borrower to consummate the loan. The buyer and seller may sign a separate Settlement Statement prepared by the settlement agent.

Closing on an Inaccurate Closing Disclosure

Q. Is the lender required to issue a revised Closing Disclosure at the closing table if the initial Closing Disclosure contains inaccurate fees and costs?

A. Yes. Under TRID, the settlement agent must close only on an accurate Closing Disclosure. The lender must issue a revised Closing Disclosure at the closing table if any fees and costs have changed since the initial Closing Disclosure. Permitting a closing to move forward without a revised Closing Disclosure could jeopardize the settlement agent and lender's compliance with the rule, which is not acceptable at any time.

Consummation – Defined

Q. Is “consummation” the same thing as “settlement”?

A. No. Consummation is not the same thing as closing or settlement. Consummation is the point in time when a consumer becomes contractually obligated to the creditor on the loan under state law, and not when the consumer is obligated under the contract to the seller. See [§12 CFR 1026.2\(a\)\(13\)](#) and its affiliated Official Interpretation. For the purpose of calculating the required timing for borrower receipt of the Closing Disclosure, many lenders will use the date the note will be signed for all transactions. In some jurisdictions, such as escrow states, "closing" can have a different definition and timing.

Redisclosure and a New Waiting Period Required

Q. Which changes (inaccuracies) before consummation require a new three business day waiting period and a corrected Closing Disclosure? (§12 CFR 1026.19(f)(2)(ii); Comment 19(f)(2)(ii)-1)

A. If one of the following occurs before deliver of the Closing Disclosure and before consummation, the consumers must receive a revised Closing Disclosure and an additional three business day waiting period:

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1. the APR increases by more than 1/8% on fixed loans and 1/4% on adjustable loans; (§[12 CFR 1026.22](#)) (§1026.19(f)(2)(ii)(A)). APR is above APR tolerance.
2. The loan product previously disclosed changes or becomes inaccurate (§1026.19(f)(2)(ii)(B)) unless a bona fide personal financial emergency (§1026.19(f)(1)(iv)).
3. A prepayment penalty is added to the transaction (§1026.19(f)(2)(ii)(C)).

Q. How will the settlement agent know if the APR has increased by more than 1/8% on fixed loans and 1/4% on adjustable loans?

A. The lender will determine whether changes in the transaction are such that a revised Closing Disclosure and additional three business day review is required because of a change in the APR. The lender will instruct the settlement agent of the need for a revised Closing Disclosure and additional comparison period.

Right of Rescission

Q. Does the three business day rule eliminate the three-day right of rescission?

A. No. The CFPB did not exempt transactions subject to the three-day right of rescission or otherwise amend the rescission rules. The three-day right of rescission in a refinance remains separate from the three business day rule, which requires the Closing Disclosure to be delivered three business days prior to consummation (when the consumer signs the note). After the signing of the loan documents/consummation, the consumer has until midnight on the third business day following the day of signing to elect to rescind the transaction; recording and disbursement may occur the following business day.

Focus on Fees – Title and Settlement

Q. What may affect the accuracy of title and settlement fees?

A. A number of things may affect the accuracy of title and settlement fees, such as:

1. Type of Policy – Owner’s v. Lender’s, ALTA v. CLTA, Full v. Generic Exceptions, Reissue Rate or availability of other discounts
2. How many pages are the documents to be recorded? Are there riders? Legal Descriptions?
3. What title policy endorsements are required by the lender? Any for the owner’s coverage?
4. Will a mobile notary be required? Will there be more than one signing at different locations?

Q. I add a cushion for settlement fees and closing costs on the HUD-1 because some items can vary between the signing and when the transaction is settled after recording (e.g. recording fees, pro-rations, prepaid interest). The overage is then refunded after the final disbursements are made. Can I continue to do this under TRID?

A. No. Under TRID, a more rigorous good faith effort is required of lenders and settlement agents to get accurate estimates for fees and costs. However, the delay between consummation and settlement in escrow states is likely to increase the need for post-closing corrected disclosures.

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Q. Can the settlement agent use average charge to estimate recording fees?

A. The average charge provisions of Regulation X will continue under the new integrated mortgage disclosure rule. However, the total average charge paid by the consumer must not be more than the average amount paid for service by or on behalf of the consumer and seller for a class of transactions. See [§12 CFR 1026.19\(f\)\(3\)\(i\)-\(ii\)](#).

The creditor must define the class of transaction based upon an appropriate period of time, geographic area and type of loan. It cannot be used in a way that inflates the cost. The creditor must use the same average charge for every transaction within the defined class.

However, the TRID rule places a heavy burden on the lender to document the basis for the average charge and update those calculations frequently. Lenders may therefore be wary of using the average charge, instead preferring to be as accurate as possible on recording fees, which have a 10% variation tolerance.

Q. What if Exhibit A turns out to be one page instead of two, and the settlement agent has collected too much for recording fees?

A. If an event changes within 30 days after closing, the creditor must provide a corrected disclosure within 30 days of receiving that information. Upon lender's instructions, the settlement agent should cut the refund check, put a cover letter on it, revise the Closing Disclosure and put it in the mail with a Forever stamp within 30 days of learning of the issue.

Q. What if the settlement agent does not know the final numbers?

A. You must provide the best information reasonably available to the lender for disclosure to the consumer. This requires:

- Due diligence
- Contacting the third-party provider
- Use of available calculation tools

Focus on Fees – Taxes

Q. How will property taxes be handled with the new Closing Disclosure?

A. The disclosures for both the Loan Estimate and the Closing Disclosure include itemized sections for property taxes.

Q. What if after closing, the settlement agent learns that they collected \$100 too much for transfer tax?

A. Transfer tax falls within the zero-variation category. Under the rule, the creditor must issue a revised Closing Disclosure within 30 days of learning of the event. The creditor has 60 days to refund any variances. Be sure to read the lender's closing instructions.

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Focus on Fees – Variations

Q. What can increase without limit?

- A. The following can increase without limit from Loan Estimate to Closing Disclosure:
- Prepaid interest
 - Property insurance premiums
 - Amounts paid into escrow
 - Consumer permitted to shop for service provider (typically includes owner's title insurance)
 - Fees charged after negotiations between the seller and consumer unless, at the creditor's determination, these charges impact the loan and loan approval

Q. What can increase up to 10% in aggregate (subject to good faith)?

- A. The following can increase up to 10% in aggregate from Loan Estimate to Closing Disclosure:
- Charges consumer was allowed to shop for, but selected from written provider list (typically includes lender's title insurance)
 - Recording Fees

Q. What cannot increase (no change for certain fees)?

- A. The following cannot increase from Loan Estimate to Closing Disclosure:
- Affiliate of lender
 - Lender fees and fees to broker
 - Charges consumer was not allowed to shop for
 - Transfer tax

Q. Is it the settlement agent's responsibility to determine if the 10% tolerance has been violated?

- A. No. However, settlement agents should be aware that a fee change may violate a tolerance limitation. Therefore, all changes in fees need to be brought to the lender's attention immediately.

Q. If fees are over 10%, can we close without confirming lender tolerance cure?

- A. If the settlement agent is aware that there is a variation that requires a lender cure, then the settlement agent should notify the lender immediately and make sure it is being addressed in closing instructions from the lender.

Q. With respect to the "zero tolerance" bucket, what happens if there's a change in the transfer tax rates?

- A. If this item increases on the final Closing Disclosure from the estimated amount on the Loan Estimate, then the lender will need to cure any overage. If a creditor cures a tolerance violation by providing a refund to the consumer, the creditor must deliver or place in the mail a corrected Closing Disclosure no later than **60 calendar days** after consummation. A corrected Closing Disclosure is required for all tolerance violations. Refund and re-disclose must occur within 60 calendar days after consummation. The creditor must document refunds for tolerance violations in their evidence of compliance. (§1026.19(f)(2)(iv); Comment 19(f)(2)(iv)-1).

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Q. Any variation from original disclosure of fee on Loan Estimate must be refunded to the consumer. If the variation is in a fee not charged by the creditor, is it still the creditor who must make the refund?

A. Ask the lender. If the creditor does not cure a tolerance violation by providing a refund to the consumer, the creditor is responsible to ensure that the refund occurs and must ensure a revised Closing Disclosure is delivered or placed in the mail no later than **60 calendar days** after consummation. A corrected Closing Disclosure is required for all tolerance violations. Refund and re-disclose must occur within 60 calendar days after consummation. The creditor must document refunds for tolerance violations in their evidence of compliance. (§1026.19(f)(2)(iv); Comment 19(f)(2)(iv)-1).

Fees: Estimates

Q. When asked to prepare a draft/preliminary Closing Disclosure for the lender, do we need to show all seller figures, commission and payoff information, which will disclose the net to seller or wait for the lender to request seller information?

A. When preparing figures for the lender, the settlement agent needs to provide the best and the most accurate information for all fees it has available at that time. This would include seller fees. You must use a best good faith effort to disclose accurate fees available at the time.

Q. When providing fees to lender in advance, are we ok with automatically quoting a signing/notary fee even if we don't know if the customer will need a mobile notary? Also quoting a document preparation automatically on a refinance and sale when we don't know if one is needed?

A. When preparing figures for the lender, the settlement agent needs to provide the best and the most accurate information for all fees it has available at that time. You must use a best good faith effort to disclose accurate fees available at the time.

Disbursement and Settlement

Q. Will the lender assume the responsibility for disbursing loan proceeds?

A. No. The settlement agent will continue to be responsible for executing the closing, including document signing, notarization, disbursement of funds, document recordation and delivery of final documents post-closing.

Q. Can a settlement statement be used in place of the seller Closing Disclosure?

A. No. A settlement statement can be issued in addition to the borrower Closing Disclosure and the seller Closing Disclosure, but not in place of either Closing Disclosure.

Q. Will all lenders collaborate on a standard and consistent process for meeting all of the TILA-RESPA Integrated Disclosure provisions?

A. No. Each will determine its own procedures for TRID compliance and is accountable for compliance.

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Title Insurance

- Q. Can I remove the word “optional” from the Closing Disclosure if the seller is paying for the owner’s policy of title insurance?**
- A. No. Under TRID, the word “optional” is mandatory for the owner’s policy.
- Q. Is the TRID formula required for disclosure of the simultaneous rate, even though it conflicts with our state regulations?**
- A. Yes. The TRID formula is required for disclosure of the simultaneous rate on Loan Estimate and Closing Disclosure.
- Q. How does the TRID rule handle title insurance premium rate where an owner and loan policy are issued simultaneously at a discounted rate?**
- A. Regardless of lower, actual simultaneous issue rate for Lender’s Policy (LTP) in your state, LTP **MUST** be shown at **full rate** on the Loan Estimate and even on the Closing Disclosure. If an Owner’s Policy (OTP) is also purchased in a simultaneous transaction, the rate shown for OTP must be shown in accordance with CFPB formula (OTP on TRID Disclosure = OTP Premium (Full Rate) + LTP Simultaneous Premium – Full LTP Premium).
- Q. What is the purpose behind the CFPB formula for the simultaneous title insurance premium rate?**
- A. The Bureau focuses a lot on the discussion about the cost of the loan policy when no owner’s policy is issued and the change in settlement costs when that happens. §1026.37(g)(4) and related comment refers to “*a special rate may be available based on a simultaneous issuance of a lender’s and owner’s policy.*” A Special rate is not defined as a rate filed as a simultaneous rate under state law or as defined by rate manual. It is just a special rate given when owner’s policy and loan policy are issued simultaneous.
- There is discussion about how simultaneous issue calculations (again the calculation not specific named rates) confuse the consumer, because the consumer does not understand that “in an instance where the consumer declines an owner’s title insurance policy, the lender’s title insurance policy premium can increase substantially, resulting in a higher total amount of closing costs than can be anticipated by the consumer.” This is important because the Bureau does not focus on what we, in the industry, call this rate or how we have it filed in our rate manuals.
- The focus is on a special rate (which would not be given to the consumer if the consumer did not purchase an owner’s policy) when both a loan policy and owner’s policy are simultaneously issued. The Bureau believes this formula gives the consumer a more accurate picture of what they would pay for the loan policy if they did not purchase an owner’s policy. The intent is to ensure the consumer is not surprised by the higher cost of a loan policy at the closing table.

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Q. What do I do if I am in an area where, either by local practice or as a matter of contract, the buyer pays for the loan policy and the seller pays for the owner's policy (Southern California, Texas, Florida, Colorado and approximately 20 others)? Cash to close will not accurately show the correct total title insurance costs each party should pay.

A. You will show a title premium adjustment on page three of the Closing Disclosure to ensure cash to close balances and each party is paying what they should for title insurance. The title premium adjustment for seller equals the sum of the actual owner's title policy the seller should have paid minus (-) the amount the seller actually paid on the Closing Disclosure. The title premium adjustment for consumer equals the sum of the actual owner's title premium the consumer should have paid minus (-) the amount consumer actually paid on the Closing Disclosure.

Q. How do I calculate a credit (bundled, reissue, etc.) with the TRID simultaneous title premium rate formula?

A. Calculate the credit first and then apply the TRID formula.

Q. Do I need give the lender the TRID simultaneous title premium rate?

A. Read your closing instructions. If you are responsible for quoting title insurance rates in your state, you will need to give lender's a quote using the TRID rule calculations and formulas. You will show the state simultaneous title premium rate on the ALTA Settlement Statement or state promulgated disclosures to comply with state laws and regulations.

Affiliated Business Arrangements (AfBA)

Q. What is the impact of the TRID rule on an independent title agency affiliated with a lender?

A. If an independent title agency is affiliated with or owned by a lender, the title agency's fees have a zero tolerance (no variation) and are now part of the fees a lender charges. At the time the Loan Estimate is provided to the consumer, the lender must ensure the fees and charges of the settlement agency are exact and correct. If the final charges are more than those shown on the Loan Estimate, the lender must refund the difference to the borrower to cure the violation. If the lender's estimate is too high and settlement agency charges are lower, there is no violation. ([§12 CFR 1026.19\(e\)\(3\)\(ii\)](#)).

Q. I am a settlement agent and also affiliated (AfBA) with a lender. Are all of my title and settlement fees and charges subject to zero tolerance?

A. Yes. All affiliate fees are considered lender fees and are subject to zero variation between the Loan Estimate and Closing Disclosure. For example:

The settlement agent is partner with a lender in an AfBA. The settlement agent learns there is a variation in closing and settlement fees of \$500. Under TRID, affiliate fees are subject to zero tolerance. Creditor must issue a revised Closing Disclosure at the closing table (giving the consumer the ability to inspect the Closing Disclosure within 24 hours of closing). Then, the creditor has 60 days to refund the \$500 variance.

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CFPB Resources

- Q. Where can I find more information or answers to additional questions?**
- A. For more information and regular updates on the new integrated mortgage disclosure rule, TRID and other Consumer Financial Protection Bureau matters, visit the CFPB Know Before You Owe website at consumerfinance.gov/knowbeforeyouowe.
- Q. Where can I get samples of the CFPB forms and learn more about the requirements?**
- A. Detailed information about the TRID rule, including samples of the new forms, are available from the CFPB at consumerfinance.gov.

American Land Title Association (ALTA®) Best Practices

- Q. How does a settlement agent become ALTA Best Practices certified, and who can perform the certification?**
- A. Resources on Best Practices and the certification process are available from ALTA at alta.org/bestpractices.

Closing Insight™ from RealEC®

- Q. How can I find out more about Closing Insight, including information on technical requirements?**
- A. Information is available from RealEC Technologies at closinginsight.com, or contact RealEC directly at (800) 893-3241 or providerregistration@realec.com.
- Q. If my software company is integrated with Closing Insight, do I still need to register?**
- A. Yes. Independent agencies may register at closinginsight.com.

RealEC Technologies is a division of Black Knight Financial Services.

Notaries

- Q. What part of TRID most affects notaries or signing agents?**
- A. The parties to the transaction and their REALTORS® may have questions about the Closing Disclosure, the state required disclosures or the ALTA Settlement Statement at the time of the loan signing.
- Q. How should we advise notaries about making changes at signing?**
- A. Changes before and after signing require collaboration with lender. Tell notaries to notify you immediately when they learn of changes so you can let the lender know immediately; only the lender will be able to instruct the settlement agent how to proceed.

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Q. Should notaries educate themselves about the new changes?

A. Yes. The CFPB has compiled extensive resources to educate the industry. The National Notary Association also has resources available to help notaries learn how to handle new loan Closing Disclosure.

Q. Do I have to vet and verify my notary service providers?

A. Yes. Lenders require settlement agents to vet and verify service providers they do business with.

Business and Commercial Loans

Q. Since TRID does not apply to commercial or business purpose loans, what do we do if the loan is for business purposes, secured by a single family house? Does TRID apply?

A. It may. Ask the lender. The TRID rule applies to most closed-end consumer credit transactions secured by real property. Regulation Z defines the phrase “consumer credit” to mean credit offered or extended to a consumer primarily for *personal, family, or household purposes*. If the loan transaction is for business or agricultural purpose, it would not be subject to the TRID rule. However, to make that determination, a lender would need to know whether the single family home is included in the loan and whether it is owner-occupied. A loan for an owner-occupied, 1-4 unit rental apartment is considered consumer purpose. Remember, coverage focuses on the purpose of the loan transaction, not the type of collateral securing the transaction.

Foreign Consumers

Q. How does the three-business day rule work for a foreign buyer, who is not currently residing in the United States?

A. The three-business day rule is the same regardless if the buyer is foreign and residing outside of the United States. The lender can delivery and confirm receipt of the TRID disclosures to a foreign consumer in the same manner that they deliver and confirm receipt for a domestic consumer.

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