



Using CFPB Calculation

Overview

Use this QRC to Calculate premiums for the Title Insurance.

How does the TRID Rule handle title fees for the simultaneous issue in purchase transactions on the final disclosures (both Loan Estimate and Closing Disclosure)?

- The Loan Policy must be shown at full rate for a loan policy of title insurance **without adjustment for simultaneous issue** on Closing Disclosure and Loan Estimate. This is mandated by the TRID rule regardless of lower, actual simultaneous issue rates for Lender's Policy (LTP) which may be filed or promulgated with the State Insurance Commissioner in your state.
- If an Owner's Policy (OTP) is also purchased, it must be disclosed on both the OTP and LTP as the sum of the
- CFPB's formula. This formula is: OTP Premium (Full Rate) + LTP Simultaneous Premium – Full LTP Premium. Like the LTP, this is mandated by the TRID rule regardless of how simultaneous issue rate may be filed or promulgated with state insurance commissioner in your state.

Here is how the TRID rule works versus the actual when applied to a transaction:

THE RULE vs ACTUAL (as filed or promulgated)	
OTP on Closing Disclosure: \$500.00	OTP Actually Charged: \$1200.00
<i>Sum of OTP Premium (Full Rate)</i> \$1200.00	
+ <i>SI Rate</i> \$100.00	
- <i>LTP Premium (Full Rate)</i> <u>\$800.00</u>	+
= <i>Total OTP</i> \$500.00	
LTP on Closing Disclosure: \$800.00	LTP Actually Charged: \$100.00
Total Premium: \$1300.00	Total Premium \$1300.00

AIM+ uses the formula above to calculate the premiums for title insurance. These premiums are displayed in the fields labeled "Closing Disclosure Premium" and will display on the Closing Disclosure. The actual values as displayed above will appear on the Settlement Statements unless otherwise marked on the title insurance screen.

NOTE: In many states, a consumer is entitled to a discount on a Loan Policy when an Owner's Policy will be simultaneously issued. Additionally, premiums must be disclosed according to actual promulgated rates or as filed and approved. The settlement statement provides title premium clarity for State Dept. of Insurance auditors as well as helps the consumer understand the differences in how the premiums are calculated.