



Know before you close.

# What is the Consumer Financial Protection Bureau?

Simple answers about the CFPB and how the new rules will change real estate transactions.

## CFPB Primary Goals:

Easier-to-use disclosure forms

- Improved consumer understanding

Better comparison shopping

- Avoid costly surprises at the closing table

To help simplify matters and avoid the confusing situations consumers have often faced when purchasing or refinancing a home in the past, the Dodd-Frank Act provided for the creation of the Consumer Financial Protection Bureau (CFPB) and charged the bureau with integrating the mortgage loan disclosures under the TILA and RESPA.

On November 20, 2013 the CFPB announced the completion of their new integrated mortgage disclosure forms along with their regulations (RESPA Regulation X and TILA Regulation Z) for the proper completion and timely delivery to the consumer. These regulations are known as "The Rule".

## In plain English, please

For more than 30 years, federal law has required all lenders to provide two disclosure forms to consumers when they apply for a mortgage and two additional short forms before they close on the home loan. These forms were developed by different federal agencies under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA).

Any residential loan originated after August 1, 2015 will be subject to the new rules and forms set forth by the CFPB\*. The Rule replaces the Good Faith Estimate (GFE) and early TILA form with the new Loan Estimate. It also replaces the HUD-1 Settlement Statement and final TILA form with

\*Loans in progress (applications submitted prior to August 1, 2015) will use current TILA and RESPA forms.





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the new Closing Disclosure. The introduction of the new disclosure forms requires changes to the systems that produce the closing forms. Fidelity National Title Group is already well underway in preparing our production systems to provide the new required fee quotes, prepare the new closing disclosure forms, and track the delivery and waiting periods required by the new regulations.

## Changes to the Closing Disclosure Timing




In addition to new forms for residential mortgage transactions, the new regulations also require delivery timetables for delivery to consumers, impacting when a closing can take place and disbursements made. Below is a preview of how the CFPB regulations will impact the closing process for transactions that originate after August 1, 2015.

## Which forms are in & out on August 1, 2015?



Out with the old	In with the new*
Good Faith Estimate Early TILA Form	 New Loan Estimate
HUD-1 Settlement Statement Final TILA Form	 New Closing Disclosure

\* As of August 1, 2015 for residential purchase and refi transactions.

## Changes to the Closing Disclosure Timing

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
	 <b>Three-day delivery period</b> Non-hand Delivery of Closing Disclosure (i.e. mail)			 <b>Three-day waiting period</b> Delivery of Closing Disclosure Occurs		
8	9	10	11	12	13	14
waiting cont. Sunday not counted	First day signing / closing may occur First day disbursements may occur for purchase and some refinances	 <b>Three-day right of rescission</b> (Applicable to most refinances)			First day disbursement may occur on most refinances	

## Timing References by Day

Signing	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
↓	↓	↓	↓	↓	↓	↓
Waiting Period 	Preceding Thursday	Preceding Friday	Preceding Saturday	Preceding Monday	Preceding Tuesday	Preceding Wednesday
↓	↓	↓	↓	↓	↓	↓
Delivery Period 	Preceding Monday	Preceding Tuesday	Preceding Wednesday	Preceding Thursday	Preceding Friday	Preceding Saturday

### NOTE:

- If a federal holiday falls within the Delivery and/or Waiting Periods, add an additional business day.
- The three-day period is measured by days, not hours. Thus, disclosure must be delivered three days before closing, and not 72 hours prior to closing.
- Disclosures may also be delivered electronically to start the Delivery Period and may be signed in compliance with E-Sign requirements.