

KNOW BEFORE YOU CLOSE

WHAT YOU NEED TO KNOW ABOUT THE CFPB AND HOW IT AFFECTS YOU

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1968

TRUTH IN LENDING ACT (REG Z)

Federal Reserve Board enacts this statute to promote the informed use of consumer credit with clear disclosure of terms.

1974

REAL ESTATE SETTLEMENT PROCEDURES ACT (REG X)

Congress passes this act to prevent kickbacks and bait-and-switch lending tactics in real estate transactions.

DODD FRANK WALLSTREET REFORM & CONSUMER PROTECTION ACT

2010

Instead of consumer protection powers being scattered across the federal government, they are now under one roof. A new agency is created to ensure prices and risks are clear and that consumers understand their financial commitments.



WHAT IS THE CFPB?

CONSUMER FINANCIAL PROTECTION BUREAU



Created to protect consumers and make financial products easier to understand and compare.



After the 2008 financial meltdown, Congress established the Consumer Financial Protection Bureau (CFPB). Among its first tasks was the combination of forms provided to borrowers at both the beginning and the end of their loan transaction.

2013

CFPB publishes its final rule revealing the two new combined forms.

OLD FORMS



Good Faith Estimate
 Early TILA Form
 HUD-1 Statement
 Final TILA Form



LOAN ESTIMATE



CLOSING DISCLOSURE

5 THINGS YOU NEED TO KNOW BEFORE OCTOBER 3, 2015

**NEW FORMS
 NEW RULES**

IMPORTANT THINGS TO KNOW AND HOW THEY CHANGE REAL ESTATE TRANSACTIONS

- Be able to explain the new Loan Estimate and Closing Disclosure forms.
- Timing of closings are impacted by new disclosure delivery rules.
- Title fees may need to be adjusted and explained at closing.
- There are now 7 "fee areas" -- line numbers have been removed.
- Your client will likely receive more than one Closing Disclosure.

(LOSING CALENDAR CHANGES

OCTOBER
3

SUN. MON. TUES. WED. THURS. FRI. SAT.

3 DAY DELIVERY NON-HAND DELIVERY OF CLOSING DISCLOSURE (I.E. MAIL)		3 DAY WAITING DELIVERY OF CLOSING DISCLOSURE OCCURS	
FIRST DAY FIRST DAY SIGNING OR CLOSING MAY OCCUR. FIRST DAY DISBURSEMENTS MAY OCCUR FOR PURCHASE AND SOME REFINANCES	THREE-DAY RIGHT OF RESCISSION (APPLICABLE TO MOST REFINANCES)		DISBURSEMENTS FIRST DAY DISBURSEMENTS MAY OCCUR ON MOST REFINANCES