

## REAL ESTATE ARTICLE - TIKI ISLANDER

September 19, 2015

### BUYER OR SELLER “NEED TO KNOW” BEFORE OCTOBER 3 CLOSING!

Oh me, oh my – what changes are on the horizon? If you have just purchased or sold your home and are closing before October 3, 2015, OR the transaction does not involve a mortgage, these changes should not affect you. However; on or after that date, there are many changes concerning the disclosures and timing of your closing that you should know. Don't let all the acronyms slow you down ... please keep reading!

The Dodd-Frank Wall Street Reform and Consumer Protection Act required the Consumer Financial Protection Bureau to combine certain RESPA and Truth-in-Lending disclosures. So that is what they have done. In November 2013, the Consumer Financial Protection Bureau (CFPB) integrated the Real Estate Settlement Procedures Act (RESPA) and Truth in Lending Act (TILA) disclosures and regulations. Any transaction involving a mortgage will use new CFPB disclosure forms. The new TRID forms were to be implemented on August 1, 2015. However, on July 21, 2015, after calls from NAR and other industry groups, CFPB officially announced that the effective date of the implementation of the rule was delayed until October 3, 2015.

Here are only a few, very important things to keep in mind: 1) this new rule simplifies and consolidates some of the required loan disclosures; and 2) changes to the timing of some activities in the mortgage process can affect the timing of the closing. (For example:

Consumers have responded that the newly designed Loan Estimate and Closing Disclosure make it easier to focus upon what is important. The forms' design and language make the loan terms and loan costs easier to understand and potential errors or problems easier to recognize. The estimated total monthly payment is on the first page of the Loan Estimate and Closing Disclosure. The estimated cash needed to close appears on the first page of the same form.

The CFPB site has created a step-by-step guide to walk homebuyers through the entire process called the Homebuyer toolkit. There is a new Real Estate Professional's Guide to explain the CFPB's "Know Before You Owe" initiative. All of this information is available on line on the following site: [www.consumerfinance.gov](http://www.consumerfinance.gov). It provides information for smooth and on-time closings. Your Realtor can guide you by letting you know what has and has not changed about the mortgage process.

Sue Ellen Johnsen, GRI, CRS, RSPS, CNE  
Five Start Real Estate Agent 2011, 2012, 2013, 2014, 2015  
Broker Associate  
Better Homes and Gardens Real Estate GARY GREENE  
Direct 409-789-6664