

## CFPB Requirements Taking Effect August 1, 2015

*The HUD-1 and GFE will be replaced by the Loan Estimate and Closing Disclosure Forms*

### Why is CFPB replacing the current disclosure forms GFE and HUD-1?

Purchasing a home is one of the most important decisions consumers make. When consumers are confused, they are more likely to take on riskier loans. The new rules will provide substantial, long term benefits to consumers and industry.

Consumers will get a simple accounting of their likely payments and fees, and how much they may increase, to prevent costly surprises. The industry will experience cost savings in the long term because they will no longer have to provide two different sets of disclosures and administer compliance with two different sets of regulatory requirements.

### When will this change take place?

The changes will be effective for any 1-4 unit residential mortgage loan originated after August 1, 2015.

### What is the Loan Estimate?

The Loan Estimate will be provided to consumers within three business days after they submit a loan application. It replaces the early Truth in Lending disclosure and the Good Faith Estimate, and provides a summary of the key loan terms and estimated loan and settlement costs. Consumers can use this new form to compare the costs and features of different loans.

### What is the Closing Disclosure?

The Closing Disclosure will be provided to consumers three business days before consumers close on a loan. It replaces the final Truth in Lending Statement and the HUD-1 uniform settlement statement. In addition to summarizing the final loan terms and costs, the Closing Disclosure provides consumers with a detailed

accounting of their transaction. By providing consumers with the Closing Disclosure three business days before closing, consumers will have time to review their final loan terms and costs in an unpressured environment rather than at the closing table.

### How will this effect the closing date?

Both the Loan Estimate and Closing Disclosure forms must be received by the consumer three business days before the closing of the loan. This may add additional time to the closing date and a new form must be submitted if there are any changes to the APR tolerance, loan product or addition of prepayment penalties. *See chart on reverse for more details.*

Understanding how these new regulations will affect the timing of closing is critical. Below are additional resources to help you stay a step ahead.

**Consumer Financial Protection Bureau (CFPB)**  
[www.consumerfinance.gov/knowbeforeyouowe](http://www.consumerfinance.gov/knowbeforeyouowe)

**American Land Title Association (ALTA)**  
[www.alta.org/cfpb](http://www.alta.org/cfpb)

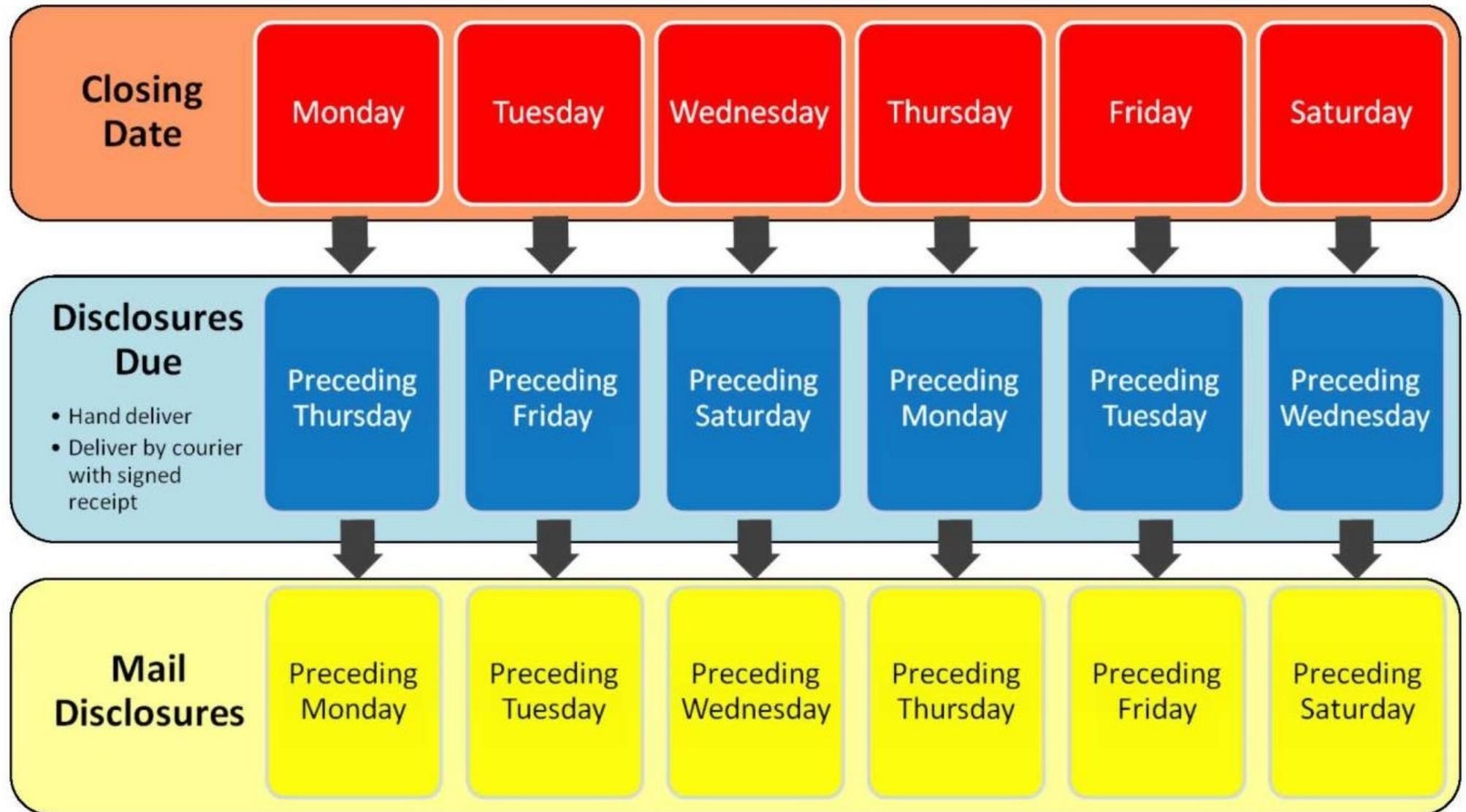


*For more detailed information regarding these new regulations, and how they may affect you, please ask about Corinthian Title's CFPB Guide*

*Contact us today for all your title and escrow questions!*

**619-299-4800 ♦ 888-828-8490 ♦ CorinthianTitle.com**

# Three-Day Closing Disclosure Rule



**Note:** If a federal holiday falls in the three-day period, add a day for disclosure delivery.

The three-day period is measured by days, not hours. Thus, disclosures must be delivered three days before closing, and not 72 hours prior to closing.

Disclosures may also be delivered electronically on the disclosures due date in compliance with E-Sign requirements.