

Odds are that you've heard of the TRID storm that is on its way to us. TRID stands for TILA-RESPA Integrated Disclosures and August 1, 2015 will be the effective date. Most closed end real estate transactions will be affected by the new Rule and it will change the way we are closing escrows. August 1 is a Saturday, so nothing will really happen that day, but you should be prepared for changes on Monday August 3<sup>rd</sup>. Hopefully you are already working toward a solution by partnering and communicating with your clients. We will all have to get used to a new way of processing our escrows, and it starts with making sure you know how the TRID Rule will impact our world.

Be aware that not all transactions after August 1, 2015 will require the Loan Estimate and Closing Disclosure requirement. Nothing will change for transactions for which loan applications were taken prior to August 1, 2015. The GFE and HUD-1 will still be used for those transactions.

For loan applications taken **on or after** August 1, 2015, on most closed end residential transactions the GFE, TIL and HUD forms will be replaced by the Loan Estimate and Closing Disclosure. Some of the obvious changes will be:

1. Accurate disclosures of fees required up front, which means when the lender issues the Loan Estimate, and that is prior to the opening of an escrow file
2. Closing Disclosure must be delivered 3 business days prior to consummation (or signing), and an additional 3 business days is added for the mailbox delivery rule
3. Closings may be delayed if there are last minute changes to the Closing Disclosure
4. Lenders may require technology integration with escrow agents to ensure accurate data exchange for transactions
5. The calculation of the Owner's Title Policy and the disclosure of the Lender's Policy on the Closing Disclosure will be very different than what we are used to today

Something else to be aware of is that the HUD-1 will still be used for certain transactions, for instance, reverse mortgages, HELOCs, mobile homes etc.

It is important to take a proactive stance and start learning about what affects the TRID Rule will have on your desk so you can be prepared and will be ready to deal with the changes after August 1, 2015.

If your company has not yet provided you with training regarding TRID, there are several places for you to learn about the TRID Rule. The best one to start with is:

<http://www.consumerfinance.gov/knowbeforeyouowe/>

Stay tuned for more information from OCEA.