



Are you ready for ~~August 1st~~? October 3rd?

By Kimberly Rosenberg, President and Title Counsel

Real Estate transactions are going to change significantly with the implementation of the Consumer Financial Protection Bureau's final integrated mortgage disclosure rule on ~~August 1st~~ October 3rd. Below is a list of some things you should be doing now to help ensure your office is ready for all of the changes. Keep in mind that this list is not all encompassing, and is being offered as a way to provide practical tips to help you get prepared for the changes.

1. **Update your software and sign up for training on the new forms.** The new borrower's closing disclosure and the new seller's disclosure will replace the HUD-1 for the majority of residential loan transactions that are originated on or after ~~August 1st~~ October 3rd. This change will require new closing software. You should get on your service provider's list for the update and schedule your training. If you have not heard from your software provider on this issue, check and make sure your software provider is preparing for the new forms, and if not, start looking for a new provider NOW.

Familiarizing yourself with the new forms and the new timelines for delivery is also important. You will want to have a good understanding of the forms ahead of your first closing under the new rule. Information on the new forms is available at consumerfinance.gov. The forms are part of a program the Bureau calls "Know Before You Owe".

2. **Register with Closing Insight.** Closing Insight is a closing collaboration portal where closing attorneys and lenders can communicate directly in a secure environment. Some lenders will require the use of Closing Insight for all of their loan transactions originated on or after ~~August 1st~~ October 3rd. You can register for Closing Insight at www.closinginsight.com.
3. **Register your fees with ClosingCorp.** ClosingCorp is a provider of fee management solutions. Lenders will be looking at companies like ClosingCorp when they complete the fee sections on the new Loan Estimate.

4. **Determine new internal closing procedures.** Now is the time to think about how your office will perform closings under the new rule. For a number of reasons, many believe that the closing attorney will need to provide a separate settlement statement in addition to the borrower's closing disclosure provided to the borrower and the seller's disclosure provided to the seller. You need to decide what form you will use. ALTA has created four settlement statements to be used in conjunction with the new mortgage disclosure forms, but we are not anticipating that many software providers will have these forms loaded in their closing software by ~~August 1st~~ October 3rd. These ALTA forms may come into play later. We believe that the forms most likely to be used initially will either be the simple settlement statement that most software companies provide in their software package, or the pre-2010 HUD-1. If you have SoftPro, both of these forms should already be loaded in your production system and should work with ProTrust.

There will be different closing procedures for different lenders. Some lenders will require you to prepare the borrower's closing disclosure, while other lenders will prepare it themselves. You need to have a process in place for both scenarios. The same process should be addressed for amending the borrower's closing disclosure.

5. **Talk to Realtors about the new forms and their impact on the closing process.** The new forms come with new timelines for delivery. The borrower must receive the new closing disclosure three business days prior to closing. The realtor will need to get closing costs to you much sooner in the process than they do now. Last minute charges could be problematic. While only three changes trigger a new three day waiting period (an increase in interest rate, insertion of a prepayment penalty or switching to a new loan product), some lenders have indicated that they, and not the closing attorney, will make any change on the closing disclosure. Currently, with lender approval, you can make a last minute change on a HUD-1. If the parties have to wait for the lender to make any changes to the closing disclosure, there may be delays. Timeliness and accuracy are going to be important. The North Carolina Real Estate Commission (NCREC) and the North Carolina Association of Realtors (NCAR) have been doing a good job of educating realtors about the upcoming changes, but they may not be able to reach everyone by ~~August 1st~~ October 3rd. It is important that you speak to your realtors so that they know changes are coming.

Elizabeth Harrison, the current chair of the Real Property Section, and I have spoken at three different seminars at the request of the NCREC and/or the NCAR in an effort to educate realtors about the new forms and how they will change the closing process. We presented a webinar last month at the request of the NCAR. [Click here to access the webinar.](#) Elizabeth does a great job of explaining the impact of the new forms, as well as ALTA Best Practices, on the attorney/realtor relationship. Feel free to share this with your staff and/or realtors with whom you regularly work.

6. **Learn the new acronyms.** With new regulation and new forms, come new acronyms. Below are the **new** ones we have identified thus far:

TRID: TILA/RESPA Integrated Disclosure Rule

IMD: Integrated Mortgage Disclosure Rule (another acronym for the new rule, although TRID seems to be preferred).

IMD: Another acronym for TILA/RESPA Integrated Disclosure Rule (TRID preferred)

LE: Loan Estimate (document replacing the GFE and initial TILA)

CD: Closing Disclosure (document replacing the final TILA and the HUD-1)

7. **Continue to work on becoming ALTA Best Practices compliant.** TRID is separate and apart from Best Practices, but that does not mean you should stop working on Best Practices. Most lenders assume you are well on your way to compliance and have performed, or are imminently able to perform, a self-assessment as set forth in ALTA's self-assessment guide.

We are going to see more changes to the closing process this year than we have in over 30 years. Right now we are 45 days away from TRID implementation. Attorneys Title is committed to helping you become compliant to the extent we are able to do so. We will be hosting newer and updated CLE/CPE seminars on TRID soon. In closing, below are links to some additional information that will help you get ready for ~~August 1st~~ October 3rd. We know there is a lot to do in these next 104 days. We think you are up to the task. Please contact us if we can help.

attorneytitle.com

consumerfinance.gov

ALTA.org

Wells Fargo memo

Bank of America memo

ncclosingattorneybestpractices.org