



TRID Update

By Kimberly Rosenberg, President and Title Counsel

I attended an industry meeting in Charlotte last week and heard several presentations that I thought were relevant to real estate practitioners in North Carolina. While a lot of the presentations were TRID related, some covered topics that were entirely new to me, such as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) and its requirements for reverse vendor oversight. While I plan to devote a future article to UDAAP, I felt it would be helpful to share some of the statistics I learned last week related to TRID, as well as the general outlook regarding the reopening of the rulemaking process for TRID later this year.

First, some good news. Closing times have dropped to their lowest levels since March, 2015. The nationwide average to close a loan as of March, 2016, is 44 days. The closing rate for purchase loans has increased to 75.1%, the highest percentage rate since August, 2011. Surveys conducted by various sources reveal that customer satisfaction with the mortgage process has increased under TRID, with the majority of consumers stating that the new forms are easy to understand, in general, and enable them to better understand closing costs and to make informed decisions when shopping for service providers. Finally, a recent ALTA survey shows 92% of consumers reviewed their disclosures before closing, compared to 74% under the old rules.

While all of this is good news for consumers, I have not seen a proper acknowledgement of the additional work on the part of the closing attorney and the lender that has made the consumer experience more positive. The consumer is more satisfied because of your efforts to provide the information in a timely manner, your advocacy and your commitment to accuracy.

Looking ahead, the CFPB announced in April that it is reopening the rulemaking for the TRID rule and would likely issue a Notice of Proposed Rule Making (NPRM) in late July. Most insiders believe that this will not result in an overhaul of the rule, but will give the CFPB the opportunity to provide clarity for certain provisions of the rule. This would be a welcome change in tone from previous communications in which the CFPB refused to issue formal guidance. The prevalence of informal guidance by the CFPB has created uncertainty and uneasiness among lenders. Informal guidance is not legally binding, and thus lenders are worried about post-closing or downstream risks if they rely on such information.

While at the meeting, I was also able to listen in on two different lender panels. At this juncture, no one seems to be backing away from using secure portals. Everyone recognized that there are still issues with using particular portals, but improving the process seems to be the focus rather than changing course. The "settlement agent issues" highlighted included the creation and delivery of the seller's CD in purchase transactions (do it) and the use of a HUD-1 instead of the CD (don't do it).

The lenders at the conference still seem to be committed to local closings and to letting the consumer choose their settlement agent provider. Several lenders expressed appreciation for the high degree of

willingness on the part of their settlement agents to take corrective action and noted a significant overall improved performance by settlement agents over a relatively short amount of time. This is all good news for North Carolina real estate attorneys.

As we move forward, expect to be invited to a Best Practices webinar in late summer or early fall. The Best Practices Task Force has assembled panelists from SoftPro, Wells Fargo, and ClosingInsight to answer your frequently asked questions and provide a TRID update from their perspective. Once we have a solid date, we will ask you to submit questions.

We, at Attorneys Title, recognize you are busy and want to thank you for the business you send our way. If there is anything we can do on our end to help you, please let us know.