



"WHERE THE CUSTOMER IS OUR FIRST PRIORITY"

KNOW BEFORE YOU CLOSE

WHAT IS THE CONSUMER FINANCIAL PROTECTION BUREAU?

Simple answers about the CFPB and how the new rules will change real estate transactions.

To help simplify matters and avoid the confusing situations consumers have often faced purchasing or refinancing a home in the past, the Dodd-Frank Act provided for the creation of the Consumer Financial Protection Bureau (CFPB) and charged the bureau with integrating the mortgage loan disclosures under the TILA and RESPA.

On November 20, 2013 the CFPB announced the completion of their new integrated mortgage disclosure forms along with their regulations (RESPA Regulation table X and TILA Regulation Z) for the proper completion and timely delivery to the consumer. These regulations are known as "The Rule"

Any residential loan originated after October 3, 2015 will be subject to the new rules and forms set forth by the CFPB*. The Rule replaces the Good Faith Estimate (GFE) and early TILA form with the new Loan Estimate. It also replaces the HUD-1 Settlement Statement and final TILA

CFPB PRIMARY GOALS

EASIER-TO-USE DISCLOSURE FORMS

IMPROVED CONSUMER UNDERSTANDING

BETTER COMPARISON SHOPPING

AVOID COSTLY SURPRISES AT THE CLOSING TABLE

For more than 30 years, federal law has required all lenders to provide two disclosure forms to consumers when they apply for a mortgage and two additional short forms before they close on the home loan. These forms were developed by different federal agencies under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA).

*Loans in progress (applications submitted prior to October 3, 2015 will use current TILA and RESPA forms.