

Regulation Title	Applies to	Disclosure	Highlights/Features of the Law
Real Estate Settlement Procedures Act RESPA Regulation X Regulator CFPB and Department of Housing and Urban Development – HUD <i>Integrated Disclosures aka TRID (Tila Respa Integrated Disclosure rule) combined GFE/HUD-1 and TIL disclosures for MOST loans into Loan Estimate (LE) and Closing Disclosure (CD)</i>	Application	Closed-end - Loan Estimate-LE (Closed-end), Home Loan Tool Kit, Required providers Open-end (HELOC, Reverse, Bridge, Mobile) - Good Faith Estimate of Closing Cost – “HUD Settlement Costs”, What you should know about home equity lines of credit Booklet	Residential Only, < 25 Acres. Lot Loans, Commercial Exempt. Borrower provides SS, Name, Prop Addr. Sales Price (Value), Loan Amount and Income for GFE Application. Lender provides LE/GFE within 3 business days. Can only Charge Credit report until customer sees LE/GFE. 0% Change between App and Closing on Mortgage Fees (Unless Changed Circumstance), Transfer Tax< 10% on Title and Required Providers (Unless customer shops). LE/GFE fees locked for 10 Business days (Bus day = M-F, excluding Federal Holidays).
	Business Practices	Section 8 - Anti-Kickback Provision	No “thing of value” in exchange for referrals. Payment for referral when no service is rendered is considered Kickback. Gifts must be given to all. Penalty – up to \$10,000 per. Ownership interest excluded in measuring referral compensation.
		Controlled/Affiliated Business Arrangement Disclosure “Blockbusting is illegal”	Interested parties must disclose nature of business relationship at time of sale – only owners may receive compensation. Arrangement MUST add value to consumer or considered “Sham” Redlining – refusing to lend based on geography
	Closing	Closed-end Closing Disclosure (CD) Open-end HUD-1 Settlement Statement (HELOC, Reverse, Bridge, Mobile)	CD must be delivered 3 business days prior to closing; at least 7 business days from application. 24 hours prior to closing borrower may inspect Final CD/HUD-1- Compare LE/GFE to CD/HUD-1 – any variance must be cured at closing. APR variance >0.125% (Fixed) or>0.25% (ARM) requires new 3 day notice.
	Servicing	Transfer Servicing Practices, Initial/Annual Aggregate Escrow Disclosure	For GFE, signed disclosure within 3 bus days. Disc Included on LE Borrower has right to 1.) Annual analysis, 2.) 15 day notice of servicing sale from selling and buying lender 3.) Max “cushion” 3 months (2+1)
Truth-in-Lending Act TILA Regulation Z Includes Mortgage Disclosure Improvement Act MDIA changes Regulator CFPB, Federal Reserve	Application/ Closing	Closed-end – See Loan Estimate/Closing Disc. Open-ended (HELOC, Reverse, Bridge, Mobile) TIL Disclosure - (Consumer Transactions – Primary Residence, 2 nd Home)	Truth in Lending delivered to borrower within 3 general business days of application and minimum 7 precise days prior to closing. No borrower fee (excpct credit rpt) before TIL. Re-disclose any change > tolerance minimum 3 precise bus days prior to closing. Tolerance for change > .125% (Fixed) or 0.25% (ARM). Discloses cost of credit, prepayment, late charges and other loan terms. (Precise Bus Day = Mon-Sat ex Fed Holidays/General Bus Day = Day your company is open (eg: M-F))
	Application	ARM/Non-traditional Loan Disclosure (Non-Trad. or Hybrid = anything with < 5 Year fixed and changing payments) HELOC	If loan is an ARM, borrower receives ARM disclosure (terms, index, history and CHARM (Consumer Handbook on ARMs) Booklet “Consumer Handbook on Adjustable Rate Mortgages” booklet HELOCs – Borrower receives “When Your Home is on the Line” booklet
	Business Practices	Advertising – See Mortgage Advertising Practices	Advertised interest rates must give APR at same type size. Quoting rates – must quote APR before contract rate. Trigger terms – anything specific to loan type, rate, fees – require complete disclosure
	Closing	Right of Rescission – (OO)	Owner Occupied Refinance only. Each borrower has 3 day right to cancel transaction. Each borrower must receive 2 copies.
	Application/ Closing	Home Ownership Equity Protection Act (OO) (Section 32 – High Cost Loans) Disclosure and Truth in Lending. HOEPA	Loans with rate > 8% (10% for 2nds) over Treasury, > 8 points are considered “High Cost”. NO 1.) Negative Amortization, 2.) Balloons < 5 years 3.) Prepayment Penalties 4.) Demand/Call provision 5.) 50% DTI, 6.) Lending without regard to repayment, 7.) HOEPA to HOEPA refi within 12 months, 8.) HELOCs exempt, but may not structure loan as HELOC to avoid. Borrower has 3 days PRIOR to closing + 3 days after Closing to Cancel. Check individual state for tougher guidelines (eg. NC, DC, IL)
		Section 35 – “Higher Priced Mortgage Loans” (OO) HPML	1.5% (3.5% for 2 nd) over FHLMC Prime Rate Survey (From FHFA site) – Disclosure, No: Prepay, Lending without regard to repayment, no-documentation, no escrow waiver in 1 st year.
Equal Credit Opportunity Act – ECOA- Regulation B Regulator CFPB	Application	Non-Discrimination Disclosure Decisioning Guidelines – Fair Lending	No discrimination on Race/Ethnicity, Gender, Childbearing, Age. Cannot discourage applicant from applying. Must give written notice of decision within 30 days. Lender defines app start date – usually when property is selected. Borrower has right to appraisal copy – request within 90 days of app – send within 30 days of completion. State Married/Unmarried only
	Processing	Fair Credit Reporting Credit Score Disclosure	State ALL reasons (4 Max), provide sources for adverse information. Borrower may not receive copy of credit report. Fair and Accurate Transactions (FACTA) Identity Red Flags must be reviewed and reported

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Home Mortgage Disclosure Act HMDA – Reg C CFPB	Application	1003 Data Collection	Reporting Data to identify discriminatory practices. Request Borrower Data – Must state “borrower refuses.” Face-to-Face Interviewer must guess. HMDA Threshold for high Cost is 1.5%/3.5% (1 st /2 nd) over comparable treasury security for reporting.
Gramm-Leach- Bliley – Financial Privacy Act Regulator -FTC	Application Servicing	Financial Privacy and Information Sharing	Consumers must be given option to “opt out” of information sharing. Prohibits “pretexting” – calling to for permission to share personal information under the guise of needing it for the purpose of a transaction. CUSTOMER only (= established business relationship)
		Safeguarding	Lender has duty to protect borrower “personal identifiable” data (See FACTA) – social security, date of birth, account numbers. Must properly destroy or dispose of credit reports, all non-public customer information. Company must have information security procedure.
Fair and Accurate Credit Transactions FACTA - FTC	Application	Identity Theft	Lenders must have identity theft plan – detect identity theft red flags at application, processing, closing, servicing. Vendors must have plan.
	Application	Credit Score Disclosure/Risk Based Premium Disclosure	Lender /Credit Bureau must provide borrower with credit score and description of impact on interest rate and loan terms. At Application
HOPA – Home Ownership Protection Act - FTC	Application Servicing	PMI Cancellation	Mandatory PMI cancellation at 78% LTV for non-high risk loans, 77% for High risk (FHA, non-prime), If borrower petitions, 80% of original value for FNMA.
SAFE – Secure and Fair Enforcement for Mortgage Licensing HUD/CFPB	Business Practices	Correspondence/Advertising	Non-Fed Originators (LO’s and Companies) must be licensed by states, must meet credit standards, background check; Complete 20 hrs Pre-Lic Ed (3/3/2)/8 Hours Cont Ed. (3/2/2) Pass State/National Test. (States still issue license – NMLS tracks) Federally regulated originators (bank/CU) must be registered in NMLS. Must include NMLS ID on ads, correspondence, 1003, Note/Deed of Trust/Mortgage
Appraisal Independence Rule AIR	Appraisal Process	Notice of Right to Receive Copy of Appraisal	Borrower receive appraisal copy 4 days prior to closing/note date at no cost. Production staff may not select/order/talk to appraisers. QC 10% of appraisals. Appraiser rotation
Telephone Consumer Protection Act - FTC	Sales Process	Telemarketing and Consumer Fraud Abuse Prevention Act	Do Not Call list – callers have 31 days to remove you once you register. If existing business relationship, can still call. No calls before 8 am or after 9 pm. No cell phone calls.
Mortgage Advertising Practices – MAP - CFPB	Sales Process		Must offer only actual terms. If trigger terms: 1.) down payment amount or %, 2.) number of payments/term 3.) amount of payment, 4.) amount of finance charge > Must disclose loan terms: a.) amount or percentage of the down payment, b.) repayment terms over the full term of loan, including balloon payment, c.) The “annual percentage rate,” using that term, and, if the rate may be increased after consummation, that fact
Unfair Deceptive and Abusive Acts and Practices (UDAAP) CFPB	Sales Process	Sales Practices, Business Practices	Broad, open-ended definition precludes any act that tends to deceive, bait and switch, false advertising, failing to perform, withholding information or services like refusing to accept a payoff, not disclosing all terms, causing financial harm
Bank Secrecy Act-BSA/Anti-Money Laundering-AML FinCEN	Origination	PATRIOT Act disclosure, OFAC Clearance	Report suspicious activity (>\$5,000) to Financial Crimes Enforcement Network (FinCEN). Photo ID for all customers. Verify all parties not banned through Office of Foreign Assets Control (OFAC)