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## **The new TILA-RESPA Integrated Disclosure Rule goes into effect August 1**

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After our brutal New England winter, it's hard to believe that we are knee deep into the spring real estate market. While we wished the days away until the warm weather, we all knew that, with each passing day, we were 24 hours closer to August 1. Yes, the countdown to August 1 continues - the date when the new TILA-RESPA Integrated Disclosure Rule goes into effect. As part of the Know Before You Owe Project, the CFPB has created new disclosure forms that are supposed to be easier for both consumers and the industry as a whole, to understand and use. Like it or not, it seems certain that the forms will go into play on August 1.

Although the new forms are universal, the closing process will vary from lender to lender. Who will be preparing the closing disclosure? How will settlement agents coordinate with the lender to prepare the required forms? Who will deliver the closing disclosure to the borrowers? How will the forms be delivered and how will the delivery be tracked? Communication with will be crucial.

Along with the new disclosure forms come new lender requirements that will need to be implemented. Lenders are requiring their settlement agents to be "compliant." Do you have your best practices manual in place? Are you certified by a third party vendor? Have you conducted a self-assessment? These are all questions that many lenders, both local and national, are asking their settlement agents.

Now is the time to stop thinking about what you need to do to prepare for the changes and actually do something about it. In order to help minimize any disruption in your business, be proactive and be prepared. Promote to your lenders the fact that you have implemented best practices, many of which you have most likely had in place for years, and educate your business partners on the topic. Take advantage of their thirst for knowledge. Use this as an opportunity to differentiate yourself from your colleagues and let the lenders know that you are ready, willing and able to do business with them.

Further, take advantage of the resources that your title insurance underwriters as well as your local and national trade organizations, including NELTA and ALTA, have to offer. For example, in March and April NELTA hosted seminars throughout New England regarding the integrated disclosure rule. The program walked participants through the new forms and described the new procedures to implement the rule's requirements. Your underwriters too have been hosting educational programs on this topic providing industry professionals with the knowledge they need in order to adapt and to remain competitive in light of these changes. Finally, ALTA has been tirelessly promoting their best practices and providing members with multiple forms, tool kits and other materials to assist us in our preparation for these industry changes.

As an industry, we are faced with a multitude of challenges. Market conditions, heightened government regulation by the CFPB, a lingering foreclosure market, and now the pending

implementation of TILA-RESPA integrated disclosure rule, just to name a few. As industry professionals, we are all busy adapting to the changes that affect the way we do business. Is it easy? Absolutely not. Is it necessary? Absolutely yes. Chaos often accompanies change. As we wade deep into the spring market, take time to use these last few weeks to prepare and to turn change into opportunity.

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