

A new rule makes the mortgage process easier for you

The mortgage process can be complex and confusing, but for consumers who apply for most mortgages on or after October 3, 2015, a new rule makes it easier.

The new rule improves the disclosures you'll receive and gives you time to review them. We've also created a set of online and offline tools and resources to help you navigate the mortgage process, ask the right questions, and make decisions. All of these initiatives are designed to ease the process of taking out a mortgage, help you save money, and ensure that you know before you owe.

Here's what will change with the new rule:

- Four overlapping disclosure forms will be streamlined into two forms, the Loan Estimate and the Closing Disclosure.
- You'll receive "Your Home Loan Toolkit" when you apply for a home purchase mortgage.
- You'll have more time to review the critical information about your closing. Currently, lenders must give you your HUD-1 Settlement Statement disclosure 24 hours in advance, if you request it; after October 3 you'll receive your Closing Disclosure three business days before you sign the forms and accept the terms of your mortgage, no request needed.



Here's how these changes will improve the mortgage process:

- The new forms make it easier to understand complicated mortgage terms.
- The Loan Estimate makes it easier to shop around and compare loan offers from multiple lenders. Request Loan Estimates from at least three lenders before choosing a mortgage so you can find the best deal for you and your family.
- You'll have three business days between getting your Closing Disclosure and signing on the dotted line to make sure there aren't major changes from the deal you were offered on your Loan Estimate. You'll have time to ask your lender all the questions you might have about the terms of your mortgage and consult with a lawyer or housing counselor.

Here are the resources that are available to help you with the process of buying a home and shopping for a mortgage:

- **“Your Home Loan Toolkit”** – This 25 page booklet takes you from budgeting to closing with worksheets, checklists, and conversation starters for different points of the mortgage process. This booklet is available online and is also given to you by your lender when you apply for a home purchase mortgage. You may also get it from your real estate agent or mortgage broker.

- **Guides to the Loan Estimate and Closing Disclosure** – Our interactive sample forms help you double-check the details and get definitions for terms used on the forms.

consumerfinance.gov/mortgage-estimate

consumerfinance.gov/mortgage-closing

- **“Owning a Home”** – Our “Owning a Home” site helps you through the entire process of buying a home. We’ve just added a new step-by-step guide to the mortgage process. “Owning a Home” also has resources to help you explore interest rates in your area, review loan options, and make sure you’re prepared for closing.

consumerfinance.gov/owning-a-home

- **Find a Housing Counselor** – Housing counselors approved by the U.S. Department of Housing and Urban Development (HUD) can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on your objectives and circumstances, often at little or no cost to you. To find a housing counselor near you, you can use our search tool.

consumerfinance.gov/find-a-housing-counselor

Making mortgage markets safer

Over the past four years, we’ve done extensive work to ensure the new rule will help consumers, including testing the new forms with consumers around the country. In our testing, we determined that these new forms helped people better understand the terms and types of mortgages in the market.

As a government agency created in the wake of the financial crisis of 2008, we work to protect consumers in their dealings with financial services and products. In the Dodd-Frank Act of 2010, the CFPB was instructed to revise the mortgage disclosure forms.

We believe you have the right to compare offers and understand the terms before you sign on the dotted line. And the information you use should be clear and easy to understand.

The mortgage process is easier when you know before you owe.

Learn more about this new rule and find more mortgage resources at

consumerfinance.gov/knowbeforeyouowe.