

Question index - Outlook

Live webinars on TILA- RESPA Integrated Disclosure



Consumer Financial
Protection Bureau

July 2015

CFPB staff has been participating in a series of webinars sponsored by the Federal Reserve to address implementation of the new rule. This document contains a list of each question answered in the webinars, the date of the webinar in which the question was covered and the time stamp (hour: minute:second) when the question was answered in the course of that particular webinar.

Recordings of the webinars can be found at www.consumerfinance.gov/regulatory-implementation/tila-respa/. Please note that registration is required to view the recordings at the Outlook Live site.

These presentations are current as of the date on which they were presented. These presentations do not represent legal interpretation, guidance or advice of the Bureau. While efforts have been made to ensure accuracy, these presentations are not a substitute for the rule. Only the rule and its Official Interpretations can provide complete and definitive information regarding requirements. This document does not bind the Bureau and does not create any rights, benefits, or defenses, substantive or procedural, that are enforceable by any party in any manner.

Question	Webinar Date	Time stamp
1. Pre-application activity		
Can a creditor review detailed written documentation of income and assets prior to delivering a Loan Estimate?	5/26/15	9:14
2. Definition of application		
Does the new definition of “application” under the rule apply to home equity lines of credit (HELOCs)? Will the previous definition of “application” still apply to HELOCs and other products?	5/26/15	12:55
May an institution collect more information than the six pieces of information that would constitute an application before issuing a loan estimate?	6/17/14	57:20
Does a creditor have to collect all six pieces of information at once or can they strategically collect it to better control when they have to generate the loan estimate?	6/17/14	1:00:03
The definition of application does not include loan term or product type. What if a consumer submits the six elements listed in the rule, but does not specify the type of product or term?	8/26/14	11:55
What if the consumer starts filling out an online application and saves it with the six pieces of information entered, but has not yet submitted it to the creditor?	8/26/14	15:45
What if the loan is a refinance and the other creditor already has this particular information on file?	8/26/14	17:10
May an online application system reject applications submitted by a consumer that contain the six elements of an application because other preferred information is not included?	8/26/14	18:13

3. Scope of rule		
Do the new disclosure requirements apply to assumptions?	8/26/14	21:55
Would a successor-in-interest be considered a “subsequent purchaser” for the purpose of the assumption disclosure?	8/26/14	23:00
Section 1026.3(h) exempts certain downpayment assistance loans from the new rules. Do creditors still need to provide the existing TILA disclosures for those loans?	8/26/14	25:03
4. Record retention		
For seller Closing Disclosure provided on a separate document by the settlement agent pursuant to 1026.38(t)(5) and 1026.19(f)(4), are creditors required to collect and retain documents related to the seller that were provided only to the settlement agent?	8/26/14	26:47
5. Tolerances		
Is owner’s title insurance not required by the creditor subject to the 10% cumulative tolerances?	8/26/14	32:10
6. Disclosures/redislosure timing		
Does the 7-day waiting period before consummation that applies to Loan Estimates apply to revised disclosures?	8/26/14	36:30
Are creditors required to provide revised Loan Estimates on the same business day that a consumer or loan officer requests a rate lock?	8/26/14	38:08
May a Closing Disclosure be provided early and revised Closing Disclosures used in place of revised Loan Estimates for rediscovering estimates that change due to changed circumstances?	8/26/14	40:55
Is an additional 3-business-day waiting period required if the APR decreases by more than 1/4 or 1/8 percentage points?	8/26/14	48:05

7. Loan estimate – General		
Where on the Loan Estimate form is the creditor supposed to provide the language described in 1026.19(e)(3)(iv)(F) for construction loans where settlement may be delayed?	8/26/14	51:15
For second mortgages issued simultaneously with first mortgages as part of the purchase transaction (or “simultaneous seconds”) is the creditor allowed to use the alternative Loan Estimate for transactions without a seller?	8/26/14	52:30
If there is more than one applicant/consumer, what needs to be disclosed on the Loan Estimate?	8/26/14	56:10
Is there a required font size for the Loan Estimate?	10/1/14	11:40
Can the designation “N/A” be used where no value is to be disclosed on the Loan Estimate?	10/1/14	12:50
Is there a required naming convention used for charges on the Loan Estimate?	10/1/14	13:16
Does the creditor have to disclose an itemization of the amount financed with the Loan Estimate?	10/1/14	14:40
8. Loan Estimate - Page 1		
When the Sale Price of the property is not yet known, does the creditor disclose a label other than “Sale Price” for the Sale Price on the Loan Estimate?	10/1/14	23:45
If a loan product consists of a combination of two product types – e.g., a step rate for a set period of time, followed by an adjustable rate for the remaining term of the loan – how is the product to be described? Should it be described as an Adjustable Rate loan or as a Step Rate loan?	10/1/14	24:41
Is the mailing address for each Applicant the U.S. postal mailing address or can it be some other type of address?	10/1/14	26:05

If a broker is issuing a Loan Estimate but does not know the creditor, may the broker put its name in place of the creditors?	10/1/14	27:37
Section 1026.37(a)(12) indicates the creditor must disclose a unique loan ID number. If the creditor is unknown:		
Is the broker required to generate and disclose a unique loan ID number?	10/1/14	28:43
Is the creditor required to disclose its own unique loan ID once there is a creditor for the loan?	10/1/14	30:32
Can the amount disclosed for Estimated Taxes, Insurance & Assessments be for a time period of other than monthly?	10/1/14	39:35
If mortgage insurance will automatically terminate in the time period that would be included in the 4 th column, how do I indicate that mortgage insurance will terminate before the end of the loan?	10/1/14	40:50
Must the escrow row be shown if no escrow account is established?	10/1/14	42:47
Are flood insurance premiums included in Homeowner's Insurance for purposes of the Escrow disclosure and the Taxes and Insurance & Assessments disclosure on the Projected Payments table?	10/1/14	43:07
Alternative for transactions without a seller: Are the modifications to the Loan Estimate for transactions without a seller required?	10/1/14	45:08
9. Loan Estimate – Page two		

If a creditor charges an origination fee that is a percentage of the loan amount, but it is not a “point paid to the creditor to reduce the interest rate,” may the creditor identify it as a point in some way to preserve its tax deductibility for the consumer?	10/1/14	48:30
Assume the creditor will pay a Loan-Level Price Adjustment (LLPA) to the secondary market purchaser:		
If the creditor does not charge the consumer an upfront fee, but passes the cost of the LLPA on to the consumer through interest, is the creditor required to disclose the LLPA?	10/1/14	50:42
If the creditor does charge the consumer an upfront fee, should it be disclosed as a “point” or an “origination charge”?	10/1/14	51:58
If the creditor offers the borrower a zero or lower point option, and the consumer chooses to pay for discount points in an amount greater than the LLPA to obtain a lower rate, may the creditor disclose the amount paid as discount points rather than as an origination charge?	10/1/14	53:42
Must a creditor disclose fees that are not allowed by FHA/VA? If so, where?	10/1/14	55:28
How does the creditor disclose charges for third-party administrative and processing fees that are currently rolled up into Block 1 of the GFE?	10/1/14	56:48
Can a creditor change the number of lines for each category of costs if there are more or fewer charges in each category?	10/1/14	58:07
How should premium rate creditor or “negative points” be disclosed? May the creditor add a separate addendum to detail the offset?	10/1/14	59:00

Recording fees and other taxes appear to encompass all government taxes which are not transfer taxes. Does this include taxes on separate services, such as title insurance?	10/1/14	1:00:45
Credit life insurance is usually paid on a monthly basis, but is only mentioned in the “Other” section of “Other Costs.” Is that where I should disclose the premium?	10/1/14	1:02:00
Comment 1 to Section 1026.37(h)(1)(ii) indicates that the amount disclosed is determined by subtracting the estimated total amount of payments to third parties not otherwise disclosed as Loan Costs or Other Costs. Some fees that are considered to be financed are already disclosed as Loan Costs. However, if these amounts are not considered financed, then the total Cash to Close would be too high because the financed fees are not subtracted. Can you please clarify?	5/26/15	16:05
How does a creditor determine the “third party” payments to be deducted from the loan amount to calculate the Closing Costs Financed?	10/1/14	1:06:25
Is the deposit or down payment subtracted as part of the calculation of Closing Cost Financed?	10/1/14	1:07:23
Is the calculation of the Closing Costs Financed line item affected by a seller credit?	10/1/14	1:07:53
For the “Downpayment/Funds for Borrower” line item, does the “existing debt” being satisfied include any type of debt, other than debts disclosed under 1026.37(g), whether or not the creditor required it to be repaid?	10/1/14	1:08:14
What debt is disclosed under 1026.37(g) instead of as part of Payoffs and Payments under the alternative Calculating Cash to Close table?	10/1/14	1:09:10
Does the payoff of any outstanding debt of the consumer included as part of Payoffs and Payments or only those debts of the consumer that are required to be paid as a condition of the extension of credit?	10/1/14	1:10:08
Can the alternative cash to close table be used for multiple loan transactions without a seller? There is no line for the application of subordinate financing in the alternative Cash to Close table.	10/1/14	1:10:55

Can the standard Calculating Cash to Close table disclose the Estimated Cash to Close amount as a negative number?	10/1/14	1:12:26
AP and AIR Tables - Are the adjustable payments and adjustable interest tables disclosed for a fixed rate loan?	10/1/14	1:13:25
If there is a valid changed circumstance or a borrower requested change that triggers another third-party service that the creditor permits the consumer to shop for, should the list of service providers be updated and re-disclosed, or is the written list of service providers required to be provided only once upon providing the initial Loan Estimate?	5/26/15	21:56
10. Loan Estimate – Page three		
In a loan with a mortgage broker, must both a creditor's loan officer and a mortgage broker's loan officer be listed on Contact Information?	10/1/14	1:15:11
Contact information - Should we use the same person's NMLSR identification number that will be identified on the note and other documents?	10/1/14	1:17:17
Comparisons Table – Is the APR disclosed as a rounded amount or is it truncated at three decimal places?	10/1/14	1:19:43
Does the creditor need to disclose on the Loan Estimate that it will transfer servicing if the transfer is not immediate, but will happen at some later point in time during the life of the loan?	10/1/14	1:21:34
Does the creditor need to disclose on the Loan Estimate that it will transfer servicing if the transfer is to the creditor's subsidiary or affiliate?	10/1/14	1:22:37
Does the Appraisal notice satisfy the requirements of Regulation B, or does the creditor need to provide a separate disclosure for that requirement?	10/1/14	1:23:28
How can a creditor communicate to the consumer that the identification of a service provider on a written list is not an endorsement of that service provider?	10/1/14	1:25:28

11. Closing Disclosure – General		
What should creditors do if the information required to be disclosed doesn't fit in the space allotted on the form?	11/18/14	57:53
Is there a model or sample of an addendum?	11/18/14	59:04
Is there anything creditors are required to include on the addendum?	11/18/14	59:26
The current HUD-1 has a comparison chart to show the applicable tolerance levels and how the charges compare. Where is the equivalent chart on the Closing Disclosure?	5/26/15	28:28
In a scenario where the creditor's estimate of closing costs changes, but the prior estimate remains "in good faith" for purposes of Section 1026.19(e)(3), is the creditor prohibited from providing the consumer with a revised disclosure?	5/26/15	24:17
If the owner's title policy disclosed on the Closing Disclosure is not the same amount of the premium quoted by the title underwriter, how does a creditor show that a seller has agreed to pay for the owner's title insurance?	5/26/15	29:29
12. Closing Disclosure – Page 2		
How does the disclosure of recording fees differ between the Loan Estimate and Closing Disclosure?	11/18/14	34:26
How should creditors disclose the name of the government entity to whom a transfer tax fund is distributed?	11/18/14	35:35
13. Closing Disclosure – Page 4		
Loan disclosure on partial prepayments - Is a lender required to choose only one option for the Partial Payments disclosure required by § 1026.38(l)(5), or is it possible to check multiple boxes?	11/18/14	53:57
14. Closing Disclosure – Page 5		

What constitutes an anti-deficiency law for purposes of the Closing Disclosure?	11/18/14	53:57
Do statutes of limitations on obtaining or collecting a deficiency judgment count as anti-deficiency protections for purposes of the Closing Disclosure?	11/18/14	54:51
Are state laws that limit how much a creditor may collect in an anti-deficiency judgment considered anti-deficiency protections for purposes of the closing disclosure?	11/18/14	55:50
How should a creditor make this disclosure if a state anti-deficiency law could apply to the loan, but whether it ultimately would apply depends on facts and circumstances at the time of foreclosure?	11/18/14	56:28
15. Your Home Loan Toolkit/Settlement booklet		
Can market participants place their logo on the Toolkit cover?	5/26/15	40:05
If a creditor makes the toolkit available on its website, does that satisfy the rule's delivery requirement?	5/26/15	40:56
16. Other		
Can the disclosures be completed by hand printing?	5/26/15	14:14
Construction-to-permanent loans can be structured to have a single closing at the beginning of the process, or to have two closings, one at the beginning and then another at the end of the construction phase before the loan converts into permanent financing. How should a creditor disclose terms in a single-close construction-to-permanent loan transaction?	5/26/15	19:13