

# TOP 10 THINGS REAL ESTATE AGENTS SHOULD KNOW ABOUT THE TILA-RESPA INTEGRATED DISCLOSURES (TRID)

- 1 A closing statement form called the Closing Disclosure or CD is used for most loan applications. The lender, not the closing agent, may be preparing and delivering the CD.
- 2 The CD must be delivered to the buyer/consumer at least three business days prior to the scheduled closing date.
- 3 The closing agent must get information to the lender approximately 10 to 14 days prior to the closing date for completion of CD to meet the delivery requirement.
  - You will need to communicate to the closing agent all your buyer paid charges 10 to 14 days prior to the closing date.
- 4 The closing agent will need your real estate company's state license number and your individual real estate license number for the CD.
- 5 The CD sent to the buyer/consumer will not include the "seller's side" of the transaction.
  - The closing agent (not the lender) is responsible for providing the seller's side of the CD.
  - The closing agent may decide to prepare a separate CD for the seller.
- 6 You likely will not receive an advance copy of the CD before it is delivered to the buyer/consumer.
  - The lender will likely send the CD to the closing agent when it is sent to the buyer/consumer.
  - The settlement agent will not be permitted to send a copy to real estate agents; you will need to obtain a copy from the borrower.

*(Even with the authorization of the borrower/seller to give a copy of the CD to you, the settlement agent would not be permitted to do so without the written approval of the lender since the CD is a loan document.)*

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## TOP 10 THINGS REAL ESTATE AGENTS SHOULD KNOW ABOUT THE TILA-RESPA INTEGRATED DISCLOSURES (TRID)

- 7** Changes to the CD after delivery to the buyer/consumer *MAY* trigger a new three-day waiting period if changes cause the Annual Percentage Rate to be inaccurate, the buyer changes loan product or a prepayment penalty is added.

  - Changes and adjustments affecting the value of the property (as determined by the lender) may trigger additional disclosure and review periods under the Equal Credit Opportunity Act (ECOA) controlling the delivery of the appraisals.
  - You may want to consider two pre-settlement inspections or “walk throughs” (e.g. first inspection 7 to 10 days in advance of closing and a second inspection on the day of the closing).
- 8** The CD refers to Owner’s Title Insurance as “optional.” Ask me for more information on the benefits of an Owner’s Title Insurance Policy or see “The Importance of an Owner’s Title Insurance Policy” resource.
- 9** The TRID Rule may affect the contract terms that you help negotiate for either the buyer or the seller.

  - For example, a closing 30 days “out” may no longer be realistic.
  - If your contract form contains a “set” number of days for the closing to occur, then a minimum of 15 additional days may be advisable.
  - If your contract form requires you to fill in a specific date, take additional time into consideration. It is important for you to communicate with the lender and the closing agent to determine a realistic time frame for closings.
- 10** What system do you have in place to communicate changes to the contract (after it is been signed) to the lender? Consider having a conversation with buyers about their need to respond immediately to lender requests and remind the seller they must follow the contract to the letter because not doing so may delay the closing.