

## **NEW FORMS** What new forms are being introduced?

ANY RESIDENTIAL LOAN ORIGINATED ON OR AFTER OCTOBER 3, 2015 WILL BE SUBJECT TO THE NEW RULES AND FORMS SET FORTH BY THE CFPB. THE RULE REPLACES THE GOOD FAIR ESTIMATE (GFE) AND EARLY TILA FORM WITH THE NEW LOAN ESTIMATE. IT ALSO REPLACES THE HUD-1 SETTLEMENT STATEMENT AND FINAL TILA FORM WITH THE NEW CLOSING DISCLOSURE. THE INTRODUCTION OF THE NEW DISCLOSURE FORMS REQUIRES CHANGES TO THE SYSTEM THAT PRODUCE THE CLOSING FORMS.

## **NEW TERMS** What new terms should you know.

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#### **BUSINESS DAYS**

For the purpose of providing the Closing Disclosure in a real estate transactions, business days include all calendar days except Sundays and legal public holidays such as: New Year's Day, Martin Luther King Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day.

#### **CREDITOR**

The CFPB broadly defines the lender as a creditor. Note: for the purpose of the new rules and to remain consistent with the current rules under the Truth-in-Lending Act, a person or entity that makes five or fewer mortgages in a calendar year is not considered a creditor.

#### **CONSUMER**

Throughout the rules the borrower is referred to as the consumer. There are also sellers involved in many real estate transactions, which the CFPB also defines as consumers. The focus of the new rules is for the borrower and nearly all of their references to the consumer translate to the borrower.

#### **CONSUMMATION\***

Consummation is the day the borrower becomes legally obligated under the loan, which would be the date of signing, even if the loan has a rescission period. The concept of a rescission is the borrower accepts the obligation and then later has an opportunity to rescind it.

\*NOTE: It is important to note the definition of consummation can be different than the closing date as de-fined in the purchase agreement where the buyer becomes contractually obligated to a seller on a real es-tate transaction.



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