



Monthly Telephone BRIEFING

Friday, May 18, 2018 – 12:00 – 1:30 p.m.

CFPB Closes the TRID “Black Hole”

As originally adopted, TRID (TILA-RESPA Integrated Disclosures) contained a disclosure trap that became known as the “blackhole.” The black hole arose when the creditor had already delivered a Closing Disclosure and a changed circumstance occurred afterward. The changed circumstance allowed the creditor to give revised disclosures to reset the applicable tolerances. To do so, the creditor would give a revised Closing Disclosure, as opposed to a revised Loan Estimate.

However, the commentary also stated that a revised Closing Disclosure could only be given if there were less than four business days between the deadline to give the revised disclosures and consummation. Revised disclosures are normally required to be given within three business days after the creditor learns of the changed circumstance. The black hole arose when the changed circumstance caused consummation of the transaction to be put off by more than seven business days. In these cases, the creditor could never give a timely corrected disclosure. It was either more than three days after the changed circumstance or more than four days before consummation, hence the “black hole.” This scenario could arise when the consumer requested a delay in consummation of more than a week while also triggering a disclosable rate-lock extension fee.

The Bureau issued a proposed solution in August 2017 and finalized the rule on April 26, 2018. As revised, the commentary now provides that the revised Closing Disclosure may be given no later than four business days prior to consummation, but the statement allowing this only if there were four or fewer days before consummation was eliminated. The black hole should finally have winked out of existence. The rule will become effective June 1, 2018. Our Handout will discuss the revised rule and provide a couple of examples.

Revisiting California Homeowner Bill of Rights

When the California Homeowner Bill of Rights (HBR) was enacted it made a distinction between large servicers and small servicers. That is, it imposed different sets of servicing rules that applied only to large servicers and others that applied just to small servicers. However, many of those distinct provisions applied only for the first five years following enactment – that is, from January 1, 2013 when the provisions became effective to December 31, 2017. Now that many provisions have sunset, where does that leave mortgage servicers?

Join us as we discuss the current status of the HBR. Although certain requirements have expired, there are many other provisions of the HBR that remain in effect and new provisions that became operative on January 1, 2018. We will delve into these provisions, the majority of which now apply to all mortgage servicers.



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Aldrich & Bonnefin is hosting a Monthly Telephone Briefing for Bankers' Compliance Group[®] Members on **Friday, May 18**. This meeting will be presented live and will include a question and answer sessions. Members can ask questions by telephone or email. Each member that registers for the Monthly Telephone Briefing will be given a password and instructions to call in to the Briefing.

ORGANIZE YOUR PARTICIPANTS

BCG Main or Registration Contacts are encouraged to organize multiple attendees to participate at one location or several locations concurrently. In this manner, several attendees can be accommodated in one conference room with a speakerphone. All Briefing connections are included in your BCG Membership.

REGISTRATION

To register, please contact your institution's BCG Main or Registration Contact or, if authorized, log in at <http://register.bankerscompliancegroup.com/subadmin> and select "Register for Events." Registration closes at noon **two business days** prior to the Briefing date. On the day before the Briefing, registrants will receive an email with call-in instructions and single-use PIN.

CD-Rom: Members can also register to receive a CD-Rom package. This package, which includes any Handouts, is mailed to registrants approximately 2-3 weeks after the Briefing.

DOWNLOAD THE HANDOUTS

The Handouts are *generally* posted on the BCG Website by noon on the business day before the Briefing. All registrants will receive an email notification when the Handouts are posted. To download a Handout, go to www.bankerscompliancegroup.com/monthly-telephone-briefing.php and click on the "Download Handout Here" link at the end of each Briefing description.

CANCELLATION

It is not necessary for registrants to contact BCG if they cannot attend a Briefing and need to cancel their registration.

SIGN UP ANNUALLY

Sign up annually for the 2018 BCG Monthly Telephone Briefings! If you like attending the Briefings, but don't want to register every month, you can have your institution's Registration contact sign you up for the entire year.

MISSED THE BRIEFING?

Should you or others at your institution miss the briefing, you can tune into our streaming audio available on the BCG website one week after the Briefing, at www.bankerscompliancegroup.com/listen-while-you-work.php.