

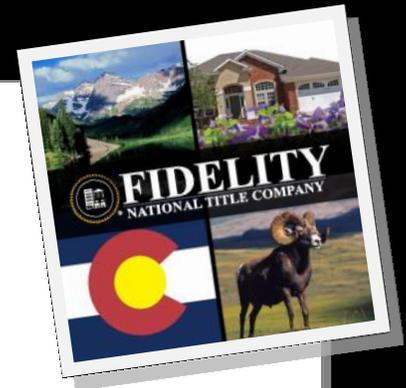


### TRID—The Real Impact Described

Starting with October 3, 2015, new residential mortgage applications became subject to the Consumer Financial Protection Bureau's (CFPB) Tila Respa Integrated Disclosure Rules (TRID). By now, virtually everyone active in the residential real estate industry has become aware of the new forms, application disclosure and pre-closing disclosure requirements. With about three months of experience under these new rules, it is time to look at the impact TRID is having on the real world now that we are beyond theory and into practice.

There are a multitude of process and procedural changes that have taken place across the industry, but at the end of the day, sooner or later in the process, the closing of title has to be scheduled. In Colorado, closings invariably involve a title company. For this article, the author has interviewed experienced title closers in different companies to obtain a "snapshot" of just how TRID is affecting their lives and the lives of those they are committed to serve. Here are some of the reports received from the front lines:

- A manager of a Colorado Branch of a major title company reported that never in her over 25 years of experience has she worked so hard, for so many hours and closed so few transactions due to the delays imposed upon her by TRID;
- Closers report they are being "driven crazy" by the conflicting and confusing instructions mandated by different lenders, many using proprietary and third-party portals, requiring the learning of unique platforms in order to communicate with the lender and get the Closing Disclosure (CD) in proper form and issued timely in order to close;
- Since TRID is relatively new and the CFPB has been reluctant to provide reliable and practical guidance, there is no industry consensus as to the proper interpretation of the rules. Lender A may direct that the final CD be produced in one manner, and lender B may require an altogether different protocol, each insisting that theirs is the correct interpretation;
- Because lenders have been required to get the CD into the hands of the consumer at least three business days prior to closing (consummation), many lenders have adopted a practice of issuing the CD prior to final loan approval, with the predictable result that figures can and do change. This requires the issuance of one or more CD's and multiple interactions with the title company and the borrower. The increased effort, of course, results in decreased efficiencies;



- Another common observation of title closers is that real estate agents are prone to ask to have closings moved up, resulting in changes to timelines and increased demands on closers and lenders alike; and
- Finally, most closers say that even though volumes are down, and they are closing fewer transactions due to usual seasonal changes, they are working harder than they were in peak season before TRID implementation.

Since all this takes place before the actual closing ultimately funnels down to the desk of the title closers upon whom we all depend, perhaps we all should reflect on the challenges that closers are facing in their efforts to service real estate professionals and their clientele. The new TRID requirements have generated the most sweeping and far-reaching changes that have taken place in residential transactions in over 40 years. It will take some time to adapt to those changes and become more proficient in handling the new requirements just like it did when the new Good Faith rules became effective six years ago. Until that experience and acclimation takes place, this an excellent time to reach out and “hug your closers”. They are working harder than ever to make the rest of us – lenders and real estate agents alike – look good.

In light of all these changes and new requirements, this is an especially good time to be prudent in the selection of the title company to be involved in your transaction. A little due diligence will result in the obvious choice of a title company who has taken the time and invested in the training of their employees and to ensure compliance with new guidelines while keeping the best interests of their customers in the forefront. Speak to your Fidelity National Title Representative to learn more about how Fidelity National Title will excel as your partner.

[For more detailed information about TRID, please see Fidelity Title Newsletters for October 2014; June 2015 & August 2015.]



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