

TRID POLICY MANUAL

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2 TILA-RESPA INTEGRATED DISCLOSURE RULE (TRID)

The Integrated Disclosures Rule created the Loan Estimate and Closing Disclosure, important definitions, disclosure timing requirements, as well as two post-consummation disclosures. The rule applies to closed-end consumer credit transactions secured by real property. A consumer credit transaction is one that is primarily for personal, family, or household purposes.

Construction loans and loans securing vacant land are also included, as well as loans securing 25 acres or more.

The rule does not apply to:

- Open-end loans, such as home equity lines of credit (HELOCs),
- Reverse mortgages
- Loans secured by dwellings that are not attached to real property (mobile homes, as an example)
- No-interest, down payment assistance programs for low-to-moderate income borrowers
- Business, commercial, or agricultural loans
- Investment property loans

2.1 Business Day Definitions

Two different definitions of the term *business day* are used in the Integrated Disclosures Rule, depending upon the application.

- A general business day definition applies to the delivery of the initial or any reissued Loan Estimate. This is any day when [] "Company") is open to the public for carrying on substantially all its business functions. In all other instances, TILA's rescission definition (all calendar days except Sundays and legal public holidays) or precise definition of business days applies.
 - Legal public holidays included are: New Year's Day, birthday of Martin Luther King, Jr., Washington's birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.
 - Four federal legal holidays are identified by a specific date: New Year's Day, January 1; Independence Day, July 4; Veterans Day, November 11; and Christmas Day, December 25.
 - When one of these holidays (July 4, for example) falls on a Saturday, federal offices and other entities might observe the holiday on the preceding Friday (July 3). In cases where the more precise rule applies, the observed holiday (in this example, July 3) is a business day.

2.2 Electronic Delivery

The Integrated Disclosures may be provided to the borrower by electronic delivery, subject to compliance with the E-Sign Act and its consumer consent requirements.

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Refer to the line-by-line instructions provided in *Completing the Loan Estimate and Closing Disclosure procedures* or training manual.

2.5.1 Pre-Disclosure of Loan Terms and Costs

A creditor may provide a prospective applicant with loan terms, estimated payments, and estimated costs specific to that applicant prior to issuing a Loan Estimate but must also include a pre-disclosure statement.

The pre-disclosure of loan terms and costs may not be similar in format to the Loan Estimate form.

2.5.2 H-26 Mortgage Loan Transaction—Pre-Loan Estimate Statement—Model Form

Description: This is a model of the statement required by § 1026.19(e)(2)(ii) of the Integrated Disclosures Rule to be stated at the top of the front of the first page of a written estimate of terms or costs specific to a consumer that is provided before the consumer receives the Loan Estimate. It must be given in at least 12-point font.

**Your actual rate, payment, and costs could be higher.
Get an official Loan Estimate before choosing a loan.**

This table provides some examples of when the Pre-Disclosure Statement is needed:

Pre-Disclosure Statement is required if:	Pre-Disclosure Statement is not required if:
<p><input type="checkbox"/> provides an estimated monthly payment of a loan amount.</p> <p>VRM Mortgage Services provides an estimate of closing costs for a transaction.</p>	<p>VRM Mortgage Services provides a preprinted list of closing costs common in the area.</p> <p>VRM Mortgage Services provides a rate sheet.</p>

2.5.3 Requesting Verifications before Disclosure

can request needed information from an applicant to issue a Loan Estimate; however, it may not require that the applicant provide verification documentation as a condition of issuing the disclosure.

Following are examples of this requirement.