

Sideline Assistance Aimed at Integrated Disclosures

Recent integrated disclosure offerings

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With the countdown clock running out on integrated disclosures, the rule's enforcer has affected some revisions on material guides. Industry associations are taking steps to ensure a smooth transition for their members, while technology providers are making headlines with services aimed at coaching mortgage players through a tricky rulebook.

Soon, disclosures required by the *Truth in Lending Act* and the *Real Estate Settlement Procedures Act* will be replaced with two forms to eliminate overlapping information. Born out of the Consumer Financial Protection Bureau's Know Before You Owe initiative, lenders will be required to provide consumers with the Loan Estimate and Closing Disclosure forms starting Aug. 1.

On Feb. 19, the CFPB published a rule that updated the 2013 TILA-RESPA final rule. This modification extended the revised disclosures timing requirement on locked rates and granted certain language connected with new construction loans.

The bureau's new guideline also requires integrated disclosure forms to provide a place for the Nationwide Mortgage Licensing System and Registry Identification, which amended the 2013 Loan Originator final rule. Thus, the CFPB's March 19 notification said the regulator updated its TILA-RESPA regulatory implementation materials and Loan Originator Rule Small Entity Compliance Guide to reflect the recent changes.

Earlier this month, Dan Berger, the chief executive officer and president of the National Association of Federal Credit Unions wrote a letter to the National Credit Union Administration that stated his concern for credit unions being able to operate in "strict compliance" with the integrated disclosure rule deadline despite taking all the necessary steps.

Berger's letter then asked the NCUA to consider credit unions' good faith efforts for complying with the mandate while they incorporated the new system. The request cited a similar approach that NCUA and the CFPB used on credit unions when the Ability to Repay, Qualified Mortgage and servicing rules first took effect.

In a later response letter, NCUA Chairwoman Debbie Matz confirmed the agency would use a



comparable good faith effort examination method on credit unions to determine compliance with the integrated disclosures rule.

In a brief issued March 26, Berger said he "applauded" Matz's response.

"She is the first regulator to acknowledge the extraordinary value of recognizing 'good faith efforts' by credit unions on this complex rule," Berger's statement said. "This will go a long way toward ensuring as smooth a transition as possible for credit unions to the new TILA-RESPA mortgage disclosure systems."

Elsewhere, the American Land Title Association issued a March 26 statement that urged its members to keep focused on setting expectations for the real estate and mortgage industry. Despite rumored delays, the national association for the land title insurance industry encouraged its membership to use its [recently announced](#) training DVD for getting staff ready now.

"Implementing the new forms is a complex and dramatic process change for our members, the real estate industry and consumers," ALTA President Diane Evans said in the statement. "ALTA members must continue their conversations with their mortgage lender and realtor customers about how they plan to collaborate on the new forms when they are implemented four months from now.

Ellie Mae Inc. said Monday it plans to launch a new integrated disclosure solution in April. The service is part of its Encompass all-in-one mortgage management solution.

Ellie Mae President and Chief Executive Officer Jonathan Corr noted in the statement that "RESPA-TILA is the single biggest regulatory change to affect our industry in years."

The Pleasanton, California-based company noted the new solution is part of a readiness initiative that also includes training events and webinars, a policy manual and an online resource center.

Ellie is a *Mortgage Daily* advertiser.

A March 25 press statement revealed RealEC Technologies will demonstrate their automated loan closing support tool, [Closing Insight](#), at the Mortgage Bankers Association's National Technology in Mortgage Banking Conference and Expo 2015. During the March 30 technology showcase, the mortgage tech firm will have 7 minutes to highlight features of its web-based system.

"This new solution will help the mortgage industry's efforts to comply with the TILA-RESPA Integrated Disclosure rule by creating a tool that enables online collaboration between all the providers involved in the loan origination process to improve operational efficiency and support lenders," RealEC President Dan Sogorka said in a written statement.



The Black Knight Financial Services LLC division also released news of a signed Closing Insight implementation agreement with MUFG Union Bank, N.A. The March 26 brief said RealEC would provide its loan closing system through its Exchange platform.

For lenders looking to develop an operations play book to guide them once the CFPB's regulation takes effect, Vantage Production LLC CEO and President Sue Woodward will moderate a one-hour [webinar](#), titled *Countdown to TILA-RESPA Integrated Disclosure -- A Readiness Roadmap for Executives*, on March 31. The free presentation topics will include what executives should monitor, necessary implementation plan components and compliance personnel responsibilities. The March 27 announcement said registration was limited, and participants would receive an implementation worksheet and other preparation tools.

Mortgage firms looking for a short executive summary on the new disclosure can download a [free white paper](#) by Mortgage Dashboard Chief Technology Officer and founder Jorge Sauri. Titled *All in Good Faith: How 'Know Before You Owe' Changes Everything*, the electronic document discusses how the new forms affect current business practices and urges lenders to immediately assess their implementation and operations plans for compliance with the new disclosure rule.