

CFPB's TILA-RESPA Integrated Mortgage Disclosures (TRID) Rule – Proposed Effective Date Change

To: Settlement Agents

The Consumer Financial Protection Bureau issued a proposed amendment to the TILA-RESPA Integrated Mortgage Disclosures (TRID) rule; the amendment proposes moving the effective date to October 3, 2015. Bank of America continues to finalize preparations for TRID implementation and will comply on the new effective date.

As a reminder, Bank of America will require use of Closing Insight™ for all applications subject to the TRID rules. Registration with Closing Insight should be completed before the effective date. For more information about Closing Insight, RealEC® Technologies and the registration process for settlement agents, visit their website at www.closinginsight.com.

Please see below for Key Details from prior Bank of America announcements and answers to questions received since our last publication.

Thank you for your partnership.

Key Details from Prior Announcements:

- Bank of America will initiate requests through Closing Insight™.
- Bank of America will send the initial Closing Disclosure by overnight delivery relying on presumed receipt after three business days as outlined in the rule.
- In most cases Bank of America will engage the settlement agent to begin fee collaboration a minimum of 10 business days prior to the scheduled signing date.
- The lender must approve the final fees used to prepare the final Closing Disclosure, and the settlement agent may not make changes without lender approval. If the settlement agent chooses to utilize a Settlement Statement, the final figures on the Settlement Statement must reconcile to the Closing Disclosure.
- Separate Closing Disclosures will be used for the buyer/borrower and the sellers in a purchase transaction.
- The settlement agent should continue the practice of providing the seller's Closing Disclosure to the seller and the seller's real estate agent(s), as applicable.

Answers to Settlement Agent Questions:

Q: How will Bank of America address the CFPB's announcement to delay the implementation of the rule?

A: Bank of America is ready to implement the TRID changes on the effective date.

Q: Will a written consent from the borrower and seller be required before a provider may share the Closing Disclosure with borrower and/or seller's real estate agent?

A: Bank of America will not require evidence of a written consent. Providers should follow applicable state or local law as well as any applicable provisions of the sales contract when determining how/if to share the borrower's and/or seller's Closing Disclosure with the respective parties' real estate agent(s) involved in the transaction.

Q: How do I determine if Closing Insight™ is integrated with my current software provider and how information will be shared?

A: Realec Technologies (Realec), the company behind Closing Insight, has proactively worked with many major software providers to ensure integration. Check with your specific software provider for the level of integration they provide.

Q: When Bank of America sends the Request for Final Settlement Charges, what is the SLA for the settlement agent to respond with final fees?

A: We expect it no later than the next general business day unless otherwise contracted with Bank of America.

Q: If a state's rating of title insurance premium differs from the TILA /RESPA Integrated Disclosure rating requirement, in what manner will Settlement Agents be required to communicate title premium charges through Closing Insight?

A: All title premium charges that are provided to Closing Insight should align with the updated regulatory rules in order to ensure that the Closing Disclosure that is generated from those fees is in compliance. Settlement Statements (preferably the ALTA model Settlement Statement) may be leveraged to satisfy any state or local fee requirements. If a Settlement Statement is used, the total must align to the Closing Disclosure.

Q: For a purchase transaction, do charges related for inspections that are in the control of the realtor (such as pest, well, septic and home inspections) need to be reflected on the Closing Disclosure and if so, do they have any impact on whether a new Closing Disclosure may have to be generated and a closing date be postponed?

A: Yes. Fees for inspection services related to the mortgage transaction must be included on the Closing Disclosure and may not change without agreement from Bank of America. However, a three- day waiting period is only required in certain limited circumstances (i.e., the APR increases by more than 1/8%, the product changes, or a prepayment penalty is added).