# SLIDE 1 – The Closing Disclosure (Cover Page)

# SLIDE 2

# **The Closing Disclosure**

- Replaces these two forms:
  - -Final Truth in Lending form
  - -HUD-1 Uniform Settlement Statement
- Provides the consumer with a detailed analysis of their mortgage transaction
- Must be provided three days before the closing takes place
  - This gives the consumer additional time to review their final loan documents

### SLIDE 3

Business day defined for the Closing Disclosure – Different from the Loan Estimate

- All calendar days except Sundays and legal holidays
  - New Year's Day
  - Martin Luther King, Jr., Birthday
  - Washington's Birthday
  - Memorial Day
  - Independence Day
  - Labor Day
  - Columbus Day
  - Veterans Day
  - Thanksgiving Day
  - Christmas Day

#### SLIDE 4

The Closing Disclosure must contain the actual terms and costs associated with the loan transaction.

- As with the Loan Estimate, lenders must act in good faith when preparing the Closing Disclosure
- The Closing Disclosure will contain all actual terms and costs of the loan transaction
- Any changes in costs or terms will require a corrected disclosure delivered to the borrower
  - A new three day waiting period may be required for a corrected Closing Disclosure

The Closing Disclosure must contain the actual terms and costs associated with the loan transaction.

- Three categories of changes requiring a corrected Closing Disclosure
  - -Changes occurring
    - Before consummation not requiring a new three business day waiting period
    - Before consummation that require a new three business day waiting period
    - After consummation

### SLIDE 6

If any of the following changes take place after delivery of the Closing Disclosure and before consummation, a corrected disclosure will be provided to the consumer showing the changed items.

No later than three business days before consummation

### SLIDE 7

Those changes are:

- APR becomes inaccurate
  - Closing Disclosure must show correct APR and any other changed terms
- Loan product changes
  - Closing disclosure must show correct loan product and any other changed items
- Prepayment penalty has been added
  - Closing disclosure must show the prepayment provision and any other changed items

# SLIDE 8

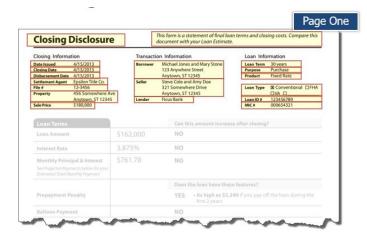
If terms or costs change after consummation and within a 30 day period and Closing Disclosure becomes inaccurate, a corrected Closing Disclosure must be delivered to the borrower.

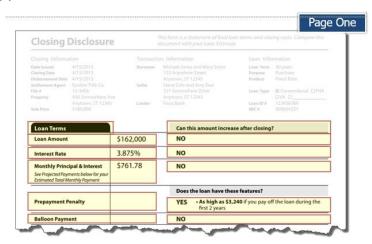
 Delivery of the corrected Closing Disclosure must take place within 30 days of lender's knowledge of the error

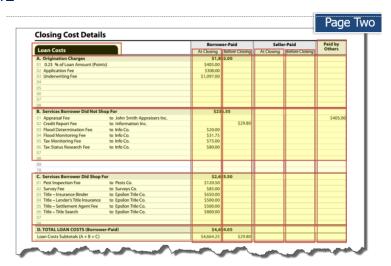
Allowable fees prior to consumer's receipt of the Loan Estimate:

- Lender may not impose any fee until the Loan Estimate is received by the consumer, including:
  - Application fee
  - Appraisal fees
  - Underwriting fees
  - Other fees imposed on the consumer
    - With the exception of a bona fide and reasonable fee for obtaining a consumer's credit report

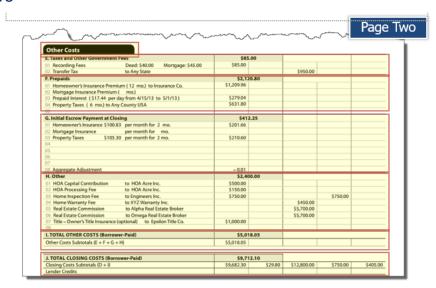
# SLIDE 10

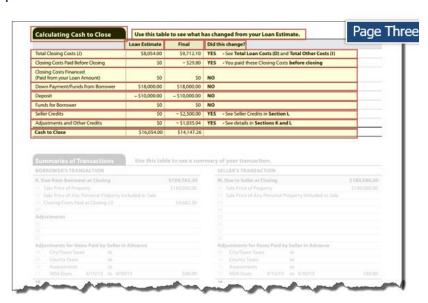




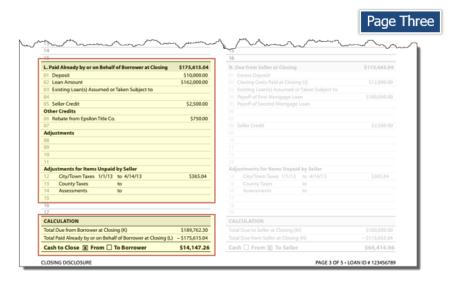


# SLIDE 13

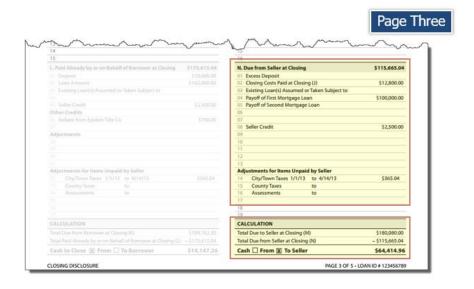


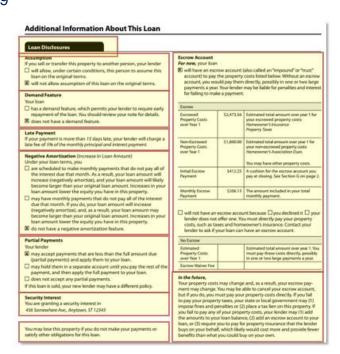












# Page Four

