

TILA RESPA Integration disclosure timeline example

February 2015



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General information

The pages that follow illustrate, in calendar form, the process and timing of disclosures for an example real estate purchase transaction under the TILA RESPA Integrated Disclosure rule that will become effective on **August 1, 2015**.

For the purposes of this example, we have made the following assumptions:

- The Creditor is not open for business on Saturdays.
- The property is located in a State where consummation is the day of closing, or signing of documents, between the Consumer and Seller.
- All parties are targeting a closing date of October 29.
- The Consumer's application is received by the Creditor on Monday, August 3, 2015.

General information continued

Days with bold borders signal either triggers for requirements or satisfaction of disclosure obligations.

The calendar is not intended to show all of the events that can occur during the course of a real estate sales transaction. Only examples of events that could have an impact on disclosures are described. There may be other events that have an effect on the timing and responsibilities of the Creditor concerning the disclosures. In some instances, the events that are described in this calendar may not have an effect on the timing and responsibilities of the Creditor. For more complete information, please see Regulation Z § 1026.19(e) and (f) and its commentary, which contain additional examples.

Definitions

- *Contract* refers to the real estate purchase contract between the Consumer and Seller.
- *Application* is defined in Regulation Z § 1026.2(a)(3).
- *LLPA* is a loan level pricing adjustment or any other secondary market risk-based pricing mechanism.
- *Issue* means to deliver or place in the mail the applicable disclosure discussed in the example.

Definitions continued

- For purposes of providing the Loan Estimate, or any revised Loan Estimate, a *business day* is a day on which the creditor's offices are open to the public for carrying out substantially all of its business functions.
- For all other purposes, *business day* means all calendar days except Sundays and legal public holidays specified in 5 U.S.C. 6103(a) such as, New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

List of events

This timeline shows the effect of the following events during the course of the origination of the loan:

- Receipt of an addendum to Contract modifying the allocation of transfer taxes between the Consumer and Seller. (*August 28th*)
- Appraisal provides a property value resulting in a loan-to-value ratio higher than 80%, triggering mortgage insurance. (*September 4th*)
- An updated credit report obtained by the Creditor shows a changed credit score, triggering a LLPA. (*September 22nd*)

List of events continued

- A rate lock is requested by the Consumer. *(October 6th)*
- The Consumer decides to obtain an Owner's Title Policy the week prior to consummation. *(October 21st)*
- During a walkthrough two days before consummation, a broken dishwasher is discovered. *(October 27th)*
- The recording fees collected were \$100 more than needed when the documents are presented for recording after consummation. *(October 30th)*

August 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 Application received by Creditor. The only fee Creditor may collect before providing the Loan Estimate is for the credit report.	4	5	6 Loan Estimate delivered or placed in mail. Creditor may request verifying information.	7	8
9	10	11 Consumer receives Loan Estimate. Consumer indicates an intention to proceed with Application.	12 Copy of Contract received by Creditor.	13 Appraisal ordered by Creditor.	14 7-day waiting period for consummation after delivery of Loan Estimate expired. First day when consummation can occur.	15
16	17 Title Insurance ordered by Real Estate Agent.	18	19	20	21	22
23	24	25	26	27	28 Receipt of Addendum by Creditor to Contract modifying allocation of transfer taxes between Consumer and Seller. Revised Loan Estimate permitted.	29
30	31					

September 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2 Last day for creditor to issue revised Loan Estimate for allocation of transfer taxes on Addendum to Contract.	3	4 Appraisal received by Creditor. LTV now exceeds 80%. Revised Loan Estimate permitted.	5
6	7 HOLIDAY— LABOR DAY	8	9	10 Last day for Creditor to issue revised Loan Estimate to add mortgage insurance coverage, etc., due to changed circumstance of LTV exceeding 80%.	11	12
13	14	15	16	17	18	19
20	21	22 Updated credit report obtained showing a changed credit score. LLPA triggered. Revised Loan Estimate permitted.	23	24	25 Last day for Creditor to issue revised Loan Estimate for addition of any charge or any other change to terms of loan due to change in credit score.	26
27	28	29	30			

October 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2 Inspection contingency of Contract is removed by the Consumer.	3
4	5 Rate lock requested by Consumer.	6 Rate lock agreement executed by Creditor.	7	8	9 Last day for Creditor to deliver or place in the mail the revised Loan Estimate reflecting the rate lock executed on Tuesday in response to the consumer's request.	10
11	12	13	14	15	16	17
18	19	20	21 Consumer informs Creditor of intent to purchase an enhanced owner's title insurance policy.	22 If delivering Closing Disclosure by mail, Creditor must place Closing Disclosure in mail on this date. Closing Disclosure must reflect information provided by Consumer on 10/21.	23 Creditor sends Closing Disclosure by overnight delivery.	24 Consumer receives and signs for the overnight delivery of the Closing Disclosure. Earliest closing date is 10/28.
25	26 Consumer must receive Closing Disclosure.	27 Walkthrough shows dishwasher is broken. Seller credit for broken dishwasher provided in Addendum to Contract.	28 Creditor required to permit inspection of Closing Disclosure by Consumer on this day.	29 CLOSING DATE Revised Closing Disclosure reflecting seller credit for broken dishwasher provided to Consumer and Seller.	30 Recording office indicates transfer taxes paid by Consumer overpaid by \$100 and refunds amount to Consumer.	31

November 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30 Last day for Creditor to deliver or place in mail corrected Closing Disclosure showing decrease in transfer taxes paid by Consumer.					

December 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24 Last day for Creditor to mail refund of any tolerance cure. (Note: other delivery methods can be used so long as the refund is received no later than the 60th day after consummation).	25	26
27	28 Last day for Creditor to provide refund to Consumer and to deliver or place in the mail a corrected Closing Disclosure reflecting the refund.	29	30	31		

Additional resources

You can find additional tools and information on regulatory implementation at

<http://www.consumerfinance.gov/regulatory-implementation/>.

If you have improvements or suggestions, please let us know at

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