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From the Phoenix Business Journal:

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Real estate agents and brokers gearing up for lending changes

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Phoenix homebuyers will be encountering new disclosure forms when working with mortgage lenders this October.

In an effort to add clarity and simplicity to the mortgage lending process, the Consumer Financial Protection Bureau is implementing TRID, also known as the TILA-RESPA Integrated Disclosure rule.

The acronym-laden rule will effectively do away with old forms and make loan information more concise for a homebuyer, said Martha Appel, committee chair of risk management at the Arizona Association of Realtors.

"The new forms have essentially 'unbundled' all the fees that buyers should know," said Appel. She explained that the new loan estimate forms and closing documents will outline fees more accurately for buyers and allow them to shop from multiple lenders.

"The biggest change will be the time frame," said Appel. "If the buyer doesn't respond to the lender there could be delays in the closing."

Ilyce Glink, financial expert and author, said the transition might be hard for real estate professionals and lenders who are unprepared for the new forms and timeline.

"One lender told me that his company, a large brokerage that operates in a dozen states, asked the CFPB to do a 'live' trial run and was refused. That makes me think maybe no one is fully prepared for the ramifications of the new system not working," said Glink.

Glink said real estate agents should expect some delays in the beginning. She explained that if a buyer is unable to close their deal on time, the seller might not be able to close their own deal for a



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Phoenix homebuyers will find their loan estimate and closing documents have changed.

future home.

“There could be a waterfall of closings that fail in a single day because real estate money is so interconnected,” Glink said.

But Appel said the lenders she has interacted with show preparedness in the Arizona market.

“All of the lenders I’ve talked to said they have prepared,” said Appel. “Of course, there will always be people who aren’t up to date as they should be. Ultimately, the changes are good. In the long run the forms will be easier to read. All these changes are good for the buyer.”

Cassidy Trowbridge
Editorial Intern
Phoenix Business Journal

