

## *Advocacy Submits Comments on the Bureau of Consumer Financial Protection’s Request for Information for the TILA RESPA Integrated Disclosure (TRID) Assessment*

On November 22, 2019, the Consumer Financial Protection Bureau (Bureau) published a Request for Information (RFI) Regarding the Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z) Rule Assessment. On January 16, 2020, the Office of Advocacy submitted a letter to the Bureau regarding the RFI.

- Section 1022(d) of the Dodd-Frank Act requires the Bureau to review each significant rule or order adopted by the Bureau within five years after they take effect. These formal reviews are called assessments.
- In November 2013, the Bureau issued the TRID final rule. The rule took effect on October 3, 2015. TRID combined certain disclosures that consumers received under TILA and RESPA in connection with applying for and closing a loan; required creditors to use standardized forms; reallocated to creditors the legal responsibility to provide disclosures (prior to TRID creditors coordinated with settlement agents to provide disclosures) and also reallocated some of the risks of liability for regulatory violations; revised the regulatory definition of “application”; required a creditor to provide a Loan Estimate to the consumer within three days of receiving the application and generally required consumers to receive Closing Disclosures no later than three business days before consummation; and subjected a larger category of charges to a “zero tolerance” prohibition on cost increases.
- The goal of Dodd-Frank was to increase consumer understanding of the mortgage process. The documents at settlement are extensive and overwhelming to consumers. According to the industry, the consumers are not reading them. If consumers are not reading the disclosure documents, it is defeating this important aspect of the Dodd-Frank Act.
- TRID was an extremely costly regulation to implement because small entities had to totally replace the mortgage origination system, understand the new compliance requirements and train staffers on the new requirements.
- Because TRID was costly, Advocacy stated that the Bureau should not go back to square one and design a new system. However, there are issues that need to be addressed. Instead, Advocacy encouraged the Bureau to review the problematic portions of TRID, such as tolerances and required redisclosures as part of the assessment process and determine if there is a less burdensome way to achieve the goals of Dodd-Frank. Advocacy also encouraged the Bureau to consider exemptions for second mortgages, construction loans and loans that are less than \$100,000.

For more information, visit Advocacy’s webpage at <https://advocacy.sba.gov> or contact Jennifer Smith at 202-205-6943.