



# THE TIMES THEY ARE A-CHANGIN'! WHEN CIRCUMSTANCES CHANGE

East Texas Title Companies—TRID Train Newsletter—Issue 7

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Last week, CFPB Director Richard Cordray announced that the TILA/RESPA Integrated Disclosure (TRID) implementation will be delayed from August 1, 2015 until October 1, 2015. While our industry still has [some concerns](#) about how TRID will perform in real-life transactions, we are very pleased with the new date because it will give lenders, realtors and settlement agents more time to prepare for the change.

We will continue to educate you on TRID via these newsletters, but on a less frequent basis than before.

In our [last newsletter](#), we discussed variations and tolerance levels between charges disclosed in the preliminary Loan Estimate (LE) and actual charges imposed at closing on the Closing Disclosure (CD). Today we will talk about the special circumstances that will allow a lender to **revise or correct the LE** without repercussion.

A lender can revise or correct the LE only if certain criteria are met. The following types of events qualify as special or **Changed Circumstances**:

An **extraordinary event beyond the control** of any interested party, or another **unexpected event specific to the consumer or transaction**

*Example: A **natural disaster**, such as a hurricane or earthquake, which damages the property or otherwise results in additional closing costs*

When the lender learns that **information specific to the consumer or the transaction** was either **inaccurate** or has **changed** after the disclosures were provided.

*Example: The creditor provided an estimate of title insurance on the Loan Estimate, but the **title insurer goes out of business** during underwriting*

*Example: During underwriting, it is discovered that one of the co-applicants has become **unemployed** and two incomes were needed to **qualify** for the loan*

**New information specific to the consumer or transaction** that the creditor did not have or rely on when providing the Loan Estimate

*Example: A neighbor of the seller files a claim contesting the **boundary** of the property under contract*

If any of the above conditions are met, the Creditor may issue a **revised or corrected LE**, but only if:

The event causes third party charges subject to a **cumulative 10% tolerance** to increase by **more than 10%**

The event affects the **eligibility** of the borrower or the property

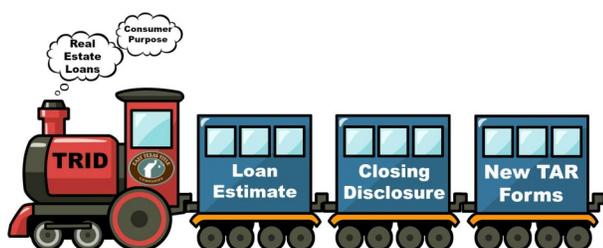
The **borrower requests revisions** to the terms or charges

The **interest rate is locked** at a higher percentage than was disclosed at the time of the LE

The borrower **waits more than 10 business days** after receiving the LE to proceed, causing the original LE to expire

There is **new construction** and the Creditor reasonably expects the closing to take place more than **60 days** after the original LE was issued

Clear as mud? How is the three-business-day rule applied to revised LE's? What if the change occurs after the CD has already been provided? How about when the change occurs just before consummation of the loan? Get answers to these and many more questions at one of our [upcoming TRID Training sessions](#). You'll get practical, easy-to-understand advice from our panel of experts. If you can't wait, [ask a question now](#).



*Celia*

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