2016 ABA Issue Summary

TILA-RESPA Integration Disclosure

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The TILA RESPA Integration Disclosure rule – or TRID – is one of the most complex regulations the banking industry has ever had to comply with.

- The rules that lenders must follow are confusing and difficult to apply.
- The rule is more than 2,000 pages long.
- This regulation is more than just merging two disclosure forms. The new rules rework the entire disclosure infrastructure for residential mortgage transactions and eliminate 40 years of legal precedent.
- The rule imposes significant liability on lenders, which is likely to lead to higher costs for consumers.
- TRID will significantly reshape the housing-finance market, which touches the lives of nearly every American household.

TRID's objective of integrating consumer disclosures is worthwhile and commendable.

- ABA and a wide swath of industry and consumer groups have sought for years to streamline and simplify this process.
- The final integration rule, published in November of 2013, reflected many changes urged by the ABA and others in the industry during the comment process.
- Unfortunately, the new forms remain lengthy and intimidating to average consumers.

Background:

The Dodd-Frank Wall Street Reform and Consumer Protection Act directed the Consumer Financial Protection Bureau to integrate the mortgage loan disclosures required under TILA and RESPA. On July 9, 2012, the CFPB issued for public comment an initial proposal of rules and model disclosures that integrated the TILA and RESPA disclosures. In November of 2013, the CFPB issued a final rule with new, integrated disclosures, creating new forms to replace the old ones entirely.

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