

QC EXPERT



**Truth in Lending-RESPA Integrated Disclosure
(TRID)**

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TRID RULES

SUMMARY

The Truth in Lending—Integrated Disclosure Rule (TRID) was enacted by the Dodd-Frank Wall Street Reform and Consumer Protection Act, known as the Dodd-Frank Act. The TRID Rule integrated the Truth in Lending Act (TILA), known as Regulation Z, and the Real Estate Settlement Procedures Act (RESPA), known as Regulation X.

The Consumer Financial Protection Bureau (CFPB) finalized the TRID Rule and mandated the consolidation of four disclosures.

The Loan Estimate (LE) combined the RESPA Good Faith Estimate with TILA's initial Truth in Lending Disclosure.

The Closing Disclosure (CD) combined the HUD-1 Settlement Statement with the Final Truth in Lending Disclosure.

Each new disclosure is formatted with clear language and graphically designed for consumers to locate key facts about their financing costs, third-party services, settlement fees, and other items. The forms are also designed to help consumers compare costs of different mortgage options.

Loan Estimate Review

LE, PAGE 1

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED **1**
APPLICANTS **2 3**
PROPERTY SALE PRICE

LOAN TERM
PURPOSE
PRODUCT
LOAN TYPE ☐ Conventional ☐ FHA ☐ VA ☐ _____
LOAN ID #
RATE LOCK **4** ☐ NO ☐ YES, until **5**
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on **6***

Loan Terms	Can this amount increase after closing?
Loan Amount	
Interest Rate	
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	
	Does the loan have these features?
Prepayment Penalty	
Balloon Payment	

Projected Payments
Payment Calculation
Principal & Interest
Mortgage Insurance
Estimated Escrow <i>Amount can increase over time</i>
Estimated Total Monthly Payment

	This estimate includes	In escrow?
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	<input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	

Costs at Closing	
Estimated Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs – _____ in Lender Credits. <i>See page 2 for details.</i>
Estimated Cash to Close	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

1. Is the date issued on the LE within three business days from the date shown on the loan application?
2. Does the borrower name on the LE match the loan application?
3. If there are additional borrowers listed on the application, are their names also included on the LE?
4. Was the rate lock choice noted on the LE?
5. If the applicant chose YES, does the end date match the company rate lock agreement?
6. Does the LE include the expiration date for other estimated closing costs?

Loan Estimate Review

LE, PAGE 2

Closing Cost Details

Loan Costs

A. Origination Charges

% of Loan Amount (Points)

12

B. Services You Cannot Shop For

13

14

C. Services You Can Shop For

15

D. TOTAL LOAN COSTS (A + B + C)

16

Other Costs

E. Taxes and Other Government Fees

Recording Fees and Other Taxes

Transfer Taxes

F. Prepaids

Homeowner's Insurance Premium (months)

Mortgage Insurance Premium (months)

Prepaid Interest (per day for days @)

Property Taxes (months)

G. Initial Escrow Payment at Closing

Homeowner's Insurance per month for mo.

Mortgage Insurance per month for mo.

Property Taxes per month for mo.

H. Other

I. TOTAL OTHER COSTS (E + F + G + H)

J. TOTAL CLOSING COSTS

D + I

Lender Credits

Calculating Cash to Close

Total Closing Costs (J)

Closing Costs Financed (Paid from your Loan Amount)

Down Payment/Funds from Borrower

Deposit

Funds for Borrower

Seller Credits

Adjustments and Other Credits

Estimated Cash to Close

12. On page 2 of the LE, **Section A**, do itemized origination charges only include fees paid to the lender or affiliate?

13. In **Section B**, *Services You Cannot Shop For*, do fees only reflect lender-required services?

14. Are all items listed in alphabetical order and rounded to the nearest dollar?

15. In **Section C**, *Services You Can Shop For*, do title-related descriptions begin with the word "title"?

16. In **Section D**, *Total Loan Costs*, does the amount (A+B+C) match the loan costs amount shown at the end of page 1?

Costs at Closing	
Estimated Closing Costs	Includes in Loan Costs + in Other Costs – in Lender Credits. See page 2 for details.
Estimated Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Loan Estimate Review

LE, PAGE 2

Closing Cost Details	
Loan Costs	
A. Origination Charges % of Loan Amount (Points)	
B. Services You Cannot Shop For	
C. Services You Can Shop For	
D. TOTAL LOAN COSTS (A + B + C)	
Other Costs	
E. Taxes and Other Government Fees Recording Fees and Other Taxes Transfer Taxes	
F. Prepaids Homeowner's Insurance Premium (months) Mortgage Insurance Premium (months) Prepaid Interest (per day for days @) Property Taxes (months)	
G. Initial Escrow Payment at Closing Homeowner's Insurance per month for mo. Mortgage Insurance per month for mo. Property Taxes per month for mo.	
H. Other	
I. TOTAL OTHER COSTS (E + F + G + H)	
J. TOTAL CLOSING COSTS D + I Lender Credits	
Calculating Cash to Close Total Closing Costs (J) Closing Costs Financed (Paid from your Loan Amount) Down Payment/Funds from Borrower Deposit Funds for Borrower Seller Credits Adjustments and Other Credits Estimated Cash to Close	

17. In **Section E**, *Other Costs*, are taxes and fees consistent with other documents?
18. In **Section F**, *Prepaids*, does each item note the applicable time period covered?
19. In **Section G**, *Initial Escrow*, do all items match related file documents?
20. In **Section H**, do items match other file documents, such as owner's title insurance?
21. In **Section I**, *Total Other Costs*, do **Other Costs** match amounts at the end of page 1?
22. In **Section J**, *Total Closing Costs*, does **Lender Credits** match amount at the end of page 1?

Costs at Closing		
Estimated Closing Costs	Includes in Loan Costs + in Lender Credits. See page 2 for details.	Includes in Other Costs -
Estimated Cash to Close	Includes Closing Costs. See <i>Calculating Cash to Close</i> on page 2 for details.	

Change of Circumstance

EXAMPLE FORM

CHANGE OF CIRCUMSTANCE

44

Date: _____ Loan Number: _____

Borrower(s) _____

This form must be completed for transactions requiring a re-disclosure of the Loan Estimate (LE). A copy of this form must be included in the loan file, and include a brief explanation of the changed circumstance, the dollar amount of the fee change, the date of change, and date of LE re-disclosure.

Applicable changed circumstances must be checked below: 45

46 ☐ Changed circumstance that causes an estimated settlement fee change to increase beyond the applicable tolerance.

☐ Changed circumstance affecting applicant's eligibility (creditworthiness or value of property to secure the loan) that causes an estimated settlement fee change to increase beyond the applicable tolerance.

☐ Applicant-requested change in loan terms or settlement fee that causes an increase in an estimated fee charge that was disclosed on the Loan Estimate.

☐ Expiration of the Loan Estimate without an intent to proceed from the applicant.

☐ Rate Lock, Re-Lock or Lock Extension that cause changes in interest rate or fees.

PROOF OF DELAY MUST BE PROVIDED.

Date of Change: 47	Date of LE Re-Disclosure: 48
Explanation of Changes:	
Dollar Amount of Fee Changes:	

44. Does the loan file include a document which described a valid changed circumstance?
45. Do file documents support the issuance of a *Revised Loan Estimate*?
46. Were changes in *Loan Costs* subject to tolerance between the LE and the Revised LE?
47. Was the revised LE issued within three days of change of circumstance – or no later than four business days before closing?
48. On the *Revised LE*, was the expiration date of closing costs dated after the borrower signed an *Intent to Proceed*?
49. If applicable, was the rate lock agreement amended?

Closing Disclosure Review

CD, PAGE 1

Closing Disclosure This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information Date Issued 1 Closing Date Disbursement Date Settlement Agent File # 2 Property Sale Price	Transaction Information Borrower Seller 3 Lender	Loan Information Loan Term Purpose Product 4 Loan Type <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____ Loan ID # MIC #
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Loan Terms	Can this amount increase after closing?
Loan Amount	
Interest Rate	5
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	
	Does the loan have these features?
Prepayment Penalty	
Balloon Payment	

Projected Payments	
Payment Calculation	
Principal & Interest	
Mortgage Insurance	
Estimated Escrow <small>Amount can increase over time</small>	6
Estimated Total Monthly Payment	
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	This estimate includes <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>
	In escrow?

Costs at Closing	
Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs – _____ in Lender Credits. See page 2 for details.
Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID #

1. Was the initial (or revised) CD provided to the borrower(s) at least three business days prior to closing?
2. In the top section of page 1, are items in the **Closing Information** section fully completed and match the LE?
3. Are entities named in the **Transaction Information** section correct and all items match the LE?
4. Is the **Loan Information** section fully completed, and all items match the LE?
5. In the **Loan Terms** section, are all items fully completed and match the LE?
6. In the **Projected Payments** section, are figures correct for the loan program?

Closing Disclosure Review

CD, PAGE 1

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued
Closing Date
Disbursement Date
Settlement Agent
File #
Property
Sale Price

Transaction Information

Borrower

Seller

Lender

Loan Information

Loan Term
Purpose
Product

Loan Type ☐ Conventional ☐ FHA
☐ VA ☐ _____
Loan ID #
MIC #

Loan Terms

Can this amount increase after closing?

Loan Amount

Interest Rate

Monthly Principal & Interest

See Projected Payments below for your
Estimated Total Monthly Payment

Does the loan have these features?

Prepayment Penalty

Balloon Payment

Projected Payments

Payment Calculation

Principal & Interest

Mortgage Insurance

Estimated Escrow
Amount can increase over time

Estimated Total
Monthly Payment

Estimated Taxes, Insurance
& Assessments

Amount can increase over time
See page 4 for details

This estimate includes

☐ Property Taxes
☐ Homeowner's Insurance
☐ Other:

In escrow?

See Escrow Account on page 4 for details. You must pay for other property
costs separately.

Costs at Closing

Closing Costs

Cash to Close

Includes _____ in Loan Costs + _____ in Other Costs –
in Lender Credits. See page 2 for details.

Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

7. In *Projected Payments*, are figures correct for estimated taxes, insurance, and assessments?
8. If applicable, are homeowners' association (HOA) dues included in the "Other" category?
9. In the **Costs at Closing** section, do calculation methods match the *Calculating Costs to Close* section on page 3 of the CD?

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$1,035.04	YES • See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Closing Disclosure Review

CD, PAGE 2

Closing Cost Details						
Loan Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges						
01	% of Loan Amount (Points)					
02						
03						
04						
05						
06						
07						
08						
B. Services Borrower Did Not Shop For						
01						
02						
03						
04						
05						
06						
07						
08						
09						
10						
C. Services Borrower Did Shop For						
01						
02						
03						
04						
05						
06						
07						
08						
D. TOTAL LOAN COSTS (Borrower-Paid)						
Loan Costs Subtotals (A + B + C)						
Other Costs						
E. Taxes and Other Government Fees						
01	Recording Fees	Deed:	Mortgage:	16	17	
02						
F. Prepaids						
01	Homeowner's Insurance Premium (mo.)	18				
02	Mortgage Insurance Premium (mo.)					
03	Prepaid Interest (per day from to)	19	20			
04	Property Taxes (mo.)					
05						
G. Initial Escrow Payment at Closing						
01	Homeowner's Insurance	per month for	mo.			
02	Mortgage Insurance	per month for	mo.			
03	Property Taxes	per month for	mo.	21		
04						
05						
06						
07						
08	Aggregate Adjustment					
H. Other						
01						
02						
03						
04						
05						
06						
07						
08						
I. TOTAL OTHER COSTS (Borrower-Paid)						
Other Costs Subtotals (E + F + G + H)						
J. TOTAL CLOSING COSTS (Borrower-Paid)						
Closing Costs Subtotals (D + I)						
Lender Credits						

CLOSING DISCLOSURE

PAGE 2 OF 5 • LOAN ID #

16. In **Section E, Other Costs**, were fees for recording, deed, and mortgage itemized separately?
17. Did other charges such as transfer tax or tax stamps include the name of payee?
18. In **Section F, Prepaids**, are number of months shown for homeowners' insurance, mortgage insurance, and property taxes?
19. Is per diem interest charged from the closing date through the end of the month (or) \$0.00 entered if not collected?
20. For refinances, is per diem charged from the funding/disbursement date through the end of the month?
21. In **Section G, Initial Escrow**, do all items include both cost and number of months?