

Title

FREQUENTLY ASKED ^ QUESTIONS

September 2015

Q If we are conducting a closing/settlement, should we use the new “CD” (Closing Disclosure) under TRID (TILA/RESPA Integrated Disclosure) as the Settlement Statement?

A No.

Under the rules revising RESPA which go into effect on October 3, 2015 the new Closing Disclosure (CD), which replaces the HUD-1, is only that – a disclosure form. To the extent it is signed at closing, the signature block of the CD reads, “By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.” In addition, the form does not contain signature lines for the seller nor for the settlement agent.

Accordingly, settlement agents will have to implement a separate Settlement Statement which sets forth the disbursement of funds of the transaction, is signed by all parties and the settlement agent, and contains a clear confirmation of the transaction and direction to disburse the funds in accordance with the Settlement Statement. Such a Settlement Statement would be in addition to the CD. The American Land Title Association (ALTA) has proposed such a form which is available on their website – www.alta.org.

As of this writing, Settlement Agents are free to adopt or develop whatever form of Settlement Statement they choose.

As always, feel free to address any questions to a member of our underwriting staff.