

RESPA/TILA Harmonization



EFFECTIVE

August 1, 2015

WHY WE ARE WRITING TO YOU

As many of you know, 2015 is a year of tremendous change as a result of the Consumer Financial Protection Bureau's (the "CFPB") Final Rule (the "Rule") that will go into effect with new loans originated August 1, 2015 and after. Once the final Rule was issued, Citi went to work on creating an implementation project plan. A project team was created, and we have been diligently working for over a year already to ensure a successful transition!

WHAT YOU NEED TO KNOW

What is Changing?

How will the Rule impact your work with Citi?

- A new standard Closing Disclosure and a separate seller's version of the Closing Disclosure (if requested by the borrower and/or seller) (the "Seller's Disclosure") will replace the existing final TIL and HUD-1.
- The Closing Disclosure must be received by the borrower three business days before loan closing, instead of the current one-day requirement. To ensure receipt three business days prior to loan closing, **Citi will take responsibility for generating and delivering the borrower's Closing Disclosure.**
- For purchase transactions, Citi expects that you will continue to generate the Seller's Disclosure and provide it to the seller no later than closing. Settlement agents will also be expected to timely provide Citi with a copy of the completed and executed Seller's Disclosure.
- The new disclosure timing requirements will intensify the need for **you and Citi to work together closely** to timely determine certain fees and to schedule the closing details.
- Citi expects that you will notify the lender's closing contact immediately if there are any changes that impact the Closing Disclosure. This will ensure that Citi has sufficient time to determine if a revised Closing Disclosure can be provided at the closing, or if the change triggers the three-day receipt requirement to be restarted.
- There will be several weeks/months after August 1st that we will be required to use the previous disclosures with some loans and the new Closing Disclosure on other loans*.
 - ◇ Applications dated prior to August 1, 2015 will use the previous HUD-1.
 - ◇ Applications dated on or after August 1, 2015 will use the new Closing Disclosure.
- There are no exceptions to this requirement - early use of the Closing Disclosure is not allowed.
*Note: The new disclosures do not apply for home equity lines of credit.

Citi will continue working through all that is needed to meet both the requirements of the regulation and our commitment to deliver an excellent, first-in-class experience for our mutual clients.

WHAT YOU NEED TO DO

It is important that you read the news articles and other informative materials that you will receive in the coming months. A successful implementation requires that you become completely familiar with the changes. Refer to the [CFPB website](#) for additional details, including sample forms of the Closing Disclosure.