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estimated GFE and TIL. Now, the broker or lender will issue the Loan Estimate (LE) that replaces the GFE and TIL, which are now combined in one document. Along with the LE there is an Intent To Proceed (ITP) disclosure that the borrower will sign and send back, which triggers the application process. As the transaction gets closer to closing, the lender will issue the Closing Disclosure (CD), which replaces the HUD-1 that used to be issued by escrow.

The process will work as follows: 1) Broker/lender takes the formal loan application. 2) Within 3 days (not including Saturdays, Sundays, or public holidays) the broker/lender has to send the LE, ITP, and all other disclosures to the borrower. 3) Borrower signs the ITP plus the other disclosures and sends them back to the broker/lender. Borrower's credit card information can now be taken to order the appraisal. 4) Loan is processed with the lender. 5) Lender issues the CD to the borrower. 6) Three days after CD is received by the borrower (Sundays and public holidays do not count in this 3-day period), borrower can sign the final loan documents. 7) Loan funds.

If the transaction is a refinance of an owner occupied property, the normal 3-day rescission period has to elapse prior to funding. Purchases and investment property refinances don't require the 3-day rescission period.

There are three categories of fee tolerances with the new TRID disclosures. 1) There is no tolerance in the following (this means that once the broker/lender issues the LE, these fees cannot increase): a) If the borrower is required to use a specific service provider for services like appraisals and escrow/title. b) Transfer Taxes. c) Money earned by broker/lender. d) Credit Report charges to broker/lender. 2) Costs that can increase, in aggregate by 10%: a) borrower selects one of the service providers from the Service Provider list provided by the broker/lender. b) Recording fees (deed of trust recording with the county). 3) Costs that can increase

any amount: a) When borrower selects a service provider not on the Service Provider list. b) Pre-paid interest. c) Impound/escrow accounts for paying property taxes and home owner's insurance. d) Property insurance premiums.

In certain circumstances, there are allowable changes to the transaction that would allow for fees to change and not need to meet with the restrictions mentioned above. Some of these changes include a change in purchase price, loan amount, property type, address of property, and when the rate is locked. If the APR changes more than a certain amount, .125% for fixed rate and .25% for adjustable rate mortgages, then the broker/lender will have to issue a new LE and three-day waiting periods come into play again before the deal can move forward. So if the APR changes during the transaction and a new LE has to go out, three days have to elapse before the lender can send out the CD, which triggers another three day waiting period.

You can see how this process will extend time frames for closing and could impact rate locks and purchase close of escrow dates. Thank you unregulated Consumer Finance Protection Bureau for creating all of this wonderful new red tape that will make mortgage transactions even more painful than they have been over the past 8 years, which have been the toughest time in our history for getting a mortgage.

If you are bored and would like to be more bored, feel free to contact me to learn more about the new wonderful process that we call mortgage lending.

As always, your loan guy,
Viral (Vic) Joshi

P.S. If you want to get more timely market updates, I have a weekly newsletter that goes out via e-mail. E-mail me, **viral@vicjoshi.com**, so that I can put you on the mailing list.

Vic's

Mortgage Report

"Home of Free Mortgage Consultation"

Viral (Vic) Joshi

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Hello Friends,
Rates fell back closer to the lowest levels of 2015 in October of this year, but haven't quite broken through a level of resistance

that would create a new refinance frenzy. Some borrowers are starting to look for adjustable rate mortgages if they have shorter term goals with those rates on a 5/1 ARM close to 3% APR. Others are looking at 15-year fixed options that also have near 3% APR options.

The October Federal Reserve Open Market Committee Meeting will have passed by the time you get this newsletter, but it is unlikely that the Fed will have increased the Fed Funds rate at the October meeting. December of 2015 is the soonest that we could see a rate hike from the Fed based on the most recent indications.

The new disclosure process is in full swing now and is wreaking havoc with the industry. The Consumer Finance Protection Bureau has way too much power and seems to be an entity with zero oversight. The new disclosures are referred to as TRID, TILA-RESPA Integrated Disclosure. This new set of disclosures replaces the Good Faith Estimate (GFE), Truth-in-Lending (TIL), and HUD-1 settlement statement. Prior to the October 3rd disclosure change date, the mortgage lender and the mortgage broker provided the initial,

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