

ARIZONA STATE ESCROW ASSOCIATION



NEWSLETTER

June 2013

**Quick Links**

[ASEA Web Site](#)
[ASEA Facebook Page](#)
[Classes & Events](#)
[ASEA Membership!](#)

LIKE us on Facebook!

For other escrow industry related news and info, as well as ASEA classes and events, **"LIKE" us on Facebook!**



Just when you thought it was safe to get back in the water...

Remember 2009??? Remember all the angst you felt in anticipation of the 2010 HUD, and remember how you were back to sailing along with the new format in just a matter of two or three months? Well...get ready to have all that fun again later this year.



As some of you may have heard, the Consumer Financial Protection Bureau is about to upset the lending and settlement worlds again with an entirely new form for settling institutional loans on 1-4 residential properties. Scheduled to be finalized this September, the proposed format of the new Closing Disclosure barely resembles anything we've known heretofore.

Before I sound totally negative, let me state that there are some good parts of the Closing Disclosure which will be of great help in clarifying the loan to the borrower. The first page clearly relays the terms of the loan, the breakdown of the payments, and the cash-to-close; the second and third pages give the breakdown of all charges involved in the transaction, while the fourth and fifth pages replace the old Truth In Lending disclosure.

My disquiet comes with the knowledge that no one is certain...at this time...who will prepare this new Closing Disclosure.





Since the CFPB is laying full responsibility for the accuracy of the document squarely on the shoulders of the lender(s), it appears that many lenders, at least the major players, are considering taking the creation of the closing statement into their own hands and out of ours. Now, before you jump up and say *Wahoo!*, I want you to think about this for a moment. Can you for one moment imagine what it would be like to have the lender prepare the HUD-1 Settlement Statement on your sale transactions? Frightening thought, isn't it? And even more unsettling...what if they get really good at it and don't need us any longer?



Don't start reading the Want Ads just yet. While there is some talk among the larger, national lenders about bringing settlement "in house"; we all know there will be many, many of the smaller lenders who will need us to lead them through this coming transition just as they did in 2010. Your job is safe...for now.



My purpose today is just to make you aware of the coming change. While the Final Rule is set for September, 2013; the implementation of the Closing Disclosure is not anticipated for another 12-18 months as the CFPB allows time for the software companies to produce the new computer program(s) and all of us [escrow AND lenders] to get trained. Just get ready to add a new term to your vocabulary in the coming months. In the future, we will no longer speak of getting "HUD approval", or "presenting the HUD" or even refer to the settlement statement as "the HUD" at all.



I suggest you practice saying Closing Disclosure in front of your mirror in the mornings until you can roll it off your tongue without a grimace and maybe you'll be ready to go when the big day arrives.

Shannon Ade
SASIP | CEI | ASEA Member

Arizona State Escrow Association

PO Box 3709 | Gilbert, AZ 85299
info@azsea.org ~ www.azsea.org

[Forward this email](#)

SafeUnsubscribe™

This email was sent to info@azsea.org by info@azsea.org |
[Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [About our service provider](#).



Try it FREE today.

Arizona State Escrow Association | PO Box 3709 | Gilbert | AZ | 85299