Aug 2013

ChicagoBlog

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New Features in Premier Services...

Chicago Title Premier Service gives you more features to make the things you do every day even better. It's free and easy to access anytime and anywhere on your desktop, tablet, smartphone or laptop. Heres' what's new on Premier Service:

Search Property using Street Look Up Feature

Select this feature to locate property that is difficult to find, i.e. in the mountain areas where the standardized address may not be used, or when you only have a partial address.

Custom Comparables Settings **Custom Comparables**

Select this feature to match comparables based on the number of bedrooms, bathrooms, square footage, year built, age of sales, radius, or even the sales price and legal tract. The comps settings will remain as default until you change them again.

Want "Premier Service" on your phone too?

No problem! You can now get mobile Premier by simply downloading the application "Chicago TitleNow®" on your Smartphone or Tablet device, the application is available to you free of charge! With TitleNow®, you can get immediate access to property information on your Smartphone or tablet wherever you are, whenever you need it!

Contact us today for more information or register online at www.premier.ctic.com.

August Fun Facts & Events 2013

1. August Birthstone: the Peridot and the Sardonyx
2. Zodiac Signs: Leo - 07/23 - 08/22, Virgo - 08/23 - 09/22
3. August Flowers of the month: the Gladiolus and the Poppy
4. August is the last full month of Summer in the year
5. The month of August was named after Julius Caesar
6. Friendship Day - first Sunday of August
7. Romance Awareness Month
8. National Family Fun Month
9. National Peach Month
9. National Golf Month
10. National Picnic Month
11. The month of August is often referred to as the "dog days of summer"
12. August 25 is Women's Equality Day

ESCROW CORNER

CFPB - The Proposed Rule

Why the Rule? For more than 30 years, Federal law has required lenders to provide two different disclosure forms to consumers applying for a mortgage. The law also has generally required two different forms at or shortly before closing on the loan. Two different Federal agencies developed these forms separately, under two Federal statutes: the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act of 1974 (RESPA). The information on these forms is overlapping and the language is inconsistent. ..

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Not surprisingly, consumers often find the forms confusing. It is also not surprising that lenders and settlement agents find the forms burdensome to provide and explain. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") was signed into law. Under the law, a new federal regulator was created – the Consumer Financial Protection Bureau (CFPB).

The CFPB is an independent bureau housed in the Federal Reserve charged with regulating a wide range of consumer financial products and services including credit cards, payday loans, reloadable gift cards, mortgage servicing and mortgage origination.

Under Dodd-Frank, the CFPB is mandated to propose regulations integrating the consumer disclosures required under RESPA and the Truth-in-Lending Act (TILA). This mandate is what led to the proposed rule released on July 9, 2012.

The Proposed Rule. The proposed rule applies to most closed-end consumer mortgages. The proposed rule does not apply to home-equity lines of credit, reverse mortgages, or mortgages secured by a mobile home or by a dwelling that is not attached to real property (in other words, land). The proposed rule also does not apply to loans made by a creditor who makes five or fewer mortgages in a year. There are five parts in the current Proposed Rule until the bureau finalizes the Final Rule in October 2013.

A. The Loan Estimate -- The Loan Estimate form would replace two current Federal forms namely, the Good Faith Estimate designed by the Department of Housing and Urban Development (HUD) under RESPA and the "early" Truth in Lending (TIL) disclosure designed by the Board of Governors of the Federal Reserve System (the Board) under TILA. Consistent with current law, the lender generally cannot charge consumers any fees until after the consumers have been given the Loan Estimate form and the consumers have communicated their intent to proceed with the transaction. The lender or broker must give the form to the consumer within three business days after the consumer applies for a mortgage loan.

B. The Closing Disclosure -- The Closing Disclosure form would replace the current form used to close a loan, the HUD-1 required by RESPA as well as the TIL disclosure required under TILA. The lender must give consumers this Closing Disclosure form at least three business days before the consumer closes on the loan. Generally, if changes occur between the time the Closing Disclosure form is given and the closing, the consumer must be provided a new form. When that happens, the consumer must be given three additional business days to review that form before closing. However, the proposed rule contains an exception from the three-day requirement for some common changes. These include changes resulting from negotiations between buyer and seller after the final walk-through. There also is an exception for minor changes which result in less than $100 in increased costs The Bureau seeks comment on whether to permit additional changes without requiring a new three-day period before closing. Currently, settlement agents are required to provide the HUD-1, while lenders are required to provide the revised Truth in Lending disclosure. The Bureau is proposing two alternatives for who is required to provide consumers with the new Closing Disclosure form. Under the first option, the lender would be responsible for delivering the Closing Disclosure form to the consumer. Under the second option, the lender may rely on the settlement agent to provide the form. However, under the second option, the lender would also remain responsible for the accuracy of the form. The Bureau seeks comment as to which alternative is preferable.

C. Limits on Closing Cost Increases -- Similar to existing law, the proposed rule would restrict the circumstances in which consumers can be required to pay more for settlement services – the various services required to complete a loan, such as appraisals, inspections, etc. – than the amount stated on their Loan Estimate form. Unless an exception applies, charges for the following services could not increase:

(1) the lender's or mortgage broker's charges for its own services;
(2) charges for services provided by an affiliate of the lender or mortgage broker; and
(3) charges for services for which the lender or mortgage broker does not permit the consumer to shop. Also unless an exception applies, charges for other services generally could not increase by more than 10 percent.

The rule would provide exceptions, for example, when:

(1) the consumer asks for a change;
(2) the consumer chooses a service provider that was not identified by the lender;
(3) information provided at application was inaccurate or becomes inaccurate; or
(4) the Loan Estimate expires. When an exception applies, the lender generally must provide an updated Loan Estimate form within three business days.

D. Changes to APR -- The proposed rule redefines the way the Annual Percentage Rate or "APR" is calculated. Under the rule, the APR will encompass almost all of the up-front costs of the loan. This will make it easier for consumers to use the APR to compare loans and easier for industry to calculate the APR.

E. Recordkeeping -- The proposed rule requires lenders to keep records of the Loan Estimate and Closing Disclosure forms provided to consumers in a standard electronic format. This will make it easier for regulators to monitor compliance. The Bureau seeks comment on whether smaller lenders should be exempt from this requirement.

Source: ALTA.org

Useful Links:

Proposed Loan Estimate Form:
http://www.alta.org/cfpb/docs/ficus_loan_estimate.pdf

Proposed Closing Disclosure:
http://www.alta.org/cfpb/docs/Closing_Disclosure.pdf

Proposed Rule:
http://www.alta.org/cfpb/docs/Closing_Disclosure.pdf

ALTA site on CFPB information:
http://www.alta.org/cfpb/index.cfm

CFPB You Tube:
http://www.youtube.com/user/cfpbvideo

Source: Lifelock.com. For information on how to protect your personal identity visit www.lifelock.com for a proactive defense system.