



TO: Freddie Mac Sellers and Servicers

June 30, 2015

2015-10

SUBJECT: CONSUMER FINANCIAL PROTECTION BUREAU INTEGRATED MORTGAGE DISCLOSURE FORMS

New Consumer Financial Protection Bureau (CFPB) rules will be taking effect that implement the CFPB's integrated mortgage disclosure forms. This *Single-Family Seller/Servicer Guide* ("Guide") Bulletin announces:

- [Updates resulting from new terminology](#) introduced in the CFPB's revised regulatory framework
- Guidance concerning the [collection of Borrower signatures](#)
- Additional information concerning the [Uniform Closing Dataset](#)

BACKGROUND

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") directed the CFPB to publish rules and forms combining initial and final disclosures that lenders are required to provide to consumers under the Truth-in-Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). After an extensive period of consumer outreach and public comment, on December 31, 2013, the CFPB published its final rule implementing this requirement of the Dodd-Frank Act. The final rule is commonly referred to as the TILA-RESPA Integrated Mortgage Disclosure (i.e., "TRID Rule").

The TRID Rule essentially combines features of the initial truth-in-lending disclosure required by TILA with the Good Faith Estimate required by RESPA into a new disclosure, the [Loan Estimate](#). The TRID Rule similarly combines the final truth-in-lending disclosure with the HUD-1 disclosure required under TILA and RESPA, respectively, to form a new [Closing Disclosure](#), and clarifies that a creditor may make the determination regarding whether to obtain a borrower's signature on either new disclosure.

The TRID Rule initially had been slated to take effect on August 1, 2015. On June 17, 2015, the CFPB announced its intention to propose and invite comment on a new effective date of October 1, 2015. To assist Seller/Servicers in their implementation preparations for the date on which the TRID Rule ultimately takes effect, as finally communicated by the CFPB (i.e., the "TRID Rule Effective Date"), we have amended the Guide as set forth below.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

UPDATES FOR NEW TERMINOLOGY

Guide updates

In response to the TRID Rule, Freddie Mac is updating the Guide to reflect the new terminology. With respect to the settlement-related disclosures, Guide references to the old forms are basically replaced with references to a new Glossary term, Settlement/Closing Disclosure Statement, which includes, as applicable, both the HUD-1 Settlement Statement and the new Closing Disclosure.

The Settlement/Closing Disclosure Statement is defined as any settlement statement or closing disclosure required by applicable federal, State or local law. With respect to an all-cash short sale or other Servicing transaction for which no settlement and/or closing disclosure is required by applicable law, the term Settlement/Closing Disclosure Statement means (i) a HUD-1 Settlement Statement prepared for any transaction closing prior to the TRID Rule Effective Date, or (ii) a Closing Disclosure completed in accordance with the CFPB disclosure rules on or after the TRID Rule Effective Date, or (iii) any other settlement statement or closing disclosure that would have otherwise been required by applicable State or local law, in each instance as

determined by the Servicer, and notwithstanding the inapplicability of such rules or prior law or regulation to the particular transaction.

The latter part of the Glossary definition is intended to capture unique situations confronted by Servicers where applicable law does not mandate a particular settlement statement or closing disclosure (e.g., cash-only short sales). In such a circumstance, if the Guide requires a Servicer to provide that type of document, then a Servicer must determine which of the following it will provide to Freddie Mac:

- The HUD-1 Settlement Statement
- The new Closing Disclosure, or
- A similar State closing disclosure or settlement statement

As applicable, Guide references to the HUD-1 Settlement Statement and settlement statement and/or closing statement have been updated. Loan Prospector[®] will be updated by August 1, 2015 to reflect this new terminology.

During our Guide review for updates related to the TRID Rule, we reviewed the documentation requirements for sale of assets. We streamlined these requirements and consolidated them from Guide Section 37.20(a) into Sections 37.22(b) and 37.23(b) for ease of customer use.

COLLECTION OF SIGNATURES

The CFPB provides lenders with the discretion to determine whether they will require Borrowers to sign the new Loan Estimate or Closing Disclosure forms, and limits the purposes for which those signatures may be obtained. The CFPB also has provided a framework for collecting additional forms, such as customary attestations, which may accompany the Closing Disclosure, provided that certain requirements are met.

Freddie Mac will not require signed Settlement/Closing Disclosure Statements or additional forms on and after the TRID Rule Effective Date. However, Seller/Servicers may wish to consider collecting (or continuing to collect) signatures and/or forms given their potential evidentiary value, consistent with current widespread industry practices.

FUTURE UPDATES

Consistent with the changes described above, updates to the following will be made with a future Bulletin once the TRID Rule Effective Date is confirmed:

- Applicable ULDD Data Point delivery instructions in Guide Chapter 17
- Deletion of references to “signed/executed” from applicable Guide sections
- Section 46.24, which applies specifically to the Truth-in-Lending Disclosure Statement
- The Glossary definition for Application Received Date
- Guide Exhibit 7, which specifically mentions Good Faith Estimate

UNIFORM CLOSING DATASET

Freddie Mac will not require the delivery of the Uniform Closing Dataset (UCD) in 2015. The UCD was developed jointly with Fannie Mae under the direction of the Federal Housing Finance Agency to support the CFPB’s Closing Disclosure. Additional information regarding, among other things, the required delivery date of the UCD will be provided in a separate communication.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact Guide Sections:

- 24.5, 24.6, A24.3, B24.3, 25.1, 25.2, 25.3, H33.5, K33.14, 37.20, 37.22, 37.23, 46.19, 46.21, 46.25 and 48.7
- 60.9, 65.42, B65.33, B65.36, B65.37, B65.37.1, B65.40, B65.41 and 78.17

We are also:

- Updating Exhibit 97
- Adding the term "Settlement/Closing Disclosure Statement" to the Glossary

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call Customer Support at (800) FREDDIE.

Sincerely,



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