TRID (TILA-RESPA Integration Disclosure)

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The TILA-RESPA Integration Disclosure rule – or TRID – is one of the most complex regulations ever imposed upon the banking industry.

- The rules that lenders must follow are confusing and difficult to apply.
- The rule is more than 2,000 pages long, and is accompanied by an extensive amount of informal advisory materials that are difficult to integrate with formal regulations.
- This regulation is more than just merging existing disclosure forms. The new rules rework the entire disclosure infrastructure for residential mortgage transactions and eliminate 40 years of legal precedent.
- The rule imposes significant liability on lenders, which has led to closing delays and higher costs for consumers.
- The complexity of the rule causes confusion and uncertainty that has inhibited some lenders from offering consumers valuable and useful products due to the concerns over potential liability arising from the rule.
- The rule contains unclear provisions and other inadequacies that require immediate CFPB resolution. For instance, uncertainty about the treatment of minor errors or ambiguity in the application of liability has broadly affected mortgage originators, preventing lenders from making loans and investors from purchasing them.

TRID's objective of integrating consumer disclosures is worthwhile and commendable.

- ABA supports the goals of providing consumers with early and accurate disclosures that inform potential borrowers about all costs and terms associated with the mortgage transaction. In this sense, ABA and a wide swath of industry and consumer groups have fought tirelessly for years to streamline and simplify this process.
- The final integration rule, published in November 2013, reflected many changes urged by ABA and others in the industry during the comment process.
- However, opportunities to truly reform mortgage disclosures were missed. The required new forms remain very lengthy and intimidating to the average consumer, and for various products, do not present cost information in a way that consumers can understand.

Background:
The Dodd-Frank Wall Street Reform and Consumer Protection Act directed the Consumer Financial Protection Bureau to integrate the mortgage loan disclosures required under TILA and RESPA. On July 9, 2012, the CFPB issued for public comment an initial proposal of rules and model disclosures that integrated the TILA and RESPA disclosures. In November of 2013, the CFPB issued a final rule with new, integrated disclosures, creating new forms to replace the old ones entirely. The regulations have been subject to significant corrections and clarifications since their enactment.