

RE: Know Before You Owe: Mortgages

As most of you know the CFPB issued a final rule on the new Combined Mortgage Disclosures. The CFPB requires “easier to use mortgage disclosure forms” commonly referred to by CFPB as “Know Before You Owe.” The new forms will replace existing federal disclosures (e.g. TIL/GFE and TIL/HUD-1 or HUD-1A) Along with the new forms; credit unions will have to review their existing mortgage process to insure compliance with the new rules that will become effective August 1, 2015.

Conmar is working hard reviewing the new requirements and will begin developing the new forms during the 3rd quarter of this year (by September 2014). Our plan is to make them available well before the **August 1, 2015** deadline to ensure proper time for data processors to work out any bugs. At the present time, you don't need to do anything if you are a *current customer with a paid Annual License Agreement* and receive a *Closed End Home Equity Package* from us. If you **do not** receive a complete Closed End Home Equity Package from Conmar or if we don't provide these forms for you, please contact us to order them at which time we will send you a work order to be signed/dated to begin the work. For most credit unions there is no proof process, the forms will be automatically updated and sent in their last recorded format to either the credit union or the data processor. For some credit unions, depending on the information we gather from your existing forms on file there may be a proof process and you will be notified if this process applies to your credit union.

The forms:

The Loan Estimate – this form will be provided to applicants within three business days after submission of a loan application and limits how the final deal can change from the original estimate. It provides a summary of key loan terms and estimated closing costs. The intent of the new forms is to provide consumers with a form to compare costs and features of different loans.

The Closing Disclosure – This will be provided to consumers three business days before consumers close on a loan. It replaces the final Truth in Lending Statement and the HUD-1 uniform settlement statement. In addition to summarizing the final loan terms and cost, the Closing Disclosure provides consumers with a detailed accounting of their transaction. By providing consumers with the Closing Disclosure three business days before closing, consumers will have time to review their final loan terms and costs in an unpressured environment rather than at the closing table.

Conmar will make the determination of which form you will receive based on information we gather from your existing forms on file. For example: Fixed Rate, Variable Rate, Interest Only, Balloons, etc. Modifications outside of the model form formats may be billable charges to the credit union. **The credit union contact we have on file will be notified once the files have been sent to their final destination.**

If you require any additional information please contact your customer service representative below or call (800) 227-4931.

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