

TILA/RESPA Integrated Disclosure (TRID) Impact

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TILA/RESPA Integrated Disclosure (TRID) Impact on Downpayment Loans

New TRID disclosure requirements go into effect for loan applications taken starting **October 3, 2015**. Minnesota Housing interprets the disclosure requirements to impact our downpayment and closing cost loan programs as follows:

- **Monthly Payment Loans:** Covered under both TILA and RESPA and should be disclosed using the Loan Estimate and Closing Disclosure.
- **Deferred Payment Loans:** Not covered by TILA but are covered by RESPA and must be disclosed according to RESPA.
 - If the loan **does not** qualify for the partial exemption, disclose using the existing GFE, TIL, & HUD-1.
 - If the loan **does** qualify for the partial exemption ([12 CFR §1026.3\(h\)](#) and [HUD 1024.5](#)), disclose under the RESPA Partial Exemption Disclosure Requirements ([12 CFR § 1026.18](#)).

All downpayment and closing cost loans must be disclosed under the applicable laws using the delivery timelines noted in TILA/RESPA. Consult with your compliance and legal staff to ensure regulatory compliance.

HUD General Counsel Response to OIG Audit

According to a [HUD General Counsel opinion](#), housing finance agency downpayment assistance programs **do not** violate Federal Housing Administration (FHA) rules. Their memorandum is in response to issues raised by an Office of Inspector General audit.

Minnesota Housing's downpayment loan programs comply with FHA requirements for secondary financing provided by government agencies.

Updated Deferred Payment Loan Mortgage

An updated [Deferred Payment Loan \(DPL\) mortgage](#), dated September 14, 2015, is now available on the [website](#) and in Forms Generator through the online commitment system.

The update clarifies that restrictions on conveyance are removed in the event of foreclosure or deed in lieu. Use the updated mortgage for all loan closings as soon as possible.

Questions?

Reach the [Partner Solutions Team](#) at 651.296.8215 or 800.710.8871 between 7:30 a.m. and 5:00 p.m. on business days.

Minnesota Housing