

RESPA/TILA Harmonization



EFFECTIVE

August 1, 2015

WHY WE ARE WRITING TO YOU

This is our 2nd communication to you about the RESPA/TILA Harmonization (also referred to as the TILA-RESPA Integrated Disclosure, TRID, Know Before you Owe or the Rule) that is coming in August 2015.

Citibank, N.A. is continuing to work on a successful transition with the upcoming RESPA/TILA changes. We have started to define processes and requirements so that we can meet the new guidelines.

WHAT YOU NEED TO KNOW

What is Changing?

How will the Rule impact your work with Citi?

- The new Closing Disclosure must be received by the borrower three business days before loan closing.
- To insure borrower(s) receipt 3 days prior to closing, Citi will contact you approximately 12 days prior to the closing date to obtain final fees. Citi will then prepare an Initial Closing Disclosure (ICD) for your review and approval. Once we have an agreed upon ICD, **Citi will take responsibility for generating and mailing the Initial Closing Disclosure to the borrower(s) 6 days prior to the scheduled closing date.**
- In the above bullet, Citi is referring to an ICD as the document that is presented to the borrower prior to the execution of the closing documents. At the closing table, when the documents are executed, this document will be referenced as the Closing Disclosure (CD).
- Citi will deliver the final Closing Disclosure in the closing package that will be presented to the borrower(s) at the closing table for execution.
- We will also require you to provide your contact information (legal name, address, license number, contact name, email address, phone number) for page 5 of the ICD and CD. We may also require your assistance in obtaining this information for realtors involved in the transaction, when applicable.
- **Note** Southern California Transactions – Citi is preparing a separate communication to independent escrow companies regarding these upcoming changes. We would appreciate you sharing this with any escrow companies that you currently work with on Citi transactions.
- Citi expects that you will notify the Citi Closer immediately if there are any changes that impact the Initial Closing Disclosure (ICD). This will ensure that Citi has sufficient time to determine if a revised Closing Disclosure (CD) can be provided at the closing, or if this change triggers the three-day waiting period requirement to be restarted and a new closing date to be scheduled.

There will be several weeks/months after August 1, 2015, that we will be required to follow the process below:

RESPA/TILA HARMONIZATION NEWS

- ◇ Loans with an application date prior to August 1, 2015, will use the previous HUD-1.
- ◇ Loans with an application date on or after August 1, 2015, will use the new Closing Disclosure.
- There are no exceptions to this requirement - **early use of the Closing Disclosure is not allowed.**
 - ***Note:** The new disclosures do not apply for home equity lines of credit.

Citi will continue working through all that is needed to meet both the requirements of the regulation and our commitment to deliver an excellent, first-in-class experience for our mutual clients. To assist us in our future communication to you, we have created an email box for you to submit your questions. Please send your questions to RESPA.TILA.August2015Questions@citi.com. We will answer all questions received in our next communication to you.

WHAT YOU NEED TO DO

It is important that you read the news articles and other informative materials that you will receive in the coming months. A successful implementation requires that you become completely familiar with the changes. Refer to the [CFPB website](#) for additional details, including sample forms of the Closing Disclosure.