



# Bureau of Consumer Financial Protection Finalizes Amendment to "Know Before You Owe" Mortgage Disclosure Rule

Update Will Provide More Clarity Regarding Closing Cost Increases

APR 26, 2018

**WASHINGTON, D.C.** – Today the Bureau of Consumer Financial Protection (Bureau) finalized an amendment to its "Know Before You Owe" mortgage disclosure rule that addresses when mortgage lenders with a valid justification may pass on increased closing costs to consumers and disclose them on a Closing Disclosure. The update is intended to provide greater clarity and certainty to the mortgage industry.

The Know Before You Owe mortgage disclosure rule took effect Oct. 3, 2015. The Bureau's rule created new Loan Estimate and Closing Disclosure forms that consumers receive when applying for and closing on a mortgage loan. The Bureau heard feedback from the industry that they needed clarification on when creditors may pass on increased costs to consumers and disclose them on a Closing Disclosure. Specifically, a timing restriction on when the creditor may use a Closing Disclosure to communicate closing cost increases to the consumer could prevent a creditor from charging the consumer for those cost increases despite a valid reason for doing so, such as a changed circumstance or borrower request. In response, in July 2017 the Bureau proposed an amendment removing that particular timing restriction. Today, after considering public comment on the proposal, the Bureau is finalizing that amendment.

The final rule will take effect 30 days after publication in the Federal Register.

**The final rule is available at:** [https://files.consumerfinance.gov/f/documents/cfpb\\_tila-respa\\_final-rule\\_amendments-to-federal-mortgage-disclosure-requirements.pdf](https://files.consumerfinance.gov/f/documents/cfpb_tila-respa_final-rule_amendments-to-federal-mortgage-disclosure-requirements.pdf) 

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*The Bureau of Consumer Financial Protection is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](https://consumerfinance.gov).*

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