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Know Before You Owe: You'll get 3 days to review your mortgage closing documents

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On August 1, the [Know Before You Owe](#) mortgage rule goes into effect. One of the important requirements of the rule means that you'll receive your new, easier-to-use closing document, the Closing Disclosure, three business days before closing. This will give you more time to understand your mortgage terms and costs, so that you know before you owe.

Giving you three business days to review your Closing Disclosure before you sign on the dotted line is designed to protect you from surprises at the closing table. It also gives you time to consult with your lawyer or housing counselor and ask all the questions you might have about the terms of your mortgage.

Will the new mortgage disclosures delay my closing?

The answer is no for just about everybody. Here's a [factsheet to clarify some questions about the three day review period](#).

If there is a change to any one of three, very specific, and very important items, the lender must give you another three business days to review the updated disclosure.

The only three changes that would require a new three-day review period:

- Increasing the [annual percentage rate \(APR\)](#) by more than 1/8 of a percentage point for a fixed-rate loan or 1/4 of a percentage point for an adjustable-rate loan (decreasing the interest rate or fees doesn't cause a delay)
- The addition of a [prepayment penalty](#)

- Changes in the loan product, [from a fixed-rate to an adjustable-rate loan](#), for example

However, many things can change in the days leading up to closing that won't require a new three-day review period, including typos on the forms, problems discovered on a walk-through, and most changes to payments made at closing, including changes that require seller credits.

Implementing the rule

We also delivered a letter to Members of Congress stating that our oversight of the implementation of the Know Before You Owe mortgage rule (also known as the TILA-RESPA Integrated Disclosure rule) will be sensitive to the progress made by those entities that have been squarely focused on making good-faith efforts to come into compliance with the rule on time. We have spoken with our fellow regulators to clarify this approach. This is consistent with our approach in the implementation of the [Title XIV mortgage rules](#) .

Over the last couple of years, we've taken many steps, [including publishing guides, templates, and webinars](#), to support industry implementation of the Know Before You Owe mortgage rule so that lenders and financial institutions can effectively comply with the rule. Learn more about our work to [make the mortgage process easier to navigate for consumers](#) and the [resources available to lenders and financial institutions](#).