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BULLETIN 09-09

To: All Old Republic National Title Agents and Offices

From: Underwriting Department

Re: TILA Update

Date: July 24, 2009

Based on the Mortgage Disclosure Improvement Act of 2008, significant TILA notice and disclosure changes will become effective for settlements arising out of loan applications dated on or after July 30, 2009. The changes primarily affect lenders. However, there are some changes that may affect settlement agents, and these appear in the bold text below. The new TILA requirements apply to a broader range of property classifications, and also contain modifications to pre-settlement notice and waiting periods, the latter of which could ultimately affect the settlement date. Significant changes are as follows:

1. The new TILA disclosure requirements apply to all closed-end loans secured by a consumer's home (not only purchase or construction financing, but also refinances, equity loans, etc., with the exception of home equity lines of credit). Whereas the prior TILA requirements affected only a consumer's primary residence, the new requirements apply to "any extension of credit secured by the dwelling of a consumer." This applies to both primary and other 1-4 family dwellings, including second homes.
2. Lenders must deliver or mail a good faith estimate of closing costs (early disclosure) to the consumer no later than three (3) business days after the lender receives a consumer's loan application. Additionally, the lender may not collect any fees prior to providing the GFE, with the single exception of a bona fide and reasonable fee for obtaining a credit report.
3. "Business day" means all calendar days except Sundays and specified Federal legal public holidays, and this definition applies to all TILA waiting and disclosure periods.

** This Bulletin should become a permanent part of your records to assist in your compliance with the requirements contained herein. **

Please **provide a copy of this Bulletin to your staff** so they can read it and become aware of its contents.

REMEMBER: All ORT Alerts, Bulletins, Notices and our Newsletter can be found on our web site, www.ortfl.com.

Our Alerts and Bulletins are issued via fax and email, but you should check our web site frequently to make sure you have copies of everything issued.

Please call your Underwriting Department if you have any questions.

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4. A final copy of the early disclosures must be delivered or mailed to the consumer no later than seven (7) business days before settlement. The final copy of the early disclosures may or may not be the same disclosures provided no later than three (3) business days following loan application (depending on whether the disclosures needed to undergo any changes).

Early disclosures include accurate estimates of settlement charges. Therefore, settlement agents must provide lenders with an accurate quote of all settlement charges at least seven (7) business days in advance of the settlement date.

5. In the event the lender must provide amended or corrected disclosures, settlement may not occur until three (3) business days after the consumer receives the amended or corrected disclosures.
 - a. If mailed, emailed or sent via courier, the consumer is considered to have received the disclosures three (3) business days after they are placed in the mail, sent via email or delivered to a courier, regardless of actual speed of delivery. If a creditor has evidence of actual delivery (consumer signature of receipt, email confirmation of receipt, etc.), then the three (3) business day waiting period begins on the date of confirmed receipt.
 - b. For timeshare transactions, modified or corrected disclosures must be disclosed to the consumer no later than settlement; no three (3) business day waiting period is required.
6. In the event the annual percentage rate (APR) increases more than 0.125% over the most recent prior disclosure, the lender must provide a corrected disclosure to the consumer and wait three (3) business days from receipt thereof before proceeding to settlement.

Because the APR includes not only the interest rate, but also takes into consideration closing fees and charges, it is important that settlement agents provide lenders with accurate estimates of settlement fees as early as possible.

7. In certain limited circumstances, consumers may waive either the three (3) day waiting period, the seven (7) day waiting period, or both. This applies only in the event that the consumer determines that the extension of credit is needed to meet a bona fide personal financial emergency. To do so, the consumer must provide the lender with a dated written statement that describes the emergency, specifically modifies or waives the applicable waiting period(s), and the statement must be signed by all consumers liable for the debt obligation. Pre-printed lender forms are not permitted for these purposes.

Please contact Underwriting at 800-342-5957 should you have any questions with these issues.