



# Key points about 2009 mortgage lending regulations

As your REALTOR®, I'm here to work for you at every phase of the home buying process. From starting your home search to move-in day, I'll work to assist you in every way I can.

That's why, in addition to serving as your primary resource about the real estate market, the community and potential properties for your needs, I want to be sure you're aware of recent changes in mortgage lending.

Your lender will be the primary source of **details** about the steps involved in selecting and securing a home loan. They will be able to explain the new federal Truth-in-Lending (TIL) disclosure requirements, which have the potential to cause delays in the closing and possession of your new home.

## Here are the basics you should be aware of at this early point in the home buying process:

- The new disclosure requirements apply to first mortgage loans and close-end second mortgages for both purchase and refinance transactions.
- Your lender must give you a Good Faith Estimate (GFE) and Truth-in-Lending (TIL) disclosure of mortgage loan costs within 3 business days after you apply for a loan (this is also known as early disclosure). The lender may not collect any fees from you before the disclosures are provided, except for a reasonable fee for obtaining a credit report.
- Your closing cannot take place until the expiration of a 7-business day waiting period after the early disclosures have been provided.
- If, at any time after the early disclosure are provided but before loan closing, the annual percentage rate (APR) increases or decreases by more than 1/8 percent, your lender is required to provide you with a new TIL disclosure and must wait at least 3 business days before closing the loan.
- Changes to the APR can be triggered by changes to the financing terms including, but not limited to, changes to the interest rate, loan program, loan amount, loan fees and charges.
- For the purpose of the re-disclosure requirement, Saturdays are considered business days.

As you can see, there are detailed and specific steps required by new regulations on home loans and disclosure time periods. Be sure you discuss with your lender how this regulation may affect your loan closing.

**Because of these requirements, it is wise to plan for at least a 30-45 day close from the day you apply for your mortgage loan.**

