

# TRID 2.0

Creative Thinking has completed its analysis and evaluation of the 2017 rule (TRID.2.0). Listed below are the areas that were reviewed and the results of our analysis.

## **Total Interest Percentage (TIP) Calculation:**

The **TIP** is the total amount of interest that the consumer will pay over the loan term, expressed as a percentage of the **Loan Amount**. (§ 1026.37(l)(3)) The **TIP** includes prepaid interest that the consumer will pay, but does not include prepaid interest that someone other than the consumer will pay. If prepaid interest is disclosed as a negative number, the negative value of the prepaid interest must be included in the calculation of the **TIP**. (Comment 37(l)(3)-1).

*CTI confirmed that when prepaid interest is disclosed as a negative number it is included in the 'Total Interest Percentage ("TIP") calculation, thus reduces the TIP. No change to the calculation was needed.*

## **Total of Payments (TOP) Calculation:**

The **Total of Payments** is the amount a consumer will have paid after making all payments of principal, interest, mortgage insurance, and loan costs, as scheduled. The amount disclosed as the **Total of Payments** excludes any portion of the principal, interest, mortgage insurance, or loan costs that is offset by a specific credit from another party. However, non-specific or general credits do not pay for a specific fee or amount. Therefore, they do not offset amounts used to calculate the **Total of Payments**. (Comment 38(o)-1)

*In accordance with the rule, the Total of Payments ("TOP") calculation excludes charges for interest, mortgage insurance, and loan costs paid by someone other than the borrower through a specific credit. General credits are not used in the calculation. No change to the CTI calculation was necessary.*

## **Consumers on the Closing Disclosure**

Borrower is defined as only "persons to whom credit is offered or extended". The Closing Disclosure must be provided to each party with the right to rescind; however, those who are not applying for credit will not be listed as Borrowers.

*The CTI form conforms to this rule; no changes were needed. Borrower listed at the top of page 1 includes Borrower/Applicants. In a rescindable transaction, if signature confirmation receipt is selected the signature lines include consumers who have a right to rescind under Regulation Z.*

## **Percentage Values**

A slight format adjustment was made to percentage values. All percentage values are rounded to three decimals and any trailing zeros are not displayed. For instance, if the unrounded TIP calculation produces the result 143.2304 % then it is first rounded to three decimals (143.230 %), then the trailing zero is dropped so the value '143.23 %' is displayed on the printed document.

## Estimated Closing Costs Expiration Date and Time:

The date and time at which the estimated closing costs expire are left blank on any revised **Loan Estimate** provided after a consumer has indicated an intent to proceed with the transaction. (Comment 37(a)(13)-4)

***The Loan Estimate was modified so that the expiration date and time are no longer included when "INTENT TO PROCEED REC'D" is answered on the Loan Estimate Transfer, form 26327.***

RATE LOCK EXPIRATION	
INTENT TO PROCEED REC'D	Yes
CLOSING COST EXPIRATION	

## Construction Loans:

The Disclosure of Increases to the Periodic Payment have been incorporated in the appropriate areas on the TRID form. Please refer to the below help documentation for detailed instructions on how to complete data entry for the corresponding type of construction loan.

*How do I complete data when;*

- [My loan is Construction only and includes lot purchase](#)
- [My loan is Construction only and borrower owns land](#)
- [My loan is Construction Perm and includes lot purchase](#)
- [My loan is Construction Perm and borrower owns land](#)