



# TRID for Construction Loans (Webinar)

September 27, 2016 ☐ 3:00pm - 5:00pm

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The new Integrated Disclosure rules were effective on October 3, 2015. Many lenders are still scrambling trying to master the details of the new disclosures. Construction loans are causing problems because of a lack of binding clarification of the requirements.

Construction loans are significantly impacted by the TRID rules. Many construction loans were exempt from the old disclosure requirements; however, these loans are clearly covered by the new rules.

The CFPB provided few details regarding completion of the Loan Estimate and the Closing Disclosures for these loans. The regulation does not contain sample forms for construction loans. The Commentary only mentions construction loans a few times and those references provide little guidance for completing the forms.

Creditors continue to report problems producing construction loan disclosures using loan origination software (LOS) products. Apparently some LOS products cannot produce construction disclosures while others produce the disclosures for some construction loan options, but not for others.

While a proposed update to the regulation has been promised by the CFPB in late July, there is no word on whether the proposal will include clarification on construction loans. If the proposal is published as announced this program will include coverage of those changes. This webinar does include informal guidance provided by the CFPB in its March 2016 webinar "*Know Before You Owe Mortgage Disclosure Rule – Construction Lending*".

This program is designed to fill the void created by the lack of regulatory guidance for construction loans. It explains coverage and exemption rules. It provides section-by-section guidance on completing the Loan Estimate and the Closing Disclosure for the common construction loan options. It answers the many questions you have regarding the proper disclosure of construction loans.

## **Program Topics:**

Upon completion of the program, participants will understand:

- When and why construction loans are covered by the new integrated disclosure rules
- How to complete the loan estimate and closing disclosure for:
  - Construction only loans
  - Combined construction/permanent loans (both one-close and two-close)
  - Permanent financing that replaces construction financing
- How to properly estimate interest on a construction loan
- The impact of a construction only loan versus a lot purchase/construction loan
- When to disclose "Sales Price," "Estimated Value," or "Appraised Value"
- How to determine the proper "Purpose" of the loan
- How to properly describe the "Product"
- The proper disclosure of projected payments
- How to properly disclose inspection fees



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- How to disclose undisbursed construction funds
- Completing the "Cash to Close", "Optional Alternative Cash to Close" and "Cash to Close" in the Borrower's Summary of the Closing Disclosure
- When the AP Table is needed and how to properly complete it
- How to complete the "In 5 years" disclosure for short-term construction loans
- When to include the "60 days prior to consummation" disclosure
- Much more

## Who Should Attend

The program is designed for those desperately seeking answers to questions regarding the proper disclosure of construction loans. This program is designed for everyone involved in the origination of construction loans, those making decisions on construction loan products, compliance staff and auditors.

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## Webinar Speakers

**Jack Holzkecht** is the CEO of Compliance Resource, LLC. He has been delivering the word on lending compliance for 40 years. In 35 years as a trainer, over 125,000 bankers (and many examiners) have participated in Jack's live seminars and webinars. Jack's career began in 1976 as a federal bank examiner. He later headed the product and education divisions of a regional consulting company. There he developed loan and deposit form systems and software. He also developed and presented training programs to bankers in 43 states. Jack has been an instructor at compliance schools presented by a number of state bankers associations. As a contractor he developed and delivered compliance training for the FDIC for ten years. He is a Certified Regulatory Compliance Manager and a member of the National Speakers Association.

**Kelly M. Owsley, CRCM** is Directing of Training Services for Compliance Resource, LLC. Kelly's career in banking began in 2000. Since then she has worked for financial institutions ranging in asset size from \$250 million to \$3 billion. Kelly has worked in numerous areas of the financial services industry including retail branch management, lending, product development and training. In addition, Kelly spent three years in a training and development role with CUNA Mutual Group servicing the largest credit union in the United States. Most recently, she served as the Vice President of Compliance, BSA Officer and CRA Officer for a community bank in Kentucky where she was responsible for implementing and training all compliance related topics. Kelly holds a Bachelor of Science degree in Accounting from the University of Kentucky and is a Certified Regulatory Compliance Manager.