



Know before you close.

TRID Q&A: Can the Realtor Receive Borrower's Closing Disclosure?

QUESTION:

Is it a violation for the buyer's Realtor® to be in the closing room while the buyer is reviewing and signing their Closing Disclosure and loan documents? Is the buyer's Realtor® permitted to receive a copy of the Closing Disclosure without written consent by the buyer?

ANSWER:

The TILA-RESPA Integrated Disclosure (TRID) rule did not change anything regarding privacy. Companies should review their privacy policies to ensure it matches with their data sharing practices. Closing agents are encouraged to consider the role closing data plays in the Multiple Listing Service (MLS) system or agent licensing when assessing how to share data. One of the primary reasons real estate agents are interested in receiving the Closing Disclosure is because they have to report certain data fields to MLS to close the listing.

These requirements vary by state, so there is not a uniform set of data fields that will satisfy MLS. Reporting these data fields is a requirement for participating in the MLS system, so the information is needed by the real estate agent. However, not all information on the Closing Disclosure is necessary for real estate agents to comply with MLS requirements, which is why ALTA encourages closing agents to consider what information they provide to real estate agents and what the best method of sharing that information would be.

This being said, there is nothing within the TRID rule that prohibits the buyer's Realtor® from being present while the buyer reviews and signs his or her Closing Disclosure and loan documents. Additionally, the rule does not specifically address who may or may not receive the disclosures. Most lenders, however, will not provide the disclosures to the Realtor® even if the Realtor® obtains permission from the buyer. If the Realtor® would like a copy of the disclosures, he or she can obtain a copy of them directly from the buyer.

The concern with sharing consumer's personal and financial information is one of the reasons behind ALTA's development of the ALTA Settlement Statements. The ALTA Settlement Statements may be used in addition to the Closing Disclosure, but should not be used instead of the Closing Disclosure. The ALTA Settlement Statements help title insurance and settlement companies itemize all the fees and charges that both the homebuyer and seller must pay during the settlement process of a housing transaction. There are four versions of the ALTA Settlement Statement available: the buyer statement, the seller statement, the combined statement, and a statement for cash transactions.

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