Agencies Provide Insight on TRID Compliance Expectations

At the request of the American Bankers Association and other industry representatives, top heads of the CFPB, OCC and FDIC provided some insight as to what financial institutions should expect when being examined for compliance with the TILA-RESPA integrated disclosure (TRID) rule. While each agency responded separately, reports indicate that all three letters were identical.

The agencies recognize that as a result of TRID, significant systems and operational changes have been required, including the need for extensive coordination with third parties. Also, institutions have dedicated countless resources to understand the rule, adapt systems and train affected personnel.

Not until the new Loan Estimate and Closing Disclosures are in use will we be able to fully understand the additional technical and other questions that are likely to be identified. As such, the agencies noted that during initial examinations, institutions should expect:

- An evaluation of the institution's compliance management system and overall efforts to come into compliance. Examiners are to take into account the scope and scale of changes necessary for each supervised institution to achieve effective compliance; and

- To demonstrate that the institution has made good faith efforts to comply with the requirements of TRID in a timely manner. Specifically, examiners will consider the institution's implementation plan, including actions taken to: (i) update policies, procedures and processes; (ii) train appropriate staff; and (iii) handle early technical problems or other implementation challenges.

As a way of possibly easing uncertainty, the agencies indicated that the approach to be used in examining for the new TRID requirements will be similar to that taken in the initial examinations for compliance with the mortgage rules that became effective in January 2014.

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