



Webinar Seminar presented by Indiana Bankers Association Partnering with Total Training

# TRID for Construction Loans

Friday, October 21, 2016 11:00 a.m. – 1:00 p.m. Eastern Time

## Program Content

The new Integrated Disclosure rules were effective on October 3, 2015. Many lenders are still scrambling 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 summer, there is no word on whether the proposal will include clarification on construction loans. This webinar includes 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.

## Covered Topics

- 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); and
- 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
- 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; and
- Much more

## Who Should Attend

Professionals seeking answers 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.

## About the Presenters - Jack Holzknecht and Kelly Owsley

**Jack Holzknecht** is the CEO of Compliance Resource, LLC. He has been delivering the word on lending compliance for 39 years. In 34 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 Director 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 Univ. of Kentucky and is a Certified Regulatory Compliance Manager.

### 1. Live Webinar

The 2 hour **LIVE WEBINAR** option allows you to have **one telephone connection for the audio portion and one internet connection (from a single computer terminal)** to view online visuals as the presentation is delivered. You may have as many people as you like listen from your office speaker phone. Registrants receive a toll-free number & pass code that will allow entrance to the seminar. Seminar materials, including instructions, pin number, & handouts will be emailed to you prior to the broadcast. You will need the most current version of Adobe Reader available free at [www.adobe.com](http://www.adobe.com).

months after the live program date. Use the on-demand link or this "off-the-shelf" training program for those that could not attend the live seminar & for future training.

### 2. On-Demand Web Link

Can't attend the live webinar? The **ON-DEMAND WEB LINK** is a recording of the live event including PowerPoint and class materials. This web link can be viewed anytime 24/7, beginning 6 business days **AFTER** the webinar and will expire 6

**3. CD-Rom**  
For an additional \$60 the audio CD and printed class materials can be mailed to you.

### 4. Live plus On-Demand Web Link

Includes options 1 & 2.

### 5. Premiere Package

Includes options 1, 2 & 3

### Cancellation Policy

Within three or more business days prior to the day of an educational program, no cancellation charge will be assessed. If your bank is unable to participate after registering, you can select to purchase the on-demand recorded presentation.

## Registration Form - October 21, 2016 TRID for Construction Loans

<u>Live Webinar</u>	<u>On-Demand Web Link</u>	<u>On-Demand w/ CD</u>	<u>Live plus OnDemand</u>	<u>Premiere Package</u>
<b>Member</b> <input type="checkbox"/> \$265 Single Location <input type="checkbox"/> \$75 Each Additional Location	<b>Member</b> <input type="checkbox"/> \$295	<b>Member</b> <input type="checkbox"/> \$325	<b>Member</b> <input type="checkbox"/> \$365	<b>Member</b> <input type="checkbox"/> \$395
<b>Non-Member</b> <input type="checkbox"/> \$530 Single Location <input type="checkbox"/> \$150 Each Additional Location	<b>Non-Member</b> <input type="checkbox"/> \$590	<b>Non-Member</b> <input type="checkbox"/> \$650	<b>Non-Member</b> <input type="checkbox"/> \$730	<b>Non-Member</b> <input type="checkbox"/> \$790

Name \_\_\_\_\_

Bank/Firm \_\_\_\_\_

Business Street Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Phone \_\_\_\_\_ E-mail Address \_\_\_\_\_

**Payment Information**

Register online: [www.indianabankers.org](http://www.indianabankers.org)

Check enclosed (6925 Parkdale Pl. Indianapolis. IN 46254)

Please Invoice my Bank     Visa     Master Card

Account Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

Questions? 317-387-9380    Elizabeth Kilty    Fax: 317-387-9374  
ekilty@indianabankers.org