

Title Chat

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RESPA Reform – Round 2

In our November 2002 *Title Chat* we discussed the proposal that HUD was considering adopting regarding RESPA which would have modified the Good Faith Disclosure and create a structure that would allow settlement service providers, lenders and other participants in the real estate closing process to “package” the various lending and closing services into one bundle for one price to the consumer. The real estate closing industry debated this proposal with HUD at length. HUD withdrew its proposal but stated that it would reconsider the issue of closing costs in real estate settlements at a later date.

In late June HUD proposed a timetable to develop rules regarding the financing of sales and refinances through a series of roundtable discussions and meetings to take place in Washington D.C., Los Angeles, Chicago and Fort Worth.

HUD’s stated goal is to make the real estate closing process easier to understand and to provide the purchaser/borrower more certainty as to the costs involved. HUD has distributed for consideration a revised *Good Faith Estimate* form, a *Yield Spread Premium Disclosure* form, and a *Mortgage Package Offer* form with a discussion on its current thoughts on the “packaging” concept.

You can view the handouts being circulated by HUD by going to the ALTA website <http://www.alta.org> and opening the heading “HUD July 14 Roundtable Handouts” in the Government News section.

As soon as further developments come to our attention on RESPA reform, we will *Chat* again.

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