



With CFPB Approval, the ICBA/CBAI's TRID Improvement Project is Ready for Customer Testing

On November 21, 2023, the Consumer Financial Protection Bureau (CFPB) announced its approval of a joint effort by the ICBA, CBAI community bankers, and technology vendors Land Gorilla and Wolters Kluwer. This announcement was the culmination of a multi-year effort to improve the residential mortgage lending process for both customers and community banks.

Over time, the documentation and procedures for residential mortgage lending have become so complicated that lenders and mortgage-related professionals struggle to keep up with changes. Borrowing to finance the purchase of a home is likely to be the largest loan a customer will ever assume. They need to completely understand this significant obligation, but they are struggling.

The situation gets even more complicated when there is a construction loan leading to a permanent loan. It was with these challenges in mind that improvements to the TILA/RESPA Integrated Disclosure (TRID) for construction to perm financing were selected as the first of what we hope will be other collaborative efforts with the CFPB. The goal of these efforts will be to improve the customer experience with the origination and funding of their mortgage loans and also remove barriers for community banks to make residential mortgage loans.



CBAI community bankers and staff meet with CFPB Director Kathy Kraninger and CFPB staff.

On February 5, 2019, a delegation of CBAI community bankers met with the CFPB Director Kathy Kraninger in Chicago. This meeting with CBAI and member bankers was an important listening session for the new director. She was very interested in learning about any issues that members have with the CFPB and about

other community banking issues and concerns. One issue that was of particular interest to community bankers was the need to modify and test a revised TRID in the CFPB's version of a "regulatory sandbox."

The TRID Improvement Project (Project) gained much-needed momentum during a meeting between Federal Reserve Governor Miki Bowman, ICBA President Rebeca Romero Rainey, and CFPB Director Kraninger at a conference where the challenges of residential mortgage lending were discussed. The three conference presenters agreed to make this Project a priority. Happily, this priority was assumed by the new administration's CFPB Director.

Many CBAI-member community bankers responded to a request to participate in this Project including the Bank of Springfield; First Community Bank and Trust Company, Beecher; Midwest Bank, Monmouth; and Goodfield State Bank. This Working Group's task was to develop a modified TRID and submit it for approval by the Bureau. If approved, the revised TRID would then be available for testing by community banks willing to participate under the ICBA's umbrella authorization. Months of virtual meetings with community bankers and the CFPB ensued until a final version was agreed upon by the Bureau and the Working Group.

In March of 2023, the Bureau published the Trial Disclosure Application for comment, which included the proposed TRID. CBAI issued an Action Alert for members to submit comments to the Bureau. In addition, on March 21, 2023, CBAI submitted its own formal comment which emphasized the benefits of adopting this improved version of the TRID.

Then, on November 21, 2023, the CFPB announced that it approved the application from the ICBA for in-market testing of the alternative TRID. Following the CFPB's publication of the template, the ICBA will work with community bankers interested in testing the new disclosure. Community bankers who wish to be included in this testing process or would like additional information should contact either the ICBA's Senior Vice President of Housing Finance Policy [Ron Haynie](#) or CBAI's Senior Vice President of Federal Governmental Relations [David Schroeder](#).

CBAI thanks all the Illinois community bankers and the others who have worked on this important project.

Community Bankers Association of Illinois

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