

(Pub. L. 93-533, §3, Dec. 22, 1974, 88 Stat. 1724; Pub. L. 94-205, §2, Jan. 2, 1976, 89 Stat. 1157; Pub. L. 98-181, title IV, §461(a), Nov. 30, 1983, 97 Stat. 1230; Pub. L. 102-550, title IX, §908(a), (b), Oct. 28, 1992, 106 Stat. 3873, 3874; Pub. L. 104-208, div. A, title II, §2103(c)(1), Sept. 30, 1996, 110 Stat. 3009-400; Pub. L. 111-203, title X, §1098(1), July 21, 2010, 124 Stat. 2103.)

REFERENCES IN TEXT

Section 1602(f) of title 15, referred to in par. (1)(B)(iv), was redesignated section 1602(g) of title 15 by Pub. L. 111-203, title X, §1100A(1)(A), July 21, 2010, 124 Stat. 2107.

AMENDMENTS

2010—Par. (9). Pub. L. 111-203 added par. (9).

1996—Par. (7). Pub. L. 104-208 substituted “affiliated business arrangement” for “controlled business arrangement”.

1992—Par. (1)(A). Pub. L. 102-550, §908(b), inserted “or subordinate” after “first” and “, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property” after “families”.

Par. (3). Pub. L. 102-550, §908(a), inserted “the origination of a federally related mortgage loan (including, but not limited to, the taking of loan applications, loan processing, and the underwriting and funding of loans),” after “broker,”.

1983—Pars. (7), (8). Pub. L. 98-181 added pars. (7) and (8).

1976—Par. (1). Pub. L. 94-205, §2(1), inserted “(other than temporary financing such as a construction loan)” in introductory text.

Par. (1)(A). Pub. L. 94-205, §2(2), inserted “a first lien on” after “is secured by”.

Par. (1)(B)(iii). Pub. L. 94-205, §2(3)-(5), substituted “is intended to be sold by the originating lender to” for “is eligible for purchase by” and “a” and “is to” for “from any” and “could”, respectively, and struck out “or” after “the Government National Mortgage Association”.

Par. (1)(B)(iv). Pub. L. 94-205, §2(6), inserted “, except that for the purpose of this chapter, the term ‘creditor’ does not include any agency or instrumentality of any State” after “more than \$1,000,000 per year”.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 908(d) of Pub. L. 102-550 provided that: “This section [amending this section and enacting provisions set out below] shall take effect on the date of enactment of this Act [Oct. 28, 1992] and shall not apply retroactively.”

EFFECTIVE DATE OF 1983 AMENDMENT

Section 461(f) of Pub. L. 98-181 provided that: “The amendments made by this section [amending this section and sections 2607, 2614, and 2617 of this title] shall become effective on January 1, 1984.”

EFFECTIVE DATE OF 1976 AMENDMENT

Section 12 of Pub. L. 94-205 provided that: “The provisions of this Act and the amendments made hereby [enacting section 2617 of this title, amending this section, sections 2603, 2604, 2607, 2609, and 2616 of this title, and section 1631 of Title 15, Commerce and Trade, repealing sections 2605 and 2606 of this title, and enacting and amending provisions set out as notes under section 2601 of this title] shall become effective upon enactment [Jan. 2, 1976]. The Secretary may suspend for up to one hundred and eighty days from the date of enactment of

this Act [Jan. 2, 1976] any provision of section 4 and section 5 of the Real Estate Settlement Procedures Act of 1974 [sections 2603 and 2604 of this title], as amended by this Act.”

REGULATIONS

Section 908(c) of Pub. L. 102-550 provided that: “The Secretary of Housing and Urban Development shall issue regulations to implement the amendments made by this section [amending this section] not later than the expiration of the 180-day period beginning on the date of the enactment of this Act [Oct. 28, 1992]. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).”

§ 2603. Uniform settlement statement

(a) Disclosure for mortgage loan transactions

The Bureau shall publish a single, integrated disclosure for mortgage loan transactions (including real estate settlement cost statements) which includes the disclosure requirements of this section and section 2604 of this title, in conjunction with the disclosure requirements of the Truth in Lending Act [15 U.S.C. 1601 et seq.] that, taken together, may apply to a transaction that is subject to both or either provisions of law. The purpose of such model disclosure shall be to facilitate compliance with the disclosure requirements of this chapter¹ and the Truth in Lending Act, and to aid the borrower or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. Such forms shall conspicuously and clearly itemize all charges imposed upon the borrower and all charges imposed upon the seller in connection with the settlement and shall indicate whether any title insurance premium included in such charges covers or insures the lender's interest in the property, the borrower's interest, or both. The Bureau may, by regulation, permit the deletion from the forms prescribed under this section of items which are not, under local laws or customs, applicable in any locality, except that such regulation shall require that the numerical code prescribed by the Bureau be retained in forms to be used in all localities. Nothing in this section may be construed to require that that part of the standard forms which relates to the borrower's transaction be furnished to the seller, or to require that that part of the standard forms which relates to the seller be furnished to the borrower.

(b) Availability for inspection; exceptions

The forms prescribed under this section shall be completed and made available for inspection by the borrower at or before settlement by the person conducting the settlement, except that (1) the Bureau may exempt from the requirements of this section settlements occurring in localities where the final settlement statement is not customarily provided at or before the date of settlement, or settlements where such requirements are impractical and (2) the borrower may, in accordance with regulations of the Bureau, waive his right to have the forms made available at such time. Upon the request of the

¹ See References in Text note below.

borrower to inspect the forms prescribed under this section during the business day immediately preceding the day of settlement, the person who will conduct the settlement shall permit the borrower to inspect those items which are known to such person during such preceding day.

(c) Disclosure of fees

The standard form described in subsection (a) may include, in the case of an appraisal coordinated by an appraisal management company (as such term is defined in section 3350(11) of this title), a clear disclosure of—

- (1) the fee paid directly to the appraiser by such company; and
- (2) the administration fee charged by such company.

(Pub. L. 93-533, §4, Dec. 22, 1974, 88 Stat. 1725; Pub. L. 94-205, §3, Jan. 2, 1976, 89 Stat. 1157; Pub. L. 104-208, div. A, title II, §2103(g)(1), Sept. 30, 1996, 110 Stat. 3009-401; Pub. L. 111-203, title X, §1098(2), title XIV, §1475, July 21, 2010, 124 Stat. 2103, 2200.)

REFERENCES IN TEXT

The Truth in Lending Act, referred to in subsec. (a), is title I of Pub. L. 90-321, May 29, 1968, 82 Stat. 146, which is classified generally to subchapter I (§1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

This chapter, referred to in subsec. (a), was in the original “this title” and was translated as reading “this Act”, meaning Pub. L. 93-533, which is classified principally to this chapter, to reflect the probable intent of Congress, because Pub. L. 93-533 does not contain titles.

AMENDMENTS

2010—Subsec. (a). Pub. L. 111-203, §1098(2), substituted “The Bureau shall publish a single, integrated disclosure for mortgage loan transactions (including real estate settlement cost statements) which includes the disclosure requirements of this section and section 2604 of this title, in conjunction with the disclosure requirements of the Truth in Lending Act that, taken together, may apply to a transaction that is subject to both or either provisions of law. The purpose of such model disclosure shall be to facilitate compliance with the disclosure requirements of this chapter and the Truth in Lending Act, and to aid the borrower or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures.” for “The Secretary, in consultation with the Administrator of Veteran’s Affairs, the Federal Deposit Insurance Corporation, and the Director of the Office of Thrift Supervision, shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such variations as may be necessary to reflect differences in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans.”, “Such forms” for “Such form”, “Bureau may” for “Secretary may”, “the forms” for “the form”, and “prescribed by the Bureau” for “prescribed by the Secretary” and substituted “standard forms” for “standard form” in two places.

Subsec. (b). Pub. L. 111-203, §1098(2)(B), (C), substituted “forms” for “form” wherever appearing and “Bureau” for “Secretary” in two places.

2010—Subsec. (c). Pub. L. 111-203, §1475, added subsec. (c).

1996—Subsec. (a). Pub. L. 104-208 substituted “Director of the Office of Thrift Supervision” for “Federal Home Loan Bank Board”.

1976—Subsec. (a). Pub. L. 94-205, §3(1)–(3), designated existing provisions as subsec. (a), struck out “minimum” after “with such” and “unavoidable” after “necessary to reflect” in parenthetical provisions covering allowable regional variations in the uniform settlement statement, and substituted provisions authorizing the Secretary to permit deletions from the standard form for provisions requiring that the standard form contain all the information and data required under the Truth in Lending Act.

Subsec. (b). Pub. L. 94-205, §3(4), added subsec. (b).

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by section 1098(2) of Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

Amendment by section 1475 of Pub. L. 111-203 effective on the date on which final regulations implementing that amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as a note under section 1601 of Title 15, Commerce and Trade.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-205 effective Jan. 2, 1976, with the Secretary authorized to suspend for up to 180 days from Jan. 2, 1976, any provision of this section as amended by Pub. L. 94-205, see section 12 of Pub. L. 94-205, set out as a note under section 2602 of this title.

§ 2604. Special information booklets

(a) Distribution by Bureau to lenders to help borrowers

The Bureau shall prepare and distribute booklets jointly addressing compliance with the requirements of the Truth in Lending Act [15 U.S.C. 1601 et seq.] and the provisions of this chapter,¹ in order to help persons borrowing money to finance the purchase of residential real estate better to understand the nature and costs of real estate settlement services. The Bureau shall distribute such booklets to all lenders which make federally related mortgage loans.

(b) Form and detail; cost elements, standard settlement form, escrow accounts, selection of persons for settlement services; consideration of differences in settlement procedures

Each booklet shall be in such form and detail as the Bureau shall prescribe and, in addition to such other information as the Bureau may provide, shall include in clear and concise language—

- (1) a description and explanation of the nature and purpose of each cost incident to a real estate settlement;
- (2) an explanation and sample of the standard real estate settlement form developed and prescribed under section 2603 of this title;
- (3) a description and explanation of the nature and purpose of escrow accounts when used in connection with loans secured by residential real estate;
- (4) an explanation of the choices available to buyers of residential real estate in selecting persons to provide necessary services incident to a real estate settlement; and

¹ See References in Text note below.