



February 11, 2016

To: Clients and Friends

From: Daniel S. Engle

Subject: CFPB Corrects Typographical Error in Supplementary Information to TRID Rule Regarding Application of Tolerances to Certain Fees and Charges

2905 Corporate Circle

Flower Mound, TX 75028

Phone: 972-353-4174

Fax: 972-221-9316

Partners

Thomas E. Black, Jr.*

Gregory S. Graham

Shawn P. Black**

Regina M. Uhl***

Senior Lawyers

David F. Dulock

Diane M. Gleason

Associates

Peter B. Idziak**

Daniel S. Engle**

Of Counsel

David M. Tritter

Benjamin R. Idziak**

Calvin C. Mann, Jr.

Retired Partner(s)

Calvin C. Mann, Jr.

In the February 10, 2016, issue of the *Federal Register* (81 FR 7032, [click here](#)), the CFPB corrected a typographical error in the Supplementary Information to the TILA-RESPA Final Rule published in the December 31, 2013, issue of the *Federal Register* (78 FR 79730) regarding the applicability of TRID tolerances to property insurance premiums, property taxes, homeowner's association dues, condominium fees, and cooperative fees under Section 1026.19(e)(3)(iii) of Regulation Z. On page 79830, in the first column, lines 44 through 50, the Supplementary Information to the TILA-RESPA Final Rule in the December 31, 2013, issue of the *Federal Register* incorrectly states: "*The final rule also mirrors current Regulation X in that property insurance premiums, property taxes, homeowner's association dues, condominium fees, and cooperative fees are subject to tolerances whether or not they are placed into an escrow, impound, reserve, or similar account.*" (Emphasis added.)

In the February 10, 2016, issue of the *Federal Register* the CFPB corrects this erroneous statement by revising it to read: "*The final rule also mirrors current Regulation X in that property insurance premiums, property taxes, homeowner's association dues, condominium fees, and cooperative fees are **not** subject to tolerances whether or not they are placed into an escrow, impound, reserve, or similar account.*" (Emphasis added.)

Therefore, the estimated amount of property insurance premiums, property taxes, homeowner's association dues, condominium fees, and cooperative fees disclosed on the Loan Estimate will be in good faith if consistent with the best information reasonably available to the creditor at the time the amount is disclosed on the Loan Estimate, regardless of whether the amount paid by the consumer exceeds the disclosed amount.

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