



## MFM Bulletin: 009-2021

**Date:** June 18, 2021

**Subject:** Juneteenth – New Federal Holiday Impact

On June 17, 2021, President Biden signed Senate Bill S.475 establishing June 19th as Juneteenth National Independence Day. The effect of the new law includes Juneteenth as a date-specific legal federal holiday as identified under 5 U.S.C § 6103(a). In response, the following changes are effective immediately with the President's signing of this bill into law.

### **Regulation Z - Rescission Timing:**

Juneteenth National Independence Day, would be considered a Specific Business Day **to be excluded** when counting days to determine the proper rescission period.

- Under 12 CFR § 1026.15(a)(3), the consumer may exercise the right to rescind until midnight of the third business day following the occurrence that gave rise to the right to rescind.
- For purposes of this right of rescission, business days are considered to be Specific Business Days, that is, all calendar days except Sundays and the legal public holidays specified in 5 U.S.C. 6103(a), such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

### **Loan Estimate and Closing Disclosure Waiting Periods:**

Juneteenth National Independence Day, would be considered a Specific Business Day **to be excluded** when counting days to determine the proper waiting period prior to consummation.

- Under 12 CFR § 1026.19(e)(1)(iii), the creditor shall deliver or place in the mail the disclosures required under paragraph (e)(1)(i) of this section not later than the third business day after the creditor receives the consumer's application, as defined in § 1026.2(a)(3), and not later than seven business days before the loan is consummated.
- Under 12 CFR §1026.19(f)(1)(ii), the creditor shall ensure that the consumer receives the disclosures required under paragraph (f)(1)(i) of this section no later than three business days before consummation.

### **What This Means:**

- The fact that June 19th is now a federal public holiday gives lenders who take an application from today until Saturday an additional day to deliver or place the LE in the mail.
- June 19th cannot be counted as a business day for purposes of the seven-business day waiting period that TRID requires between delivery of the initial LE and consummation of the loan.
- June 19th cannot be counted as a business day for purposes of counting the required three business days between receipt of the CD and closing. Therefore, loans currently in the three-business day waiting period cannot close until an additional business day has passed. **These loan closings will need to be rescheduled.**



- In addition, for rescindable loans that are closed today (June 18th), an additional day will have to be added to the rescission period before the loan may fund. The earliest the loan will disburse will be Thursday, June 24th.
- A new Notice of Right to Rescind must be executed by the borrower (today) for any loan that closed on Wednesday, June 16th or Thursday, June 17th which will trigger an additional three-business day waiting period. This means that, if the borrower signed the new Notice of Right to Rescind today, loans that closed on:
  - Wednesday, June 16th will disburse on Thursday, June 24th
  - Thursday, June 17th will disburse on Thursday, June 24th

**If the borrower DOES NOT sign the New Notice of Right to Rescind today, the disbursement will be delayed until three business days have passed after the day the borrower has signed the new form.** Member First Mortgage will work directly with title companies and borrowers to ensure all required documentation is executed in accordance with this change.

**MFM Lock Desk:**

Member First Mortgage's Lock Operations will be active and functional on Friday, June 18th, and Monday, June 21st.

Please contact your assigned MFM Account Executive with any questions or concerns.

Thank you