

Best Capital Funding Compliance Announcement

JUNETEENTH – NEW FEDERAL HOLIDAY’S REGULATION Z IMPACTS

On June 17, 2021, President Biden signed Senate Bill S.475 establishing June 19th as Juneteenth National Independence Day. The new law now identifies Juneteenth as a date-specific legal federal holiday as identified under 5 U.S.C § 6103(a).

The following changes are effective immediately with the President’s signing of this bill into law:

Regulation Z - Rescission Timing

Juneteenth National Independence Day is now 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. This right of rescission business days are considered to be Specific Business Days except Sundays and the legal public holidays specified in 5 U.S.C. 6103(a)

To ensure that Best Capital Funding closes loans in compliance, **All Branch Managers** must review their pipelines immediately to identify if there are any refinance loans in your pipeline that closed on Wednesday June 16th Or Thursday June 17th.

- Closer/Funder must recalculate the rescission days to exclude Saturday June 19th
- Update the Lending QB disbursement date AND Per-diem Interest Start date.
- Prepare and send out a updated “Notice of Right To Cancel “ (2 copies) with the re-calculated rescission for the borrower to execute.

Additionally, identify refinance loans in which closing documents have already been sent out **OR** documents will be sent out that are closing June 18th or after.

- Closer/Funder must Exclude June 19th from the rescission date timeframe of these loans.
- If Docs have already been sent out the Closer must Update the “Notice of Right To Cancel “ (2 copies) with the re-calculated rescission date that excludes June 19th for the borrower to execute at closing.
- Calculate your new disbursement dates and Per-Diem Interest start date and update Lending QB accordingly.

Loan Estimate and Closing Disclosure Waiting Periods

Juneteenth National Independence Day is now considered a Specific Business Day and must 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.

Best Capital Funding Operations will be open and operating on Friday, June 18th, and Monday, June 21st.