

## TRIPLE PLAY CONVENTION

K&L GATES

# FINALLY HERE TILA-RESPA INTEGRATED DISCLOSURE FORMS

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# WHAT WILL WE COVER TODAY?

## RESPA-TILA Integrated Forms

1. Background
  - a. how did we get here
  - b. will we survive
2. Top Takeaways
  - a. 1,888 pages
  - b. things you need to know
3. Impact on Lenders, Realtors and Title Companies
  - a. increased responsibility and liability
  - b. penalties for non-compliance
4. Loan Estimate and Closing Disclosure Forms
5. Questions

The background of the slide is a deep blue with a bokeh effect, featuring numerous out-of-focus light spots in shades of blue and white. A solid orange horizontal band is positioned in the center of the slide, serving as a background for the title text.

# RESPA-TILA Integrated Disclosure Forms

# I. INTRODUCTION

## A. Background

### 1. RESPA

- Anti-kickback – Eliminate abusive practices that drive up cost of product to consumers
- Consumer disclosure – Give buyers and sellers full disclosure of costs of transaction

### 2. TILA

- Informed use of credit – Disclosure of credit terms
- Cost of credit calculations – Annual percentage rate and finance charge
- Projected payment schedule – Allow consumers to compare pricing among competitors

# I. INTRODUCTION

## A. Background (cont'd)

### 3. Similar timing of disclosure

- Both require disclosure three days after application
- Both require final disclosure shortly before consummation

### 4. But that's where similarities end

- Forms contain overlapping information
- Inconsistent language
- Burdensome for lenders to provide
- Difficult for consumers to understand

# I. INTRODUCTION

## B. Modern History

1. Congress said, “We’ll take it from here.”
  - Section 1032(f) of Dodd-Frank Act requires CFPB to propose a regulation that combines RESPA-TILA disclosures within one year of transfer
2. Know Before You Owe
  - CFPB undertakes 18-month effort to get it right
3. Consumer testing and focus groups
  - Interactive comment process
  - Numerous sample forms analyzed
  - Public outreach
4. CFPB convenes Small Business Panel
5. July 9, 2012 Proposed Rule
  - 1,099 pages long
  - Multiple LE and CD prototypes

## II. FINAL REGULATION ISSUED 11-20-13

### A. Goals of New Rule

1. Easier-to-use mortgage disclosure forms
2. Improve consumer understanding
3. Aid comparison shopping
4. Prevent surprises at closing table

## II. FINAL REGULATION ISSUED 11-20-13

### B. Two New Forms

#### 1. The Loan Estimate

- Provided to consumers within three business days after submission of loan application
- Replaces early TIL statement and GFE
- Provides summary of key loan terms and estimates of loan and closing costs
- Idea to promote comparison shopping

#### 2. The Closing Disclosure

- Received by consumers three business days before consummation
- Replaces final TIL statement and HUD-1 Settlement Statement
- Provides detailed accounting of transactions

### C. Rule Effective – October 3, 2015



### III. FINAL REGULATIONS OVERVIEW

#### A. Coverage

1. Applies to most closed-end consumer mortgage loans
2. Does not apply to:
  - Home equity lines of credit
  - Reverse mortgages
  - Mortgages secured by mobile homes or by dwellings not attached to property
  - Creditor that makes five or fewer mortgage loans in one year

## IV. TOP TAKEAWAYS IN FINAL RULE

### Narrowed Definition of “Application”

- Neither TILA nor RESPA statutes define “Application”
- Current Reg X defines an application as consisting of 7 elements
  - Including a catch-all provision
  - “Any other information deemed necessary for the originator”
- CFPB believes 7th element delays loan estimates to consumers

## IV. TOP TAKEAWAYS IN FINAL RULE

### Narrowed Definition of “Application” *(cont’d)*

- Final Rule eliminates catch-all provision
- “Application” defined by 6 elements:
  - Borrower name
  - Property address
  - Income
  - Estimated value of property
  - Social Security Number
  - Mortgage loan amount
- Perceived Benefits:
  - Earlier receipt of loan information
  - Uniform standard for all creditors
  - Additional information still collectable

## IV. TOP TAKEAWAYS IN FINAL RULE

### Definition of “Business Day”

- Not one, but two definitions
- When providing Loan Estimate to consumer within **three business days** of application
  - Defined as day on which the creditor’s offices are open to the public to carry on substantially all functions
- Waiting period for Loan Estimate and consumer receipt of Closing Disclosure
  - Defined as all **calendar days** except Sunday and certain federal holidays

## IV. TOP TAKEAWAYS IN FINAL RULE

### Variations...the New Tolerances

- Concept of “tolerances” nowhere to be found in RESPA (though TILA adopts tolerances to facilitate compliance)
- Current Reg X creates three “Tolerance Buckets”
  - 1024.7(e)(1) Zero Tolerance
  - 1024.7(e)(2) 10% Tolerance
  - 1024.7(e)(3) No Tolerance
- Final Rule avoids the “T” word
  - “Good Faith Estimate” is essentially defined as the disclosure of the actual amount charged to a consumer at closing

## IV. TOP TAKEAWAYS IN FINAL RULE

### Variations...the New Tolerances *(cont'd)*

#### Tolerances now called “Variations”

- No variations (Zero Bucket) expanded to include:
  - Affiliate charges
  - Fees paid to unaffiliated SSP that consumer cannot shop for
- Limited increases (10% Bucket)
  - Charge paid to unaffiliated SSP selected from creditor's SSPL
- Variations permitted (No Tolerance Bucket)
  - SSP shopped for by consumer
  - Prepaid interest
  - Property insurance premiums
  - Escrow amounts, impound reserves

## IV. TOP TAKEAWAYS IN FINAL RULE

### Variations...the New Tolerances *(cont'd)*

- No Tolerance does not mean No Tolerance
  - Creditor still on the hook under No Tolerance Bucket
  - “Best information reasonably available to the Creditor”
  - Don’t get off scot-free if you intentionally lowball prepaid interest, escrow amounts, etc.
- Changed circumstances still exist to permit revisions to Loan Estimate fees

## IV. TOP TAKEAWAYS IN FINAL RULE

### “Changed Circumstances”

- “Good faith” for purposes of fee variation rules can be determined based on a revised Loan Estimate if:
  - Changed circumstances cause the charge or aggregate charges to increase or a borrower’s eligibility to change
  - Borrower requests a change
  - Borrower indicates intent to proceed more than 10 business days after Loan Estimate is provided
  - New construction with closing more than 60 days after initial Loan Estimate
  - Interest rate is locked
    - New Loan Estimate is required within 3 days of date of rate lock with revisions to interest-rate dependent charges



## IV. TOP TAKEAWAYS IN FINAL RULE

### Written List of Providers

- Carry over from HUD Regs
  - Lender must provide consumer with Settlement Service Providers List
    - At least one provider for each service for which the consumer may shop
    - Multiple providers permitted
  - SSPL must be provided on separate sheet of paper
  - May expressly state that list is not an endorsement of providers

## IV. TOP TAKEAWAYS IN FINAL RULE

### Written List of Providers *(cont'd)*

- Timing of SSPL
  - Same timing as provision of Loan Estimate
  - Within three business days of application
- Affiliates
  - Lender affiliates may be listed on SSPL
  - No prohibition to limiting providers to affiliates only
- Rule provides model form

### Additional Details for Services You Can Shop For

To get you started with shopping, this list identifies some providers for the services you can shop for (see Section C on page 2 of your Loan Estimate).

[illegible]

**APPLICANTS:**

DATE ISSUED:

LOAN ID #

## IV. TOP TAKEAWAYS IN FINAL RULE

### Timing of Disclosures

#### Loan Estimate:

- “Application” trigger
- Three business days after Application
- Seven business days prior to consummation
- Waiver of waiting period permitted in *bona fide* financial emergencies
  - Written statement by consumer
  - No printed forms
- Re-disclose within three business days of change

## IV. TOP TAKEAWAYS IN FINAL RULE

### Timing of Disclosures (cont'd)

#### Closing Disclosure:

- Consumer must receive three business days before consummation
  - Unless
    - *Bona fide* personal financial emergency
    - Written statement by consumer
    - Printed forms prohibited
- Seller must receive no later than day of consummation

## IV. TOP TAKEAWAYS IN FINAL RULE

### Timing of Disclosures *(cont'd)*

#### **Closing Disclosure:**

- If Closing Disclosure becomes inaccurate before closing, provide corrected disclosure at or before consummation
  - Still must be able to inspect one business day prior to consummation
- Limited changes require a new three-business-day waiting period:
  - Changes above APR tolerance
  - Change to loan product
  - Addition of prepayment penalty
- This is a change from proposed rule
  - Changes in dollar amounts \$100 or greater would have required a new waiting period.

## IV. TOP TAKEAWAYS IN FINAL RULE

### Timing of Disclosures *(cont'd)*

#### Closing Disclosure:

- Changes post-closing require revised Closing Disclosure:
  - Event related to settlement 30 days after closing and to an amount paid by consumer and/or seller = re-disclose 30 days after learning event occurred
  - Non-numeric clerical errors = re-disclose 60 days after consummation
  - Variation (tolerance) violation occurs = refund and re-disclose 60 days after consummation

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry

1. Simultaneous Issue
  - Loan and owners title policies purchased in same transaction
  - TRID requires inaccurate disclosure of title premiums
2. Who provides Closing disclosure to consumers?
3. Difference between consummation and closing
4. Grace Period
  - CFPB willing to work with industry



## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry (cont'd)

#### 1. Simultaneous Issue

**Issue:** In approximately half of the states, consumers entitled to a discount on lenders title insurance policy (LTP) when owner's title policy (OTP) simultaneously issued

**Concern:** CFPB insists that the full LTP be shown on Loan Estimate and Closing Disclosure – even though by virtue of a simultaneous issue rate LTP is substantially discounted

At the same time, CFPB permits the owner's title policy to be shown at a lower rate than the actual rate

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry *(cont'd)*

#### Under the Rule

OTP shown as \$350

\$815 OTP Premium + \$290 LTP simultaneous premium

- (minus) Full LTP of \$755

LTP shown as Full LTP \$755

#### In Realty

OTP actual charge is \$815

LTP actual charge is \$290

- Dollars equal out, but that is not the point

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry *(cont'd)*

Impact Differs Based on Local Practice

- Western states, Buyer often pays for both OTP and LTP
  - both policy premiums inaccurately disclosed BUT, cash to close is ACCURATE
- East Coast
  - seller typically pays for OTP
  - buyer pays LTP

**Solution:** Title Companies will have to create a Master Closing Statement to accurately show insurance regulators proper disbursement amounts of LTP and OTP

Page 1 of 2

El)SILON TITLE COMPANY  
123 Commerce Place.Sanecity,ST 12344  
967-555-4321•FAX .UX-XXX-XXX,\

SETTLEMENT DATE: 04/15/2013

**SELLER:** Steve Cole and Amy Doe  
**BUYER:** Michael Jones and Mary Stone  
**PROPERTY:** 456 Somewhere Ave., Anytown, ST 12345

(dsstmtmslr)

Date: April 14, 2015

Escrow No.: 12-3456

Page 2 of 2

		Tax Status Research Fee to Info Co.	80.00	
		Interest at \$17.44 per day from 04/15/2013 to 05/01/2013	279.04	
		Homeowner's Insurance \$100.83 per month for 2 mo.	201.66	
		Property Taxes \$105.30 per month for 2 mo.	210.60	
		Aggregate Adjustment		.01
		<b>PAYOFFS- First Mortgage Loan</b>		
		<b>Total Payoff \$100,000.00</b>		
100,000.00		Principal Balance to ndyMac Bank		
		<b>COMMISSIONS:</b>		
5,700.00		Listing Brokers Commission to Alpha Real Estate Broker		
5,700.00		Selling Brokers Commission to Omega Real Estate Broker		
		<b>MISCELLANEOUS:</b>		
		Pest Inspection Fee to Pests Co.	120.50	
		Survey Fee to SUrveys Co.	85.00	
		HOA Capital Contribution to HOA Acre Inc.	500.00	
		HOA Processing Fee to HOA Acre Inc.	150.00	
		Home Inspection Fee to Engineers Inc. (S/POC \$750)	750.00	
450.00		Home Warranty Fee to XYI Warranty Inc.		
		Hazard Premium to Insurance Co.	1,209.96	
		Property Taxes to Any County, USA	631.80	
\$63,164.96		BALANCE		12,897.26
\$180,080.00	\$180,080.00	TOTAL	\$188,513.31	\$188,513.31

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry (cont'd)

#### 2. Who Provides Closing Disclosure?

##### 1. 3 Options

- (i) Lender prepares and provides
- (ii) Title Company prepares and provides
- (iii) Hybrid arrangement
  - Lender prepares and provides
  - with data supplied by title company
  - technology interface
- Creditor still on the hook

#### 2. Settlement Agent still must prepare and provide Closing Disclosure to Seller

- Must provide copy of Seller CD to creditor

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry *(cont'd)*

#### 3. Difference Between Consummation and Closing Dates

1. Rule requires CD be provided to consumer within 3 business days of **consummation**
2. Consummation date is the date upon which the consumer is obligated on the loan
  - Typically date note is signed
3. In most states consummation occurs at the closing table
  - Consummation and closing occur simultaneously
4. However, in Western states consummation occurs prior to date closing docs executed

## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Title Insurance Industry *(cont'd)*

#### 4. Grace Period (Get out of Jail Free Card)

1. In 2010 HUD approved 6 month grace period when new GFE and HUD-1 enacted
  - Allow lenders and other providers time to get acclimated
2. CFPB has been approached by Congress and the settlement service industry (including mortgage, title and realtors) to allow a similar grace period
  - CFPB willing to work with companies during initial phase



## IV. TOP TAKEAWAYS IN FINAL RULE

### Top Issues Affecting Realtors®

1. Delay
  - Intent to Proceed may slow process
  - Multiple versions of Closing Disclosures likely
2. Walk throughs more challenging
  - Likely to be several
3. Need to obtain CD from buyer, not closing agent
4. Simultaneous closing will be a challenge
5. Longer more complicated closings

## IV. TOP TAKEAWAYS IN FINAL RULE

### Suggestions for Realtors® to Prevent Delays

1. Have buyer shop and decide on lender ASAP
  - don't need full 10 days
2. Get your lender all documents ASAP
  - verifications, pay stubs, W-2, tax returns
3. Conduct home/pest inspections, clear contingencies ASAP
4. Schedule final walk through well before CD issued
5. Avoid last minute changes

## IV. TOP TAKEAWAYS IN FINAL RULE

### Itemization of Fees and Charges

- Change in philosophy
- HUD's 2010 GFE and HUD-1 big on bundled services and charges on theory that consumers care about final figures
- CFPB unbundles the services and separately itemizes each charge – so consumer knows exactly what they are paying
- Fees and charges listed alphabetically
  - All title insurance charges (including closing fee) must be designated by “Title – [description of fee]”

## IV. TOP TAKEAWAYS IN FINAL RULE

### Record Retention

#### 1. Loan Estimate

- 3 years after later of:
  - Date of consummation
  - Disclosures required to be made
  - Date action required to be taken

#### 2. Closing Disclosure

- Must be retained for 5 years from date of consummation

## IV. TOP TAKEAWAYS IN FINAL RULE

### State Law Preemption

- State laws that are inconsistent with TILA are preempted to the extent of the inconsistency
  - Inconsistent = state law requires creditor to make disclosures or take actions that *contradict* TILA
  - Contradict = state law requires the use of the same term to represent a different amount or a different meaning than TILA, or it requires the use of a term different from that required in TILA to describe the same item
- May request that CFPB determine whether a state law is inconsistent

## IV. TOP TAKEAWAYS IN FINAL RULE

### Penalties and Liability

- Penalties for GFE/HUD-1 Violations under RESPA = None
- Penalties for Disclosure Violations under TILA =
  - \$4,000 per violation
  - Actual damages and attorneys' fees
- Do TILA penalties apply to any violation related to combined mortgage disclosures?
- UDAP concerns = creditor must use information reasonably available to make fee disclosures

## IV. TOP TAKEAWAYS IN FINAL RULE

### Penalties and Liability *(cont'd)*

#### CFPB Carries a Big Enforcement Stick

1. CFPB Enforcement (DFA Sec. 1055)
  - Administrative and Judicial Relief
  - Refunds
  - Restitution
  - Damages
  - Injunctive relief
2. Civil Money Penalties
  - \$5,000 per day
  - \$25,000 per day for reckless conduct
  - \$1.0 million per day for knowing violations
3. Nothing good will happen to you if found to be in violation of TRID

## IV. TOP TAKEAWAYS IN FINAL RULE

### Increased Time for Closings

- Increased CD from 3 pages to 5 pages
- Additional time needed to explain form to consumer
- Three-day advance submission of CD
  - May eliminate questions at closing table
  - Or, may increase inquiries
- In any event = expect longer closings
  - Longer closing means fewer closings per day
  - Fewer closings mean more expensive closings



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# LOAN ESTIMATE FORM

## V. LOAN ESTIMATE FORM

### A. First page

- Loan terms – loan amount, interest rate, monthly P&I, prepayment penalty, balloon payment
- Projected payments
- Escrow information
- Total estimated costs
  - Closing Costs
  - Cash to Close

## FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

## Loan Estimate

**DATE ISSUED** 2/15/2013  
**APPLICANTS** Michael Jones and Mary Stone  
 123 Anywhere Street  
 Anytown, ST 12345  
**PROPERTY** 456 Somewhere Avenue  
 Anytown, ST 12345  
**SALE PRICE** \$180,000

**LOAN TERM** 30 years  
**PURPOSE** Purchase  
**PRODUCT** Fixed Rate  
**LOAN TYPE** ☒ Conventional ☐ FHA ☐ VA ☐ \_\_\_\_\_  
**LOAN ID #** 123456789  
**RATE LOCK** ☐ NO ☒ YES, until 4/16/2013 at 5:00 p.m. EDT  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT*

Fixed-Rate  
Purchase

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$162,000	NO
<b>Interest Rate</b>	3.875%	NO
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
<b>Prepayment Penalty</b>	<b>Does the loan have these features?</b> <b>YES</b> • As high as \$3,240 if you pay off the loan during the first 2 years	
<b>Balloon Payment</b>	NO	

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
<b>Estimated Total Monthly Payment</b>	<b>\$1,050</b>	<b>\$968</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	\$206 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
		<b>In escrow?</b> <b>YES</b> <b>YES</b>

Costs at Closing	
<b>Estimated Closing Costs</b>	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
<b>Estimated Cash to Close</b>	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789

## FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

## Loan Estimate

**DATE ISSUED** 2/15/2013  
**APPLICANTS** Michael Jones and Mary Stone  
 123 Anywhere Street  
 Anytown, ST 12345  
**PROPERTY** 456 Somewhere Avenue  
 Anytown, ST 12345  
**SALE PRICE** \$240,000

**LOAN TERM** 30 years  
**PURPOSE** Purchase  
**PRODUCT** 5 Year Interest Only, 5/3 Adjustable Rate  
**LOAN TYPE** ☒ Conventional ☐ FHA ☐ VA ☐  
**LOAN ID #** 123456789  
**RATE LOCK** ☐ NO ☒ YES, until 4/16/2013 at 5:00 p.m. EDT  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT*

5/3 ARM  
 Interest-only  
 Purchase

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$211,000	<b>NO</b>
<b>Interest Rate</b>	4%	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every 3 years</b> starting in year 6</li> <li>• Can go <b>as high as 12%</b> in year 15</li> <li>• See <b>AIR Table on page 2</b> for details</li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$703.33	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every 3 years</b> starting in year 6</li> <li>• Can go <b>as high as \$2,068</b> in year 15</li> <li>• Includes <b>only interest</b> and <b>no principal</b> until year 6</li> <li>• See <b>AP Table on page 2</b> for details</li> </ul>
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>	<b>NO</b>	
<b>Balloon Payment</b>	<b>NO</b>	

Projected Payments				
Payment Calculation	Years 1-5	Years 6-8	Years 9-11	Years 12-30
Principal & Interest	\$703.33 <i>only interest</i>	\$1,028 min \$1,359 max	\$1,028 min \$1,604 max	\$1,028 min \$2,068 max
Mortgage Insurance	+ 109	+ 109	+ 109	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 0	+ 0	+ 0	+ 0
<b>Estimated Total Monthly Payment</b>	<b>\$812</b>	<b>\$1,137–\$1,468</b>	<b>\$1,137–\$1,713</b>	<b>\$1,028–\$2,068</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	\$533 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>		<b>In escrow?</b> <b>NO</b> <b>NO</b>

Costs at Closing	
<b>Estimated Closing Costs</b>	\$8,791 Includes \$5,851 in Loan Costs + \$2,940 in Other Costs – \$0 in Lender Credits. See page 2 for details.
<b>Estimated Cash to Close</b>	\$27,791 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789

## V. LOAN ESTIMATE FORM

### B. Second page

- Estimated settlement fees
- Cash to close, including credits, escrow, and down payment
- Adjustable payment and interest rate tables

Fixed-Rate  
Purchase

## Closing Cost Details

Loan Costs		Other Costs	
<b>A. Origination Charges</b>		<b>E. Taxes and Other Government Fees</b>	<b>\$85</b>
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
		<b>F. Prepaids</b>	<b>\$867</b>
		Homeowner's Insurance Premium ( 6 months)	\$605
		Mortgage Insurance Premium ( months)	
		Prepaid Interest ( \$17.44 per day for 15 days @ 3.875%)	\$262
		Property Taxes ( months)	
		<b>G. Initial Escrow Payment at Closing</b>	<b>\$413</b>
		Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
		Mortgage Insurance per month for mo.	
		Property Taxes \$105.30 per month for 2 mo.	\$211
		<b>H. Other</b>	<b>\$1,017</b>
		Title – Owner's Title Policy (optional)	\$1,017
		<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$2,382</b>
		<b>J. TOTAL CLOSING COSTS</b>	<b>\$8,054</b>
		D + I	\$8,054
		Lender Credits	
		<b>Calculating Cash to Close</b>	
		Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$18,000
		Deposit	– \$10,000
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		<b>Estimated Cash to Close</b>	<b>\$16,054</b>

5/3 ARM  
Interest-only  
Purchase

## Closing Cost Details

### Loan Costs

<b>A. Origination Charges</b>	<b>\$3,110</b>
1 % of Loan Amount (Points)	\$2,110
Application Fee	\$500
Processing Fee	\$500

<b>B. Services You Cannot Shop For</b>	<b>\$820</b>
Appraisal Fee	\$305
Credit Report Fee	\$30
Flood Determination Fee	\$35
Lender's Attorney Fee	\$400
Tax Status Research Fee	\$50

<b>C. Services You Can Shop For</b>	<b>\$1,921</b>
Pest Inspection Fee	\$125
Survey Fee	\$150
Title - Courier Fee	\$32
Title - Lender's Title Policy	\$665
Title - Settlement Agent Fee	\$325
Title - Title Search	\$624

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$5,851</b>
--	----------------

### Adjustable Payment (AP) Table

Interest Only Payments?	YES for your first 60 payments
Optional Payments?	NO
Step Payments?	NO
Seasonal Payments?	NO

### Monthly Principal and Interest Payments

First Change/Amount	\$1,028 - \$1,359 at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$2,068 starting at 169th payment

LOAN ESTIMATE

### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$152</b>
Recording Fees and Other Taxes	\$152
Transfer Taxes	

<b>F. Prepays</b>	<b>\$1,352</b>
Homeowner's Insurance Premium ( 12 months)	\$1,000
Mortgage Insurance Premium ( months)	
Prepaid Interest ( \$23.44 per day for 15 days @ 4.00%)	\$352
Property Taxes ( months)	

### G. Initial Escrow Payment at Closing

Homeowner's Insurance	per month for	mo.
Mortgage Insurance	per month for	mo.
Property Taxes	per month for	mo.

<b>H. Other</b>	<b>\$1,436</b>
Title - Owner's Title Policy (optional)	\$1,436

<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$2,940</b>
---	----------------

<b>J. TOTAL CLOSING COSTS</b>	<b>\$8,791</b>
D + I	\$8,791
Lender Credits	

### Calculating Cash to Close

Total Closing Costs (J)	\$8,791
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$29,000
Deposit	-\$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0

<b>Estimated Cash to Close</b>	<b>\$27,791</b>
--------------------------------	-----------------

### Adjustable Interest Rate (AIR) Table

Index + Margin	MTA + 4%
Initial Interest Rate	4%
Minimum/Maximum Interest Rate	3.25%/12%
<b>Change Frequency</b>	
First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change
<b>Limits on Interest Rate Changes</b>	
First Change	2%
Subsequent Changes	2%

PAGE 2 OF 3 - LOAN ID # 123456789

## V. LOAN ESTIMATE FORM

### C. Third page

- Comparisons, including APR and total amount of interest
- Other disclosures – appraisal, assumption, servicing transfer
- Borrower acknowledgement and signature (not required)



## Additional Information About This Loan

LENDER Ficus Bank  
 NMLS/\_\_\_ LICENSE ID  
 LOAN OFFICER Joe Smith  
 NMLS/\_\_\_ LICENSE ID 12345  
 EMAIL joesmith@ficusbank.com  
 PHONE 123-456-7890

MORTGAGE BROKER  
 NMLS/\_\_\_ LICENSE ID  
 LOAN OFFICER  
 NMLS/\_\_\_ LICENSE ID  
 EMAIL  
 PHONE

Fixed-Rate  
Purchase

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

## Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

## Additional Information About This Loan

LENDER Ficus Bank  
 NMLS/\_ LICENSE ID  
 LOAN OFFICER Joe Smith  
 NMLS/\_ LICENSE ID 12345  
 EMAIL joesmith@ficusbank.com  
 PHONE 123-456-7890

MORTGAGE BROKER  
 NMLS/\_ LICENSE ID  
 LOAN OFFICER  
 NMLS/\_ LICENSE ID  
 EMAIL  
 PHONE

5/3 ARM  
 Interest-only  
 Purchase

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$54,944	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$0	Principal you will have paid off.
Annual Percentage Rate (APR)	4.617%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	81.18%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

## Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

The image features a background of blue bokeh lights, with a solid orange horizontal band across the middle. The text "CLOSING DISCLOSURE FORM" is centered within this orange band in white, uppercase letters.

# CLOSING DISCLOSURE FORM

## VI. CLOSING DISCLOSURE FORM

### A. First page

- Same as first page of Loan Estimate
  - Loan terms – loan amount, interest rate, monthly P&I, prepayment penalty, balloon payment
  - Projected payments
  - Escrow information
  - Total estimated costs
    - Closing Costs
    - Cash to Close

## Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

## Closing Information

Date Issued 4/15/2013  
 Closing Date 4/15/2013  
 Disbursement Date 4/15/2013  
 Settlement Agent Epsilon Title Co.  
 File # 12-3456  
 Property 456 Somewhere Ave  
 Anytown, ST 12345  
 Sale Price \$180,000

## Transaction Information

Borrower Michael Jones and Mary Stone  
 123 Anywhere Street  
 Anytown, ST 12345  
 Seller Steve Cole and Amy Doe  
 321 Somewhere Drive  
 Anytown, ST 12345  
 Lender Ficus Bank

## Loan Information

Loan Term 30 years  
 Purpose Purchase  
 Product Fixed Rate  
 Loan Type ☒ Conventional ☐ FHA  
☐ VA ☐  
 Loan ID # 123456789  
 MIC # 000654321

Fixed-Rate  
Purchase

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	<b>YES</b> • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

## Projected Payments

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>	<b>\$1,050.26</b>	<b>\$967.91</b>
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i> <b>In escrow?</b> <b>YES</b> <b>YES</b> <b>NO</b>

## Costs at Closing

Closing Costs	\$9,712.10	Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

## Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information	Loan Information
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone
Closing Date	4/15/2013		123 Anywhere Street
Disbursement Date	4/15/2013		Anytown, ST 12345
Settlement Agent	Zeta Title	Lender	Ficus Bank
File #	12-3456		
Property	123 Anywhere Street		Loan Type <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
	Anytown, ST 12345		<input type="checkbox"/> VA <input type="checkbox"/>
Appraised Prop. Value	\$180,000		Loan ID # 123456789
			MIC # 009874513

Fixed-Rate  
Refinance

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$150,000	NO
Interest Rate	4.25%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$737.91	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments		
Payment Calculation	Years 1-4	Years 5-30
Principal & Interest	\$737.91	\$737.91
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>	<b>\$1,026.39</b>	<b>\$944.04</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time See details on page 4</i>	\$356.13 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: HOA Dues <i>See page 4 for escrowed property costs. You must pay for other property costs separately.</i>
		<b>In escrow?</b> YES YES NO

Costs at Closing	
Closing Costs	\$5,757.57 Includes \$3,495.50 in Loan Costs + \$2,762.07 in Other Costs – \$500 in Lender Credits. See page 2 for details.
Cash to Close	\$29,677.43 Includes Closing Costs. See Calculating Cash to Close on page 3 for details. <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower

## VI. CLOSING DISCLOSURE FORM

### B. Second page

- Closing cost details
  - All Loan Costs and Other Costs paid by borrower, seller, and other parties
- Similar to current page 2 of HUD-1



Fixed-Rate  
Purchase

## Closing Cost Details

Loan Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>		\$1,802.00				
01	0.25 % of Loan Amount (Points)	\$405.00				
02	Application Fee	\$300.00				
03	Underwriting Fee	\$1,097.00				
04						
05						
06						
07						
08						
<b>B. Services Borrower Did Not Shop For</b>		\$236.55				
01	Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02	Credit Report Fee to Information Inc.		\$29.80			
03	Flood Determination Fee to Info Co.	\$20.00				
04	Flood Monitoring Fee to Info Co.	\$31.75				
05	Tax Monitoring Fee to Info Co.	\$75.00				
06	Tax Status Research Fee to Info Co.	\$80.00				
07						
08						
09						
10						
<b>C. Services Borrower Did Shop For</b>		\$2,655.50				
01	Pest Inspection Fee to Pests Co.	\$120.50				
02	Survey Fee to Surveys Co.	\$85.00				
03	Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04	Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05	Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06	Title - Title Search to Epsilon Title Co.	\$800.00				
07						
08						
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>		\$4,694.05				
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80			
<b>Other Costs</b>						
<b>E. Taxes and Other Government Fees</b>		\$85.00				
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02	Transfer Tax to Any State			\$950.00		
<b>F. Prepaids</b>		\$2,120.80				
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	\$1,209.96				
02	Mortgage Insurance Premium ( mo.)					
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13 )	\$279.04				
04	Property Taxes ( 6 mo.) to Any County USA	\$631.80				
05						
<b>G. Initial Escrow Payment at Closing</b>		\$412.25				
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02	Mortgage Insurance per month for mo.					
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04						
05						
06						
07						
08	Aggregate Adjustment	- 0.01				
<b>H. Other</b>		\$2,400.00				
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02	HOA Processing Fee to HOA Acre Inc.	\$150.00				
03	Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00	
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08						
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>		\$5,018.05				
Other Costs Subtotals (E + F + G + H)		\$5,018.05				
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>		\$9,712.10				
Closing Costs Subtotals (D + I)		\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits						

CLOSING DISCLOSURE

PAGE 2 OF 5 - LOAN ID # 123456789



Fixed-Rate  
Refinance

## Closing Cost Details

Loan Costs	Borrower-Paid		Paid by Others
	At Closing	Before Closing	
<b>A. Origination Charges</b>	<b>\$1,950.00</b>		
01 .5 % of Loan Amount (Points)	\$750.00		
02 Application Fee	\$250.00		
03 Origination Fee	\$450.00		
04 Underwriting Fee	\$500.00		
05			
06			
07			
08			
<b>B. Services Borrower Did Not Shop For</b>	<b>\$610.00</b>		
01 Appraisal Fee to John Smith Appraisers Inc.		\$405.00	
02 Credit Report Fee to Information Inc.		\$30.00	
03 Flood Determination Fee to Info Co.	\$20.00		
04 Flood Monitoring Fee to Info Co.	\$45.00		
05 Tax Monitoring Fee to Info Co.	\$65.00		
06 Tax Status Research Fee to Info Co.	\$45.00		
07			
08			
09			
10			
<b>C. Services Borrower Did Shop For</b>	<b>\$935.50</b>		
01 Pest Inspection Fee to Pests Co.	\$85.00		
02 Title - Insurance Binder to Epsilon Title Co.	\$50.00		
03 Title - Lender's Title Policy to Epsilon Title Co.	\$250.50		
04 Title - Settlement Agent Fee to Epsilon Title Co.	\$350.00		
05 Title - Title Search to Epsilon Title Co.	\$200.00		
06			
07			
08			
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$3,495.50</b>		
Loan Costs Subtotals (A + B + C)	\$3,060.50	\$435.00	
<b>Other Costs</b>			
<b>E. Taxes and Other Government Fees</b>	<b>\$60.00</b>		
01 Recording Fees Deed: Mortgage: \$60.00	\$60.00		
02			
<b>F. Prepays</b>	<b>\$2,125.12</b>		
01 Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	\$1,209.96		
02 Mortgage Insurance Premium ( mo.)			
03 Prepaid Interest (\$17.71 per day from 4/15/2013 to 5/1/2013)	\$283.36		
04 Property Taxes ( 6 mo.) to Any County USA	\$631.80		
05			
<b>G. Initial Escrow Payment at Closing</b>	<b>\$576.95</b>		
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66		
02 Mortgage Insurance \$82.35 per month for 2 mo.	\$164.70		
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60		
04			
05			
06			
07			
08 Aggregate Adjustment	-\$0.01		
<b>H. Other</b>			
01			
02			
03			
04			
05			
06			
07			
08			
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>	<b>\$2,762.07</b>		
Other Costs Subtotals (E + F + G + H)	\$2,762.07		
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$5,757.57</b>		
Closing Costs Subtotals (D + I)	\$5,822.57	\$435.00	
Lender Credits	-\$500.00		

CLOSING DISCLOSURE

PAGE 2 OF 5 - LOAN ID # 123456789

## VI. CLOSING DISCLOSURE FORM

### C. Third page

- Calculating Cash to Close table
  - Similar to table on page 2 of Loan Estimate
  - Requires comparison to information on Loan Estimate
- Summaries of Borrower and Seller transactions
  - Similar to current page 1 of HUD-1

Fixed-Rate  
Purchase**Calculating Cash to Close**

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs <b>before</b> closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$1,035.04	YES • See details in Sections K and L
<b>Cash to Close</b>	<b>\$16,054.00</b>	<b>\$14,147.26</b>	

**Summaries of Transactions**

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION				SELLER'S TRANSACTION			
<b>K. Due from Borrower at Closing</b>				<b>M. Due to Seller at Closing</b>			
			\$189,762.30				\$180,080.00
01	Sale Price of Property		\$180,000.00	01	Sale Price of Property		\$180,000.00
02	Sale Price of Any Personal Property Included in Sale			02	Sale Price of Any Personal Property Included in Sale		
03	Closing Costs Paid at Closing (J)		\$9,682.30	03			
04				04			
<b>Adjustments</b>				<b>Adjustments for Items Paid by Seller in Advance</b>			
05				05			
06				06			
07				07			
<b>Adjustments for Items Paid by Seller in Advance</b>				<b>Adjustments for Items Paid by Seller in Advance</b>			
08	City/Town Taxes	to		09	City/Town Taxes	to	
09	County Taxes	to		10	County Taxes	to	
10	Assessments	to		11	Assessments	to	
11	HOA Dues	4/15/13 to 4/30/13	\$80.00	12	HOA Dues	4/15/13 to 4/30/13	\$80.00
12				13			
13				14			
14				15			
15				16			
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>				<b>N. Due from Seller at Closing</b>			
			\$175,615.04				\$115,665.04
01	Deposit		\$10,000.00	01	Excess Deposit		
02	Loan Amount		\$162,000.00	02	Closing Costs Paid at Closing (J)		\$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to			03	Existing Loan(s) Assumed or Taken Subject to		
04				04	Payoff of First Mortgage Loan		\$100,000.00
05	Seller Credit		\$2,500.00	05	Payoff of Second Mortgage Loan		
<b>Other Credits</b>				06			
06	Rebate from Epsilon Title Co.		\$750.00	07			
07				08	Seller Credit		\$2,500.00
<b>Adjustments</b>				09			
08				10			
09				11			
10				12			
11				13			
<b>Adjustments for Items Unpaid by Seller</b>				<b>Adjustments for Items Unpaid by Seller</b>			
12	City/Town Taxes	1/1/13 to 4/14/13	\$365.04	14	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
13	County Taxes	to		15	County Taxes	to	
14	Assessments	to		16	Assessments	to	
15				17			
16				18			
17				19			
<b>CALCULATION</b>				<b>CALCULATION</b>			
Total Due from Borrower at Closing (K)			\$189,762.30	Total Due to Seller at Closing (M)			\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)			– \$175,615.04	Total Due from Seller at Closing (N)			– \$115,665.04
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower			<b>\$14,147.26</b>	<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller			<b>\$64,414.96</b>

CLOSING DISCLOSURE

PAGE 3 OF 5 • LOAN ID # 123456789

Fixed-Rate  
Refinance

<b>Payoffs and Payments</b> Use this table to see a summary of your payoffs and payments to others from your loan amount.	
TO	AMOUNT
01 Rho Servicing to pay off existing loan	\$115,000.00
02	
03	
04	
05	
06	
07	
08	
09	
10	
11	
12	
13	
14	
15	
<b>K. TOTAL PAYOFFS AND PAYMENTS</b>	<b>\$115,000.00</b>

<b>Calculating Cash to Close</b> Use this table to see what has changed from your Loan Estimate.			
	Loan Estimate	Final	Did this change?
Loan Amount	\$150,000.00	\$150,000.00	NO
Total Closing Costs (J)	– \$5,099.00	– \$5,757.57	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	\$435.00	YES • You paid these Closing Costs before closing
Total Payoffs and Payments (K)	– \$120,000.00	– \$115,000.00	YES • See Payoffs and Payments (K)
Cash to Close	\$24,901.00	\$29,677.43	
	<input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	<input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	Closing Costs Financed (Paid from your Loan Amount) \$5,322.57

## VI. CLOSING DISCLOSURE FORM

### D. Fourth page

- Loan disclosures
  - Assumption
  - Demand feature
  - Late payment
  - Negative amortization
  - Partial payments
  - Security interest
  - Escrow account
- Adjustable Payment and Interest Rate Tables
  - But, only if applicable to the transaction

## Additional Information About This Loan

## Loan Disclosures

## Assumption

If you sell or transfer this property to another person, your lender

- ☐ will allow, under certain conditions, this person to assume this loan on the original terms.

☒ will not allow assumption of this loan on the original terms.

## Demand Feature

Your loan

- ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.

☒ does not have a demand feature.

## Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

## Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

- ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

☒ do not have a negative amortization feature.

## Partial Payments

Your lender

- ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- ☐ does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

## Security Interest

You are granting a security interest in  
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

## Escrow Account

For now, your loan

- ☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- ☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

## In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Fixed-Rate  
Purchase

Fixed-Rate  
Refinance

## Additional Information About This Loan

## Loan Disclosures

**Assumption**

If you sell or transfer this property to another person, your lender

- ☐ will allow, under certain conditions, this person to assume this loan on the original terms.
- ☒ will not allow assumption of this loan on the original terms.

**Demand Feature**

Your loan

- ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- ☒ does not have a demand feature.

**Late Payment**

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

**Negative Amortization** (Increase in Loan Amount)

Under your loan terms, you

- ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☒ do not have a negative amortization feature.

**Partial Payments**

Your lender

- ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- ☐ does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

**Security Interest**

You are granting a security interest in

123 Anywhere Street, Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

**Escrow Account**

**For now**, your loan

- ☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Property Taxes, Homeowner's Insurance
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: HOA Dues You may have other property costs.
Initial Escrow Payment	\$576.95	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- ☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

**In the future**

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

## VI. CLOSING DISCLOSURE FORM

### E. Fifth page

- Loan calculations
  - Total of payments
  - Finance charge
  - Amount financed
  - APR
  - Total interest percentage
- Other disclosures
  - Appraisal (if applicable)
  - Contract details
  - Liability after foreclosure
  - Refinance
  - Tax deductions
- Contact Information
- Signature lines (but not required)



Fixed-Rate  
Purchase

## Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$118,830.27
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$162,000.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%



**Questions?** If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing)

## Other Disclosures

## Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

## Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

## Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- ☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- ☐ state law does not protect you from liability for the unpaid balance.

## Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

## Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

## Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
<b>Address</b>	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
<b>NMLS ID</b>					
<b>ST License ID</b>			Z765416	Z61456	Z61616
<b>Contact</b>	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
<b>Contact NMLS ID</b>	12345				
<b>Contact ST License ID</b>			P16415	P51461	PT1234
<b>Email</b>	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
<b>Phone</b>	123-456-7890		123-555-1717	321-555-7171	987-555-4321

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

CLOSING DISCLOSURE

PAGE 5 OF 5 - LOAN ID # 123456789

Fixed-Rate  
Refinance

## Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$273,214.50
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$121,029.00
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$148,241.94
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.543%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	77.29%



**Questions?** If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing)

## Other Disclosures

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If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

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If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

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## Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

## Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

## Contact Information

	Lender	Mortgage Broker	Settlement Agent
<b>Name</b>	Ficus Bank		Zeta Title
<b>Address</b>	4321 Random Blvd. Somecity, ST 12340		321 Uptown Dr. Anytown, ST 12345
<b>NMLS ID</b>			
<b>ST License ID</b>			P76821
<b>Contact</b>	Joe Smith		Joan Taylor
<b>Contact NMLS ID</b>	12345		
<b>Contact License ID</b>			
<b>Email</b>	joesmith@ficusbank.com		joan@zt.biz
<b>Phone</b>	123-456-7890		555-321-9876

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

CLOSING DISCLOSURE

PAGE 5 OF 5 • LOAN ID # 123456789

## VII. CONCLUSION

### 3. Closing Thoughts

#### Don't Panic

- we have lived through QM, QRM, LO comp and Appraisal Independence Rules
- we will survive TRID