

5 THINGS TO KNOW BEFORE OCTOBER 3RD, 2015

As a result of the 2008 financial meltdown, the Consumer Financial Protection Bureau (CFPB) has published a new set of “game changing” rules and forms that will impact both the loan process and the closing of most real estate transactions.

HERE ARE FIVE THINGS YOU WILL NEED TO KNOW BEFORE THE NEW RULES TAKE EFFECT OCTOBER 3, 2015

1. MAKE SURE YOU CAN EXPLAIN THE NEW LOAN ESTIMATE AND THE CLOSING DISCLOSURE

The Loan Estimate – For loan applications taken on or after October 3, 2015, the creditor will now use a combined Loan Estimate form that replaces the two previous forms: the Good Faith Estimate (GFE), required under the Real Estate Settlement Procedures Act (RESPA), and the initial disclosure required under the Truth-in-Lending Act (TILA).

The Closing Disclosure – The HUD-1 Settlement Statement and the final TILA forms now combined into a single Closing Disclosure form. This form is to disclose terms and provisions of the loan, and the financial transaction of the closing.



2. TIMING OF A CLOSING WILL BE IMPACTED BY THE DELIVERY OF THE CLOSING

CFPB determined that borrowers should have a three day review period after receipt of the Closing Disclosure to review the form and its contents prior to signing their loan documents. Unless there is confirmation of the receipt of the form by hand delivery, the form is “deemed received” three days after the form is placed in the mail. With the combination of the “delivery time period” and the “review time period” this process is a total of seven business days from mailing to loan signing. It is important to note that if there are any significant changes to the loan this could cause a revision to the Closing Disclosure and a new waiting period.

3. ADJUSTMENTS TO THE TITLE FEE MAY BE NEEDED AND EXPLAINED

A listing of a settlement service that involves title insurance or closing actions is to be preceded by the phrase “Title-” by the new Loan Estimate and Closing Disclosure forms. This will allow the borrower to see all charges in the same area.

It was determined by the CFPB that customers would better benefit by the showing of the full loan policy premium, not discounted, on both the Loan Estimate and the Closing Disclosure.

5 THINGS TO KNOW BEFORE OCTOBER 3RD, 2015 *(continued)*

In situations where a borrower pays for both the owner's and lender's policies, the total actual amount paid for both policies is the same, even though the actual premium amounts are different on the form.

If custom provides the seller pay for the owner's policy and the buyer purchase the lender's policy, the policy premium for the lender's policy will be overstated and the owner's policy premium understated. This adjustment will be made on page 3 of the new Closing Disclosure form. If there is a real estate commission paid by seller, this will be located near the bottom of page 2 under Section H / Other.

4. SEVEN FEE AREAS HAVE BEEN ADDED TO THE DISCLOSURE AND LINE NUMBERS HAVE BEEN REMOVED

All fees and charges are placed on the Closing Disclosure in one of seven areas:

- Origination Charges
- Services Borrower Did Not Shop For
- Services Borrower Did Shop For
- Taxed and Other Government Fees
- Pre-pays
- Initial Escrow Payment at Closing
- Other

The charges within each of these groupings will be listed alphabetically. They will be separated by the charges of buyer, seller and others, as well as columns for payments before and at closing.

3. ADJUSTMENTS TO THE TITLE FEE MAY BE NEEDED AND EXPLAINED

The buyer/borrower will receive a Closing Disclosure several days before the closing, and will most likely be before the walk-through of the property. Because of this the buyer/borrower will most likely receive a new adjusted Closing Disclosure at the closing of the property that will include any adjustments due to the timing of the closing, walk-through adjustments and any other matters. In a purchase transaction, the closing agent will need to provide the Seller with their own copy and version of the Closing Disclosure. The CFPB also mandates that in financial disclosure numbers (i.e. changes in a recording fee) in any amount must be re-disclosed even if it is post-closing.

UNDERSTANDING THE LOAN ESTIMATE

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
LOAN ID # 123456789
RATE LOCK ☐ NO ☒ YES, until 4/16/2013 at 5:00 p.m. EDT

Term Must be shown in Years

Lender Loan #

Before closing, your interest rate, points, and closing costs expire on **3/4/2013** at 5:00 p.m. EDT.

The date, time, and time zone must be shown for the Rate Lock Expiration.

Loan Terms

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

Can this amount increase after closing?

Depending on your loan type, the Loan Terms on the Loan Estimate will vary. This example is a Fixed Rate Mortgage.

Prepayment Penalty

Does the loan have these features?

YES • 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	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

The Payment Calculation section shows when Mortgage Insurance will no longer be needed and the adjusted payment calculation.

Dollar amounts will be rounded.

Estimated Taxes, Insurance & Assessments

\$206
a month

This estimate includes

- ☒ Property Taxes
☒ Homeowner's Insurance
☐ Other:

See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.

In escrow?

YES
YES

If we were **not** escrowing the monthly amount, it would still be shown to the left.

Costs at Closing

The Costs at Closing section shows the estimated closing costs and estimated cash needed to close.

Estimated Closing Costs

\$8,054

Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.

Estimated Cash to Close

\$16,054

Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

UNDERSTANDING THE LOAN ESTIMATE

Closing Cost Details		Sections E-H detail your typical prepaids and escrows.	
Loan Costs		Other Costs	
A. Origination Charges \$1,802		E. Taxes and Other Government Fees \$85	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
The section above shows Origination Charges and has ZERO TOLERANCE!		F. Prepaids \$867	
IMPORTANT NOTE: Only the lender credit for rate (or discount charge, if rate buy down) would be disclosed on the Loan Estimate. The Originator Comp would be disclosed on the Closing Disclosure as paid by other.		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)	
		G. Initial Escrow Payment at Closing \$413	
		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
		This section shows Owner's Title on Purchase transactions	
B. Services You Cannot Shop For \$672		H. Other \$1,017	
Appraisal Fee	\$405	Title – Owner's Title Policy (optional)	\$1,017
Credit Report Fee	\$30	This section tallies the sections E+F+G+H	
Flood Determination Fee	\$20		
Flood Monitoring Fee	\$32		
Tax Monitoring Fee	\$75		
Tax Status Research Fee	\$110		
This section above shows the fees that the borrower is NOT allowed to shop for and has ZERO TOLERANCE! this includes appraisal		I. TOTAL OTHER COSTS (E + F + G + H) \$2,382	
		J. TOTAL CLOSING COSTS \$8,054	
		D + I	\$8,054
		Lender Credits	
		Calculating Cash to Close	
		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
		Estimated Cash to Close	\$16,054
		Section J contains any Lender Credit that is being paid in one lump sum. Seller Credits, Lender Credits outside of credits issued to offset the LPC fee, and Credit (rebate) for interest rate are also listed here.	
C. Services You Can Shop For \$3,198			
Pest Inspection Fee	\$135		
Survey Fee	\$65		
Title – Insurance Binder	\$700		
Title – Lender's Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
This section contains typical Title Service Fees and has 10% tolerance.			
D. TOTAL LOAN COSTS (A + B + C) \$5,672			

UNDERSTANDING THE LOAN ESTIMATE

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

The Lender's and Originator's information must be provided in this section. The NMLS ID # is required for the Company and Loan Originator

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
☐ 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.

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
☐ to service your loan. If so, you will make your payments to us.
☒ 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

UNDERSTANDING THE CLOSING DISCLOSURE

PAGE 1

The first page of the Closing Disclosure is almost identical to first page of Loan Estimate. It describes the:

- Loan Terms
- Loan Amount
- Interest Rate
- Monthly P&I, and
- Any prepayment penalty or balloon payment.

This page also provides the projected payments over the life of the loan. Additionally, this page discloses to the borrower what amounts will be deposited into their escrow account and provides the total estimated closing costs and 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		Transaction 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	Epsilon Title Co.	Seller	Steve Cole and Amy Doe
File #	12-3456		321 Somewhere Drive
Property	456 Somewhere Ave		Anytown, ST 12345
	Anytown, ST 12345	Lender	Ficus Bank
Sale Price	\$180,000		
Loan Information		Loan Information	
Loan Term	30 years	Loan Purpose	Purchase
Loan Product	Fixed Rate	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
Loan ID #	123456789	Loan ID #	123456789
MIC #	000654321		
Loan Terms			
Can this amount increase after closing?			
Loan Amount	\$162,000	NO	
Interest Rate	3.875%	NO	
Monthly Principal & Interest	\$761.78	NO	
<i>See Projected Payments below for your Estimated Total Monthly Payment</i>			
Does the loan have these features?			
Prepayment Penalty	YES	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	+ 206.13	+ 206.13	
<i>Amount can increase over time</i>			
Estimated Total Monthly Payment	\$1,050.26	\$967.91	
Estimated Taxes, Insurance & Assessments	\$356.13 a month	This estimate includes	
<i>Amount can increase over time</i>		<input checked="" type="checkbox"/> Property Taxes	
<i>See page 4 for details</i>		<input checked="" type="checkbox"/> Homeowner's Insurance	
		<input checked="" type="checkbox"/> Other: Homeowner's Association Dues	
		In escrow?	
		YES	
		NO	
		<i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	
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			
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PAGE 2

The second page is similar to the current second page of the HUD-1 Settlement Statement. It provides a breakdown of all the closing cost details and lists all loan costs and other costs paid by borrower, seller, and other parties.

Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others	
		At Closing	Before Closing	At Closing	Before Closing	At Closing	Before Closing
Loan Costs							
A. Origination Charges		\$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							
09							
10							
B. Services Borrower Did Not Shop For		\$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							
C. Services Borrower Did Shop For		\$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							
D. TOTAL LOAN COSTS (Borrower-Paid)		\$4,694.05					
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80				
Other Costs							
E. Taxes and Other Government Fees		\$85.00					
01	Recording Fees	Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02	Transfer Tax	to Any State		\$950.00			
F. Prepaids		\$2,120.80					
01	Homeowner's Insurance Premium (12 mo.)	to Insurance Co.	\$1,209.96				
02	Mortgage Insurance Premium (12 mo.)		\$279.04				
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)		\$631.80				
04	Property Taxes (6 mo.) to Any County USA						
05							
06							
07							
08							
G. Initial Escrow Payment at Closing		\$412.25					
01	Homeowner's Insurance	\$100.83 per month for 2 mo.	\$201.66				
02	Mortgage Insurance	per month for 2 mo.	\$210.60				
03	Property Taxes	\$105.30 per month for 2 mo.					
04							
05							
06							
07							
08							
H. Other		\$2,400.00					
01	HDA Capital Contribution	to HDA Acce Inc.	\$500.00				
02	HDA Processing Fee	to HDA Acce 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							
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05					
Other Costs Subtotals (E + F + G + H)		\$5,018.05					
J. TOTAL CLOSING COSTS (Borrower-Paid)		\$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					

UNDERSTANDING THE CLOSING DISCLOSURE

PAGE 3

The third page displays a Calculating Cash to Close table similar to the table on the second page of the Loan Estimate. This table provides a comparison to the charges disclosed on the Loan Estimate. The rest of the page shows the summaries of the borrower and seller costs and credits, similar to the current first page of the HUD-1 Settlement Statement.

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 before 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
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions		Use this table to see a summary of your transaction.	
BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
K. Due from Borrower at Closing		M. Due to Seller at Closing	
\$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	
05		05	
06		06	
07		07	
08		08	
Adjustments		Adjustments for Items Paid by Seller in Advance	
Adjustments for Items Paid by Seller in Advance		Adjustments for Items Paid by Seller in Advance	
09 City/Town Taxes to		09 City/Town Taxes to	
10 County Taxes to		10 County Taxes to	
11 Assessments to		11 Assessments to	
12 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
13		13	
14		14	
15		15	
16		16	
L. Paid Already by or on Behalf of Borrower at Closing		N. Due from Seller at Closing	
\$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	
06		06	
07 Rebate from Epsilon Title Co.	\$750.00	07	
08		08 Seller Credit	\$2,500.00
09		09	
10		10	
11		11	
12		12	
13		13	
Adjustments for Items Unpaid by Seller		Adjustments for Items Unpaid by Seller	
14 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
15 County Taxes to		15 County Taxes to	
16 Assessments to		16 Assessments to	
17		17	
18		18	
19		19	
CALCULATION		CALCULATION	
Total Due from Borrower at Closing (K)		Total Due to Seller at Closing (M)	
\$189,762.30		\$180,080.00	
Total Paid Already by or on Behalf of Borrower at Closing (L)		Total Due from Seller at Closing (N)	
~ \$175,615.04		~ \$115,665.04	
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	
\$14,147.26		\$64,414.96	

CLOSING DISCLOSURE PAGE 3 OF 5 - LOAN ID # 123456789

PAGE 4

The fourth page contains disclosures about other terms of the loan, including:

- Whether the loan is assumable
- If the loan has a demand feature
- May impose a late payment fee and when it may be incurred
- If the loan has a negative amortization feature
- Whether the lender will accept partial payments
- Informs the borrower the lender will have a security in their property.

This page also includes a table describing what charges will be impounded and how much will be collected each month. Finally, the page includes adjustable payment and interest rate tables if they are applicable to the loan.

Additional Information About This Loan											
Loan Disclosures											
Assumption If you sell or transfer this property to another person, your lender <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.											
Demand Feature Your loan <input type="checkbox"/> has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details. <input checked="" type="checkbox"/> 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 <input type="checkbox"/> 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. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> do not have a negative amortization feature.											
Partial Payments Your lender <input checked="" type="checkbox"/> may accept payments that are less than the full amount due (partial payments) and apply them to your loan. <input type="checkbox"/> may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan. <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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.											
<table><tr><td colspan="2">Escrow</td></tr><tr><td>Escrowed Property Costs over Year 1</td><td>\$2,473.56 Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes</td></tr><tr><td>Non-Escrowed Property Costs over Year 1</td><td>\$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.</td></tr><tr><td>Initial Escrow Payment</td><td>\$412.25 A cushion for the escrow account you pay at closing. See Section C on page 2.</td></tr><tr><td>Monthly Escrow Payment</td><td>\$206.13 The amount included in your total monthly payment.</td></tr></table> <input type="checkbox"/> will not have an escrow account because <input type="checkbox"/> you declined it <input type="checkbox"/> 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.		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 C on page 2.	Monthly Escrow Payment	\$206.13 The amount included in your total monthly 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 C on page 2.										
Monthly Escrow Payment	\$206.13 The amount included in your total monthly payment.										
<table><tr><td colspan="2">No Escrow</td></tr><tr><td>Estimated Property Costs over Year 1</td><td>Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.</td></tr><tr><td>Escrow Waiver Fee</td><td></td></tr></table> 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.		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					
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											

CLOSING DISCLOSURE PAGE 4 OF 5 - LOAN ID # 123456789

UNDERSTANDING THE CLOSING DISCLOSURE

PAGE 5

On the fifth page under the heading “Loan Calculations” the consumer will find the:

- Total of payments over the life of the loan
- Finance Charge
- Amount Financed
- Annual Percentage Rate (APR)
- Total Interest Percentage (TIP) information

Under “Other Disclosures” the consumer will find information about the:

- Appraisal (if applicable)
- Contact Details
- Liability after Foreclosure
- Refinance Information
- Tax Deductions

At the bottom of the page is the Contact Information and Signature lines. If signature lines are included, the following disclosure is used, indicating a signature is intended only as a receipt of the form:

“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”

Loan Calculations		Other Disclosures			
Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36	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.			
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27	Contract Details See your note and security instrument for information about: <ul style="list-style-type: none">• 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.			
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00	Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <input checked="" type="checkbox"/> 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. <input type="checkbox"/> state law does not protect you from liability for the unpaid balance.			
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%	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.			
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%	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.			
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					
Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somcity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somcity, ST 12344
NMLS ID					
ST License ID			2765416	261456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	PS1461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	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 _____	
CLOSING DISCLOSURE				PAGE 5 OF 5 • LOAN ID # 123456789	

DELIVERY METHODS & TIMING CHEAT SHEET



IF DELIVERED BY MAIL...

- Closing Disclosure (CD) is sent to borrower in the mail
- 3 day mailing rule applies for the receipt of the disclosure
- Then 3 day waiting period begins
- First day to close is 7 business days AFTER original mailing

FEBRUARY 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7	8	9	10	11	12	13
			CD is placed in the mail	Three Day Mailing Rule begins		
				Borrower is deemed to have received the CD		
14	15	16	17	18	19	20
President's Day		Three Day Waiting Period begins			1st Day Loan Can Close!	



IF DELIVERED BY OVERNIGHT MAIL...

- Disclosure is sent out via FedEx/UPS with Signature Required
- Must have proof that borrower received package next day with record of signature
- Once received 3 day waiting period can begin

FEBRUARY 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7	8	9	10	11	12	13
				CD sent by overnight mail	The borrower signs the delivery receipt	Three Day Waiting Period begins
14	15	16	17	18	19	20
President's Day		Three Day Waiting Period continues			1st Day Loan Can Close!	






DELIVERY METHODS & TIMING CHEAT SHEET



IF DELIVERED FACE-TO-FACE...

- Loan Originator meets with borrower and presents Closing Disclosure
- Borrower signs notice that disclosure was received face-to-face.
- Files must contain signed Closing Disclosure Delivery Certification form
- 3 day Waiting Period begins from the date on certification form

FEBRUARY 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7	8	9	10   CD is hand delivered to the borrower	11 	12	13   1st Day Loan Can Close!
				Three Day Waiting Period begins		
14	15 President's Day	16	17	18	19	20



IF DELIVERED ELECTRONICALLY...

- Disclosure is sent to borrower from a secure email via eSign through Docutech
- File must contain proof that borrower consented to receive the disclosure via eDelivery
- 3-day Waiting Period begins from date of proof document was opened

FEBRUARY 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7	8	9  CD issued electronically	10  The borrower signs the delivery receipt	11 	12	13   1st Day Loan Can Close!
				Three Day Waiting Period begins		
14	15 President's Day	16	17	18	19	20