

Update on CFPB's TILA-RESPA Integrated Disclosure Rule

Mortgage Bankers

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Agenda

- Basics: Why We're Here
- Final Rule
- The New Forms
- Evaluating the Rule
- What's Next
- Questions



Basics

- **Dodd-Frank Act**
 - Created Consumer Financial Protection Bureau
 - Mission: “Protect consumers by carrying out Federal consumer financial laws... and by empowering consumers to take more control over their economic lives.”
 - The CFPB will achieve its mission through:
 - Data-driven analysis
 - Innovative use of technology



Statutes that Transferred to the CFPB

- Alternative Mortgage Transaction Parity Act
- Consumer Leasing Act of 1976
- Electronic Fund Transfer Act*
- Equal Credit Opportunity Act
- Fair Credit Billing Act
- Fair Credit Reporting Act *
- Home Owners Protection Act of 1998
- Fair Debt Collection Practices Act
- Federal Deposit Insurance Act*
- Gramm-Leach-Bliley Act*
- Home Mortgage Disclosure Act of 1975
- Home Ownership and Equity Protection Act of 1994
- Real Estate Settlement Procedures Act of 1974
- S.A.F.E. Mortgage Licensing Act of 2008
- Truth in Lending Act
- Truth in Savings Act
- Omnibus Appropriations Act of 2009*
- Interstate Land Sales Full Disclosure Act
- Mortgage Reform and Anti-Predatory Lending Act*

** Indicates that portions of this Act transferred to the CFPB while other portions did not.*



Other Dodd-Frank Mortgage Rules

- Ability-to-Repay and Qualified Mortgage Standard (Regulation Z)
- ECOA Valuations for Loans Secured by a First Lien on a Dwelling (Regulation B)
- Escrow Requirements under Truth in Lending Act (Regulation Z)
- High-Cost Mortgage and Homeownership Counseling (Regulation Z) (Regulation X)
- Loan Originator Compensation Requirements (Regulation Z)
- Mortgage Servicing Rules (RESPA-Reg X) (TILA-Reg Z)
- TILA Appraisals for Higher-Priced Mortgage Loans (Regulation Z)



Basics

Know Before You Owe Project

- Create disclosures that are easier for both consumers and industry to understand and use
- **July 21, 2011**- Dodd Frank Act effective date
 - 2011-February 2012 - Form development
 - February-July 2012 – Rule development
- **July 9, 2012** – CFPB issues 1,099 page Proposed Rule
- **November 20, 2013** – 1,888 Final rule and forms

Implementation: August 1, 2015



Basics

- **CFPB Goals**
 - Improved consumer understanding
 - Risk factors
 - Short-term and long-term costs
 - Monthly payments
 - Better comparison shopping
 - Comparisons of competing loan offers
 - Shopping for closing costs



Basics

- **CFPB Goals Continued**
 - Avoiding costly surprises at the closing table
 - Easier comparisons of the estimated and final loan terms of the loan
 - More time to consider choices
 - Limits on closing cost increases



Basics

- **Applicable Loans**
 - Final rule applies to most consumer mortgages, EXCEPT:
 - Home-equity lines of credit
 - Reverse mortgages
 - Mortgages secured by a mobile home or dwelling not attached to land
 - No-interest second mortgage made for down payment assistance, energy efficiency or foreclosure avoidance



The New Forms

Loan Estimate

- Three pages long
 - Combines early two-page TIL and three-page GFE
- Who provides?
 - Two options: lender or mortgage broker
- When?
 - Within three days of application

Closing Disclosure

- Five pages long
 - Combines three-page HUD-1 and final two-page TIL
- Who provides?
 - Two options: lender or combination of lender and settlement agent
- When?
 - Three days before closing
 - Exceptions

Both still subject to tolerances



Definition of Application

- Lender's receipt of six pieces of information:
 1. Consumer's name,
 2. Consumer's income,
 3. Consumer's Social Security number to obtain a credit report (or other unique identifier if the consumer has no Social Security number),
 4. The property address,
 5. An estimate of the value of the property, and
 6. The mortgage loan amount sought.
- Does not include previous catch all of "any other information deemed necessary."



Application Timeline

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
16	17	18	19 Application Received Can be either creditor or broker 6 specific items	20 Customer can withdraw/Lender can reject Application	21 Customer can withdraw/Lender can reject Application	22 Lender is not open for customer facing business so Saturday does not count for Loan Estimate preparation
23 Sunday doesn't count	24 Loan Estimate must be mailed or hand delivered If in hand= LE Delivery Date	25 LE Mail Day 1 Earliest Day Closing Disclosure can be mailed or delivered in hand If in hand= CD Delivery Date	26 LE Mail Day 2 CD Mail Day 1 CD In hand Disclosure Day 1	27 LE Mail Day 3= Delivery Date (presumed) CD Mail Day 2 CD In hand Disclosure Day 2	28 CD Mail Day 3= Delivery Date (presumed) CD in hand Disclosure Day 3	1 CD Mail Disclosure Day 1
2 Sunday doesn't count	3 CD Mail Disclosure Day 2	4 CD Mail Disclosure Day 3= okay to close Earliest day for closing assuming LE mailed or delivered on 24 th	5	6	7	8 LE expires



Loan Estimate Page 1

§ 1026.37(A)-(C)

FICUS BANK
4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate **(a)**

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

Loan Terms (b)		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	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments (c)		
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

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <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>	In escrow? YES YES
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(a) General Information

(b) Loan Terms

- If answers to questions in this section were "YES" different information would be provided

(c) Projected Payments

- Includes payment schedule & estimated taxes, insurance & assessments



Loan Estimate Page 1 (CONT.)

§ 1026.37(D)-(E)

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

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

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

(d) Costs at Closing

(e) Website reference

- Statement about & link to CFPB website



FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 1/21/2013
APPLICANTS James White and Jane Johnson
123 Anywhere Street, Apt 678
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 # 1234567891330172608
RATE LOCK NO YES, until 3/22/2013 at 5:00 p.m. EST
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 2/4/2013 at 5:00 p.m. EST

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$211,000	NO	
Interest Rate	4.375%	YES	<ul style="list-style-type: none">• Adjusts every three years starting in year 6• Can go as high as 8% in year 9• See AIR table on page 2 for details
Monthly Principal & Interest <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$769.27	YES	<ul style="list-style-type: none">• Adjusts every three years starting in year 6• Can go as high as \$1,622 in year 9• Includes only interest and no principal until year 6• See AP table on page 2 for details
		Does the loan have these features?	
Prepayment Penalty		NO	
Balloon Payment		NO	



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Projected Payments

Payment Calculation	Years 1-5	Years 6-8	Years 9-11	Years 12-30
Principal & Interest	\$769.27 <i>only interest</i>	\$1,233 min \$1,542 max	\$1,233 min \$1,622 max	\$1,233 min \$1,622 max
Mortgage Insurance	+ 107	+ 107	+ 107	+ —
Estimated Escrow <i>Amount Can Increase Over Time</i>	+ 533	+ 533	+ 533	+ 533
Estimated Total Monthly Payment	\$1,409	\$1,873 – \$2,182	\$1,873 – \$2,262	\$1,766 – \$2,155
Estimated Taxes, Insurance & Assessments <i>Amount Can Increase Over Time</i>	\$533 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other:		In escrow? YES YES
<i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>				

Cash to Close

Estimated Cash to Close	\$31,587	Includes \$8,587 in Closing Costs (\$4,527 in Loan Costs + \$4,060 in Other Costs – \$0 in Lender Credits). See details on page 2.
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Visit www.consumerfinance.gov/learnmore for general information and tools.

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789



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Loan Estimate

Page 2

§ 1026.37(F)-(J)

Closing Cost Details

Loan Costs f

A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

B. Services You Cannot Shop For **\$672**

Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

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

D. TOTAL LOAN COSTS (A + B + C) **\$5,672**

Other Costs g

E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

F. Prepays **\$867**

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

H. Other **\$1,017**

Title – Owner's Title Policy (optional)	\$1,017
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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 h

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

Adjustable Payment (AP) Table i

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	\$1,233 – \$1,542 at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$1,622 starting at 108th payment

Adjustable Interest Rate (AIR) Table i

Index + Margin	LIBOR + 4%
Initial Interest Rate	4.375%
Minimum/Maximum Interest Rate	5%/8%
Change Frequency	
First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change
Limits on Interest Rate Changes	
First Change	3%
Subsequent Changes	3%

(f) Loan Costs

(g) Other Costs

(h) Calculating Cash to Close

(i) Adjustable Payment (AP) Table*

(j) Adjustable Interest Rate (AIR) Table*

*To reduce confusion, these tables are only included if applicable



Closing Cost Details

Loan Costs

A. Origination Charges	\$2,850
% of Loan Amount (Points)	\$0
Application Fee	\$400
Loan Origination Fee	\$2,450

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

Other Costs

E. Taxes and Other Government Fees	\$152
Recording Fees and Other Taxes	\$152
Transfer Taxes	\$0

F. Prepays	\$1,205
Homeowner's Insurance Premium (<u>12</u> months)	\$1,000
Mortgage Insurance Premium (<u>0</u> months)	\$0
Prepaid Interest (\$25.64 per day for 8 days @ 4.375%)	\$205
Property Taxes (<u>0</u> months)	\$0

G. Initial Escrow Payment at Closing	\$1,067
Homeowner's Insurance \$83.33 per month for 2 mo.	\$167
Mortgage Insurance \$0 per month for 0 mo.	\$0
Property Taxes \$450.00 per month for 2 mo.	\$900

H. Other	\$1,636
Title – Owner's Title Policy (optional)	\$1,636

I. TOTAL OTHER COSTS (E + F + G + H)	\$4,060
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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 – Title Search	\$1,261
Title – Settlement Agent Fee	\$502

D. TOTAL LOAN COSTS (A + B + C) \$5,672

J. TOTAL CLOSING COSTS	\$8,054
D + I	\$8,054
Lender Credits	\$0

Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Included in 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



C. Services You Can Shop For	\$857
Pest Inspection Fee	\$125
Survey Fee	\$150
Title – Lender’s Title Policy	\$132
Title – Settlement Agent Fee	\$300
Title – Title Search	\$150

D. TOTAL LOAN COSTS (A + B + C)	\$4,527
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J. TOTAL CLOSING COSTS	\$8,587
D + I	\$8,587
Lender Credits	– \$0

Calculating Cash to Close

Total Closing Costs (J)	\$8,587
Closing Costs Financed (Included in Loan Amount)	\$0
Down Payment/Funds from Borrower	\$29,000
Deposit	– \$5,000
Funds for Borrower	\$0
Seller Credits	– \$1,000
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$31,587

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	\$1,233 – \$1,542 at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$1,622 starting at 108th payment

Adjustable Interest Rate (AIR) Table

Index + Margin	LIBOR + 4%
Initial Interest Rate	4.375%
Minimum/Maximum Interest Rate	5%/8%
Change Frequency	
First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change
Limits on Interest Rate Changes	
First Change	3%
Subsequent Changes	3%



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

(k)

Loan Estimate

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Comparisons

(l)

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

(m)

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

(n)

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

(k) Contact Information

(l) Comparisons

(m) Other Considerations

(n) Signature Statement

- Signatures not required
- Different statements required depending on whether signature line is or is not included.



Additional Information About This Loan

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

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

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)	4.494% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.447% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.



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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 this person to assume 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



Additional Information About This Loan

LENDER Ficus Bank
NMLS/LICENSE ID
LOAN OFFICER Joe Smith
NMLS ID 12345
EMAIL jsmith@ficusbank.com
PHONE 111-222-3333

MORTGAGE BROKER Pecan Mortgage Broker Inc.
NMLS/LICENSE ID 222222
LOAN OFFICER Jane Jones
NMLS ID 67890
EMAIL jjones@pecanmortgagebroker.com
PHONE 333-444-5555

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$57,324 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$0 Principal you will have paid off.
Annual Percentage Rate (APR)	5.231% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	99.104% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.



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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 this person to assume 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.

Loan Acceptance

You do not have to accept this loan because you have received this form or signed a loan application.

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.



Consumer Shopping

- A creditor permits a borrower to shop for third party settlement services when they:
 - Inform borrowers on Loan Estimate
 - Provide them with a written list of settlement service providers
- What if the consumer elects not to shop?
 - The fee is still included in the bucket of costs subject to a 10% tolerance.
 - Unless the chosen provider is affiliated with the creditor (0% tolerance)
- The creditor may still impose reasonable qualifications for providers.
 - Example: Provider must be licensed



Written Provider List

- When allowing consumers to shop, the creditor must provide the consumer a written list of potential providers for each service.
- The written list must identify:
 - At least one available provider of that service
 - Include a clear statement that the consumer may choose a different provider for that service
 - Provide sufficient information for the consumer to contact an identified provider such as the name under which the provider does business and the provider's address and telephone number.
- A creditor does not allow a consumer to shop when the written list consists of only settlement service providers that are no longer in business or that do not provide services where the consumer or property is located.



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).

Service Provider List		You can select these providers or shop for your own providers.	
Service	Estimate	Provider We Identified	Contact Information
Pest Inspection Fee	\$135	Pest Co.	Jane Polk 123 Avenue A Anytown, ST 12345 janep@pestco.com 111-222-3333
Survey Fee	\$65	Surveyor LLC	Bill Barnes 456 Avenue B Anytown, ST 12341 billb@surveyorllc.com 111-333-4444
Title – Insurance Binder	\$700	Gamma Title Co.	Joanna Campbell 789 Avenue C Anytown, ST 12333 joannac@gammatitle.com 222-444-5555
Title – Lender’s Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
Title – Lender’s Title Insurance	\$1,100	Delta Title Inc.	Frank Fields 321 Avenue D Anytown, ST 12321 frankf@deltatitle.com 222-444-6666
Title – Other Title Services	\$1,000		
Title – Settlement Agent Fee	\$350		

Tolerances

Policy: Consumers should be able to rely on estimates provided by the lender.

Proposal/Final:

Amounts disclosed on the Loan Estimate for the following services cannot increase:

1. Creditor's or broker's charges for own services (HUD 2010)
2. Charges for services provided by an affiliate of the creditor or broker
3. Charges for services for which the lender or broker does not permit the consumer to shop

Other services generally cannot increase by more than 10 percent in the aggregate.

Exceptions:

1. Consumer asks for a change
2. Consumer chooses a service provider that was not selected by the lender
3. Information provided at application was inaccurate or becomes inaccurate
4. The Loan Estimate expires



Revised Disclosure-Loan Estimate

- If a Changed Circumstance/
Tolerance exceeded
 - However cannot be 'piece-meal'
 - Must be provided to consumer within three business days of receiving information sufficient to establish the changed circumstance.
 - Consumer must receive the revision no later than 4 days before closing



Three-Day Rule

Policy: Consumers must receive their Closing Disclosure at least three business days before closing.

- Business day = Every day but Sundays and Federal Holidays

Final Rule: Only have to re-disclose and restart clock in limited circumstances.

- APR changes
- Product changes
- Addition of prepayment penalty



How to Count the Three Days

For a closing scheduled for Thursday:

- Hand deliver on Monday
- Courier/Fed Ex with signed receipt on Monday
- Place in US Mail Thursday of the previous week
- Electronic documents
 - Same timing/evidence of receipt rules above
 - Need to comply with E-Sign



Closing Date-Sale

Mail Delivery:

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
16	17	18	19	20 Closing Disclosure MAILED	21 Mail Day 1	22 Mail Day 2
23 Sunday doesn't count	24 Mail Day 3= Receipt 3 Days before Close	25 2 Days before Close	26 1 Day before Close	27 OKAY to Close	28	29

Hand Delivery:

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
16	17	18	19	20	21	22
23 Sunday doesn't count	24 Hand Delivery = Receipt 3 Days before Close	25 2 Days before Close	26 1 Day before Close	27 OKAY to Close	28	29



Closing Date-Refinances

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
16	17	18	19	20 Closing Disclosure MAILED	21 Mail Day 1	22 Mail Day 2
23 Sunday doesn't count	24 Mail Day 3 = Receipt 3 Days before Close	25 2 Days before Close	26 1 Day before Close	27 OKAY to Close	28 Rescission Day 1	1 Rescission Day 2
2 Sunday doesn't count	3 Rescission Day 3 = Rescission expires at midnight	4 Okay to disburse	5	6	7	8

- Even with 3 days advance disclosure before closing (consummation)
- 3 day rescission period still applies in refinance of principal residence



Three-Day Rule

- Can a consumer waive the three day period?
 - Only if they have a Bona-Fide Personal Financial Emergency
 - Very fact intensive
 - Consumer must provide a written statement for the explaining the need for the waiver.
- Example:
 - The imminent sale of the consumer's home at foreclosure



Role of the Settlement Agent

- Lenders can work with settlement agents to prepare and provide Closing Disclosure.
 - “The final rule acknowledges settlement agents’ longstanding involvement in the closing of real estate and mortgage loan transactions, as well as their preparation and delivery of the HUD-1. The final rule avoids creating uncertainty regarding the role of settlement agents.”
- However, the creditor retains ultimate responsibility – and liability – for ensuring that the disclosure is provided in accordance with the rule.



Completing the Closing Disclosure

- Use Actual charges where known
 - Average charges where allowed
- Best Information Reasonably Available
 - The settlement agent/lender is required to exercise due diligence
 - At a minimum utilize generally accepted calculation tools
 - Contact other parties and service providers



Seller Disclosures

- Seller must receive Closing Disclosure reflecting the actual terms of the seller's transaction.
- Seller only form allowed
 - In case of privacy concerns
 - Includes only information relevant to seller
 - Model H-25(i)



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	Loan Term 30 years
Closing Date 4/15/2013	123 Anywhere Street	Purpose Purchase
Disbursement Date 4/15/2013	Anytown, ST 12345	Product Fixed Rate
Settlement Agent Epsilon Title Co.	Seller Steve Cole and Amy Doe	Loan Type <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File # 12-3456	321 Somewhere Drive	<input type="checkbox"/> VA <input type="checkbox"/>
Property 456 Somewhere Ave	Anytown, ST 12345	Loan ID # 123456789
Anytown, ST 12345	Lender Ficus Bank	MIC # 000654321
Sale Price \$180,000		

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	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	Years 1-7		Years 8-30	
Payment Calculation				
Principal & Interest		\$761.78		\$761.78
Mortgage Insurance	+	82.35	+	—
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+	206.13
Estimated Total Monthly Payment		\$1,050.26		\$967.91
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	This estimate includes		In escrow?
		<input checked="" type="checkbox"/> Property Taxes		YES
		<input checked="" type="checkbox"/> Homeowner's Insurance		YES
		<input checked="" type="checkbox"/> Other: Homeowner's Association Dues		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

Page 1

§ 1026.38(a)-(d)

(a) General Information

(b) Loan Terms

(c) Projected Payments

(d) Costs at Closing

Closing Disclosure

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

Closing Disclosure

Page 1 - Refi

§ 1026.38(a)-(d)

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street	Purpose	Refinance
Disbursement Date	4/15/2013		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Zeta Title	Lender	Ficus Bank	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456				<input type="checkbox"/> VA <input type="checkbox"/>
Property	123 Anywhere Street Anytown, ST 12345			Loan ID #	123456789
Appraised Prop. Value	\$180,000			MIC #	009874513

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	Years 1-4		Years 5-30	
Payment Calculation				
Principal & Interest		\$737.91		\$737.91
Mortgage Insurance	+	82.35	+	—
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+	206.13
Estimated Total Monthly Payment		\$1,026.39		\$944.04
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time. See details on page 4</i>	\$356.13 a month	This estimate includes <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>		In escrow? 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

(a) General Information

Notes:

“Sale Price” replaced with
 “Appraised Prop. Value”
 “Seller” removed and
 “Lender” moved up

(b) Loan Terms

(c) Projected Payments

(d) Costs at Closing



Closing Disclosure Page 2

§ 1026.38(f)

Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others
		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						
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			

(f) Loan Costs

A. Origination Charges

B. Services Borrower Did Not Shop For

C. Services Borrower Did Shop For

D. Total Loan Costs



Closing Disclosure Page 2 - refi

§ 1026.38(f)

Closing Cost Details

Loan Costs	Borrower-Paid		Paid by Others
	At Closing	Before Closing	
A. Origination Charges	\$1,950.00		
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. Services Borrower Did Not Shop For	\$610.00		
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			
C. Services Borrower Did Shop For	\$935.50		
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			
D. TOTAL LOAN COSTS (Borrower-Paid)	\$3,495.50		
Loan Costs Subtotals (A + B + C)	\$3,060.50	\$435.00	

(f) Loan Costs

- A. Origination Charges
- B. Services Borrower Did Not Shop For
- C. Services Borrower Did Shop For
- D. Total Loan Costs



Closing Disclosure Page 2 (cont.)

§ 1026.38(g)-(h)

(g) Other Costs

F. Prepays:

01. Homeowner's Ins. Premium
02. Mortgage Ins. Premium
03. Prepaid Interest
04. Property Taxes

H. Other:

01. HOA Capital Contribution

05. Real Estate Commission
06. Real Estate Commission
07. Title - Owners title

(h) Total Closing Costs

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. Prepays		\$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						
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 mo.					
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04						
05						
06						
07						
08	Aggregate Adjustment	-0.01				
H. Other		\$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						
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



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Closing Disclosure Page 2 - Refi

(cont.)

§ 1026.38(g)-(h)

Other Costs			
E. Taxes and Other Government Fees			\$60.00
01 Recording Fees	Deed: Mortgage: \$60.00	\$60.00	
02			
F. Prepays			\$2,125.12
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			
G. Initial Escrow Payment at Closing			\$576.95
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	
H. Other			
01			
02			
03			
04			
05			
06			
07			
08			
I. TOTAL OTHER COSTS (Borrower-Paid)			\$2,762.07
Other Costs Subtotals (E + F + G + H)		\$2,762.07	
J. TOTAL CLOSING COSTS (Borrower-Paid)			\$5,757.57
Closing Costs Subtotals (I + J)		\$5,822.57	\$435.00
Lender Credits		-\$500.00	

g

h

(g) Other Costs

F. Prepays:

01. Homeowner's Ins. Premium
02. Mortgage Ins. Premium
03. Prepaid Interest
04. Property Taxes

H. Other:

01. HOA Capital Contribution

05. Real Estate Commission
06. Real Estate Commission
07. Title - Owners title

(h) Total Closing Costs

Closing Disclosure Page 3

§ 1026.38(i)-(k)

Calculating Cash to Close i 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 j Use this table to see a summary of your transaction.

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

SELLER'S TRANSACTION			
M. Due to Seller at Closing		\$180,080.00	
01	Sale Price of Property	\$180,000.00	
02	Sale Price of Any Personal Property Included in Sale		
03			
04			
05			
06			
07			
08			
Adjustments for Items Paid by Seller in Advance			
09	City/Town Taxes to		
10	County Taxes to		
11	Assessments to		
12	HOA Dues 4/15/13 to 4/30/13	\$80.00	
13			
14			
15			
16			
N. Due from Seller at Closing		\$115,665.04	
01	Excess Deposit		
02	Closing Costs Paid at Closing (J)	\$12,800.00	
03	Existing Loan(s) Assumed or Taken Subject to		
04	Payoff of First Mortgage Loan	\$100,000.00	
05	Payoff of Second Mortgage Loan		
06			
07			
08	Seller Credit	\$2,500.00	
09			
10			
11			
12			
13			
Adjustments for Items Unpaid by Seller			
14	City/Town Taxes 1/1/13 to 4/14/13	\$365.04	
15	County Taxes to		
16	Assessments to		
17			
18			
19			
CALCULATION			
Total Due to Seller at Closing (M)		\$180,080.00	
Total Due from Seller at Closing (N)		-\$115,665.04	
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		\$64,414.96	

(i) Calculating Cash to Close

- Tolerance amounts shown here

(j) Summary of borrower's transaction

(k) Summary of seller's transaction

- Itemizations in I and J are like page 1 of today's HUD-1 Settlement Statement

Closing Disclosure

Page 3 - Refi

§ 1026.38(i)-(k)

(t)(5)(vii) Payoffs and Payments

(e) Calculating Cash to Close (alternative table)

- Tolerance amounts shown here

Payoffs and Payments		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 (t)(5)(vii)	\$115,000.00
02		
03		
04		
05		
06		
07		
08		
09		
10		
11		
12		
13		
14		
15		
K. TOTAL PAYOFFS AND PAYMENTS		\$115,000.00

Calculating Cash to Close ^e		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



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Closing Disclosure

Page 4

§ 1026.38(l)-(n)

Additional Information About This Loan

Loan Disclosures 1

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.

(l) Loan Disclosures

(m) Adjustable Payment (AP) Table*

(n) Adjustable Interest Rate (AIR) Table*

Adjustable Payment (AP) Table m

Interest Only Payments?	
Optional Payments?	
Step Payments?	
Seasonal Payments?	
Monthly Principal and Interest Payments	
First Change/Amount	
Subsequent Changes	
Maximum Payment	

Adjustable Interest Rate (AIR) Table n

Index + Margin	
Initial Interest Rate	
Minimum/Maximum Interest Rate	
Change Frequency	
First Change	
Subsequent Changes	
Limits on Interest Rate Changes	
First Change	
Subsequent Changes	

* Tables are only included if applicable



Closing Disclosure Page 5

§ 1026.38(o)-(q)

Loan Calculations (o)	
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
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
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%

Other Disclosures (p)	
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 <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. 	
Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <ul style="list-style-type: none"> <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. 	
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.	

(q) ? **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

- (o) Loan Calculations
- (p) Other Disclosures
- (q) Questions Notice



Closing Disclosure Page 5 (cont.)

§ 1026.38(r)-(s)

Contact Information r					
	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. Somecity, ST 12340	Sale	789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	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

(r) Contact Information (Sale)

Contact information for:

1. Lender
2. Mortgage Broker
3. Real Estate Broker (B)
4. Real Estate Broker (S)
5. Settlement Agent

Contact Information r			
	Lender	Mortgage Broker	Settlement Agent
Name	Ficus Bank		Zeta Title
Address	4321 Random Blvd. Somecity, ST 12340	Refinance	321 Uptown Dr. Anytown, ST 12345
NMLS ID			
ST License ID			P76821
Contact	Joe Smith		Jean Taylor
Contact NMLS ID	12345		
Contact ST License ID			
Email	joesmith@ficusbank.com		jeant@zeta.biz
Phone	123-456-7890		555-321-9876

(r) Contact information (Refinance)

Contact information for:

1. Lender
2. Mortgage Broker
3. Settlement Agent

Confirm Receipt s			
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	

(s) Signature Statement



First American Title™

Liability

- TILA
 - Private right of action for violations (with attorney's fees and costs)
 - Statutory penalties of up to \$4,000 for failures to properly provide certain disclosures (including finance charge and APR)
- RESPA
 - No private right of action for GFE and HUD-1 disclosures
- Dodd-Frank
 - CFPB enforcement of consumer financial laws (incl. TILA and RESPA)
 - \$5,000 per day per violation; \$25,000 per day for reckless violations; \$1M per day for knowing violations



Changes & Guidance

- Amendments to the Final Rule could occur
 - Before, on or after August 1, 2015
- Official Interpretations
 - Found in: Supplement I to Part 1026
 - Detailed examples
- CFPB website
 - Compliance Guide
 - Guide to Forms



Questions?

