

# TILA–RESPA Integrated Disclosure Rule

A Readiness Roadmap for  
Originators to Prepare Themselves  
and Their Real Estate Partners



Sponsored by



# ● Introduction

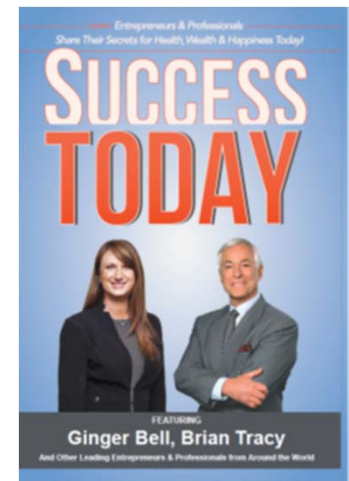
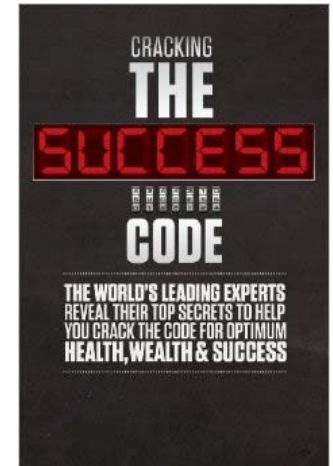
Ginger Bell is the best-selling author of ***“Cracking the Success Code”***, a book she co-authored with Brian Tracy. Her second book with Brian Tracy, ***“Success Today”*** will be released in August.

She has designed, developed and lead the creation of several national training programs in the mortgage banking industry.

A previous Dale Carnegie Training Consultant, Ginger is also Senior Vice President e-Learning for Morf Learning, a gamification learning management system.



**Ginger Bell**  
Education Specialist



# Thank You to Our Partners



# Change





# ● AGENDA

- 
- Overview
  - Mortgage Brokers and Disclosure
  - Pre-Application
  - Application
  - Imposing Fees
  - Timing
  - Waiting Periods
  - Business Days
  - Delivery Methods
  - Consummation
  - Tolerances
  - Planning
  - Action Items

## ◉ DODD-FRANK INTEGRATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) directed the Consumer Financial Protection Bureau (CFPB) to integrate the mortgage loan disclosures under the Truth-in-Lending Act (TILA) and the Real Estate Procedures Act (RESPA).



## ● CONSUMER RESEARCH

- Engaged in both consumer and industry research.
- Once completed the CFPB conducted analysis of public comment and outreach for more than a year.
- Large-scale quantitative study of its proposed integrated disclosures with approximately 850 consumers.

## ◉ WHY THE CHANGE?

- Mortgages are complex transactions that may include risky features.
- Consumers currently receive different, but overlapping, federal disclosure forms with the terms and costs of mortgage loans.
- Because these forms are confusing for consumers, Congress directed the Consumer Financial Protection Bureau (CFPB) to create new forms.





# EXISTING FORMS

## Current: Initial TIL disclosure + Good Faith Estimate

The image displays four forms related to the initial TIL disclosure and Good Faith Estimate. The top row shows the 'TRUTH IN LENDING DISCLOSURE STATEMENT' and the 'Good Faith Estimate (GFE)'. The bottom row shows the 'Settlement Statement (HUD-1)' and the 'Closing Disclosure'.

**TRUTH IN LENDING DISCLOSURE STATEMENT**

**Good Faith Estimate (GFE)**

**Settlement Statement (HUD-1)**

**Closing Disclosure**

## Current: Final TIL disclosure + HUD-1 Settlement Statement

The image displays four forms related to the final TIL disclosure and HUD-1 Settlement Statement. The top row shows the 'TRUTH IN LENDING DISCLOSURE STATEMENT' and the 'Settlement Statement (HUD-1)'. The bottom row shows the 'Closing Disclosure' and the 'Settlement Statement (HUD-1)'.

**TRUTH IN LENDING DISCLOSURE STATEMENT**

**Settlement Statement (HUD-1)**

**Closing Disclosure**

**Settlement Statement (HUD-1)**

# NEW DISCLOSURES

## New: Loan Estimate

**ASPEN BANK**  
A Full Member FDIC. Member NCUA

Loan Estimate

APR: 3.99%  
Rate: 3.99%  
Term: 30 years  
Payment: \$1,111.11  
Total Payments: \$39,999.00  
Total Interest: \$36,000.00

**Loan Details**

Loan Amount: \$100,000.00  
Interest Rate: 3.99%  
Term: 30 years  
Payment: \$1,111.11  
Total Payments: \$39,999.00  
Total Interest: \$36,000.00

**Monthly Payment Breakdown**

Month	Principal	Interest	Taxes	Insurance	Total
1	\$288.89	\$722.21	\$0.00	\$0.00	\$1,011.10
2	\$290.89	\$720.21	\$0.00	\$0.00	\$1,011.10
3	\$292.89	\$718.21	\$0.00	\$0.00	\$1,011.10
4	\$294.89	\$716.21	\$0.00	\$0.00	\$1,011.10
5	\$296.89	\$714.21	\$0.00	\$0.00	\$1,011.10
6	\$298.89	\$712.21	\$0.00	\$0.00	\$1,011.10
7	\$300.89	\$710.21	\$0.00	\$0.00	\$1,011.10
8	\$302.89	\$708.21	\$0.00	\$0.00	\$1,011.10
9	\$304.89	\$706.21	\$0.00	\$0.00	\$1,011.10
10	\$306.89	\$704.21	\$0.00	\$0.00	\$1,011.10
11	\$308.89	\$702.21	\$0.00	\$0.00	\$1,011.10
12	\$310.89	\$700.21	\$0.00	\$0.00	\$1,011.10
13	\$312.89	\$698.21	\$0.00	\$0.00	\$1,011.10
14	\$314.89	\$696.21	\$0.00	\$0.00	\$1,011.10
15	\$316.89	\$694.21	\$0.00	\$0.00	\$1,011.10
16	\$318.89	\$692.21	\$0.00	\$0.00	\$1,011.10
17	\$320.89	\$690.21	\$0.00	\$0.00	\$1,011.10
18	\$322.89	\$688.21	\$0.00	\$0.00	\$1,011.10
19	\$324.89	\$686.21	\$0.00	\$0.00	\$1,011.10
20	\$326.89	\$684.21	\$0.00	\$0.00	\$1,011.10
21	\$328.89	\$682.21	\$0.00	\$0.00	\$1,011.10
22	\$330.89	\$680.21	\$0.00	\$0.00	\$1,011.10
23	\$332.89	\$678.21	\$0.00	\$0.00	\$1,011.10
24	\$334.89	\$676.21	\$0.00	\$0.00	\$1,011.10
25	\$336.89	\$674.21	\$0.00	\$0.00	\$1,011.10
26	\$338.89	\$672.21	\$0.00	\$0.00	\$1,011.10
27	\$340.89	\$670.21	\$0.00	\$0.00	\$1,011.10
28	\$342.89	\$668.21	\$0.00	\$0.00	\$1,011.10
29	\$344.89	\$666.21	\$0.00	\$0.00	\$1,011.10
30	\$346.89	\$664.21	\$0.00	\$0.00	\$1,011.10
31	\$348.89	\$662.21	\$0.00	\$0.00	\$1,011.10
32	\$350.89	\$660.21	\$0.00	\$0.00	\$1,011.10
33	\$352.89	\$658.21	\$0.00	\$0.00	\$1,011.10
34	\$354.89	\$656.21	\$0.00	\$0.00	\$1,011.10
35	\$356.89	\$654.21	\$0.00	\$0.00	\$1,011.10
36	\$358.89	\$652.21	\$0.00	\$0.00	\$1,011.10
37	\$360.89	\$650.21	\$0.00	\$0.00	\$1,011.10
38	\$362.89	\$648.21	\$0.00	\$0.00	\$1,011.10
39	\$364.89	\$646.21	\$0.00	\$0.00	\$1,011.10
40	\$366.89	\$644.21	\$0.00	\$0.00	\$1,011.10
41	\$368.89	\$642.21	\$0.00	\$0.00	\$1,011.10
42	\$370.89	\$640.21	\$0.00	\$0.00	\$1,011.10
43	\$372.89	\$638.21	\$0.00	\$0.00	\$1,011.10
44	\$374.89	\$636.21	\$0.00	\$0.00	\$1,011.10
45	\$376.89	\$634.21	\$0.00	\$0.00	\$1,011.10
46	\$378.89	\$632.21	\$0.00	\$0.00	\$1,011.10
47	\$380.89	\$630.21	\$0.00	\$0.00	\$1,011.10
48	\$382.89	\$628.21	\$0.00	\$0.00	\$1,011.10
49	\$384.89	\$626.21	\$0.00	\$0.00	\$1,011.10
50	\$386.89	\$624.21	\$0.00	\$0.00	\$1,011.10
51	\$388.89	\$622.21	\$0.00	\$0.00	\$1,011.10
52	\$390.89	\$620.21	\$0.00	\$0.00	\$1,011.10
53	\$392.89	\$618.21	\$0.00	\$0.00	\$1,011.10
54	\$394.89	\$616.21	\$0.00	\$0.00	\$1,011.10
55	\$396.89	\$614.21	\$0.00	\$0.00	\$1,011.10
56	\$398.89	\$612.21	\$0.00	\$0.00	\$1,011.10
57	\$400.89	\$610.21	\$0.00	\$0.00	\$1,011.10
58	\$402.89	\$608.21	\$0.00	\$0.00	\$1,011.10
59	\$404.89	\$606.21	\$0.00	\$0.00	\$1,011.10
60	\$406.89	\$604.21	\$0.00	\$0.00	\$1,011.10
61	\$408.89	\$602.21	\$0.00	\$0.00	\$1,011.10
62	\$410.89	\$600.21	\$0.00	\$0.00	\$1,011.10
63	\$412.89	\$598.21	\$0.00	\$0.00	\$1,011.10
64	\$414.89	\$596.21	\$0.00	\$0.00	\$1,011.10
65	\$416.89	\$594.21	\$0.00	\$0.00	\$1,011.10
66	\$418.89	\$592.21	\$0.00	\$0.00	\$1,011.10
67	\$420.89	\$590.21	\$0.00	\$0.00	\$1,011.10
68	\$422.89	\$588.21	\$0.00	\$0.00	\$1,011.10
69	\$424.89	\$586.21	\$0.00	\$0.00	\$1,011.10
70	\$426.89	\$584.21	\$0.00	\$0.00	\$1,011.10
71	\$428.89	\$582.21	\$0.00	\$0.00	\$1,011.10
72	\$430.89	\$580.21	\$0.00	\$0.00	\$1,011.10
73	\$432.89	\$578.21	\$0.00	\$0.00	\$1,011.10
74	\$434.89	\$576.21	\$0.00	\$0.00	\$1,011.10
75	\$436.89	\$574.21	\$0.00	\$0.00	\$1,011.10
76	\$438.89	\$572.21	\$0.00	\$0.00	\$1,011.10
77	\$440.89	\$570.21	\$0.00	\$0.00	\$1,011.10
78	\$442.89	\$568.21	\$0.00	\$0.00	\$1,011.10
79	\$444.89	\$566.21	\$0.00	\$0.00	\$1,011.10
80	\$446.89	\$564.21	\$0.00	\$0.00	\$1,011.10
81	\$448.89	\$562.21	\$0.00	\$0.00	\$1,011.10
82	\$450.89	\$560.21	\$0.00	\$0.00	\$1,011.10
83	\$452.89	\$558.21	\$0.00	\$0.00	\$1,011.10
84	\$454.89	\$556.21	\$0.00	\$0.00	\$1,011.10
85	\$456.89	\$554.21	\$0.00	\$0.00	\$1,011.10
86	\$458.89	\$552.21	\$0.00	\$0.00	\$1,011.10
87	\$460.89	\$550.21	\$0.00	\$0.00	\$1,011.10
88	\$462.89	\$548.21	\$0.00	\$0.00	\$1,011.10
89	\$464.89	\$546.21	\$0.00	\$0.00	\$1,011.10
90	\$466.89	\$544.21	\$0.00	\$0.00	\$1,011.10
91	\$468.89	\$542.21	\$0.00	\$0.00	\$1,011.10
92	\$470.89	\$540.21	\$0.00	\$0.00	\$1,011.10
93	\$472.89	\$538.21	\$0.00	\$0.00	\$1,011.10
94	\$474.89	\$536.21	\$0.00	\$0.00	\$1,011.10
95	\$476.89	\$534.21	\$0.00	\$0.00	\$1,011.10
96	\$478.89	\$532.21	\$0.00	\$0.00	\$1,011.10
97	\$480.89	\$530.21	\$0.00	\$0.00	\$1,011.10
98	\$482.89	\$528.21	\$0.00	\$0.00	\$1,011.10
99	\$484.89	\$526.21	\$0.00	\$0.00	\$1,011.10
100	\$486.89	\$524.21	\$0.00	\$0.00	\$1,011.10
101	\$488.89	\$522.21	\$0.00	\$0.00	\$1,011.10
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112	\$510.89	\$500.21	\$0.00	\$0.00	\$1,011.10
113	\$512.89	\$498.21	\$0.00	\$0.00	\$1,011.10
114	\$514.89	\$496.21	\$0.00	\$0.00	\$1,011.10
115	\$516.89	\$494.21	\$0.00	\$0.00	\$1,011.10
116	\$518.89	\$492.21	\$0.00	\$0.00	\$1,011.10
117	\$520.89	\$490.21	\$0.00	\$0.00	\$1,011.10
118	\$522.89	\$488.21	\$0.00	\$0.00	\$1,011.10
119	\$524.89	\$486.21	\$0.00	\$0.00	\$1,011.10
120	\$526.89	\$484.21	\$0.00	\$0.00	\$1,011.10
121	\$528.89	\$482.21	\$0.00	\$0.00	\$1,011.10
122	\$530.89	\$480.21	\$0.00	\$0.00	\$1,011.10
123	\$532.89	\$478.21	\$0.00	\$0.00	\$1,011.10
124	\$534.89	\$476.21	\$0.00	\$0.00	\$1,011.10
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136	\$558.89	\$452.21	\$0.00	\$0.00	\$1,011.10
137	\$560.89	\$450.21	\$0.00	\$0.00	\$1,011.10
138	\$562.89	\$448.21	\$0.00	\$0.00	\$1,011.10
139	\$564.89	\$446.21	\$0.00	\$0.00	\$1,011.10
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146	\$578.89	\$432.21	\$0.00	\$0.00	\$1,011.10
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154	\$594.89	\$416.21	\$0.00	\$0.00	\$1,011.10
155	\$596.89	\$414.21	\$0.00	\$0.00	\$1,011.10
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157	\$600.89	\$410.21	\$0.00	\$0.00	\$1,011.10
158	\$602.89	\$408.21	\$0.00	\$0.00	\$1,011.10
159	\$604.89	\$406.21	\$0.00	\$0.00	\$1,011.10
160	\$606.89	\$404.21	\$0.00	\$0.00	\$1,011.10
161	\$608.89	\$402.21	\$0.00	\$0.00	\$1,011.10
162	\$610.89	\$400.21	\$0.00	\$0.00	\$1,011.10
163	\$612.89	\$398.21	\$0.00	\$0.00	\$1,011.10
164	\$614.89	\$396.21			

- EFFECTIVE DATE

New Date  
October 3, 2015



# DETAILS OF THE NEW FORMS

The New Forms	
Loan Estimate	Closing Disclosure
3 Pages	5 Pages
Combines the 2 page early TIL and 3 page GFE	Combines the 3 page HUD-1 and the 2 page final TIL
Who Provides?	Who Provides?
2 options: Mortgage Broker or Lender	2 options: Creditor/Settlement Service Provider or Combination of Both
When?	When?
Within 3 business days of application	3 business days prior to consummation (there are exceptions)
Tolerances?	Tolerances?
Yes	Yes



## ● APPLIES TO

Most personal consumer mortgages including:

- Owner occupied
- Second homes
- Personal investment properties
- Single family homes
- Condos
- Townhomes
- Manufactured
- Rural



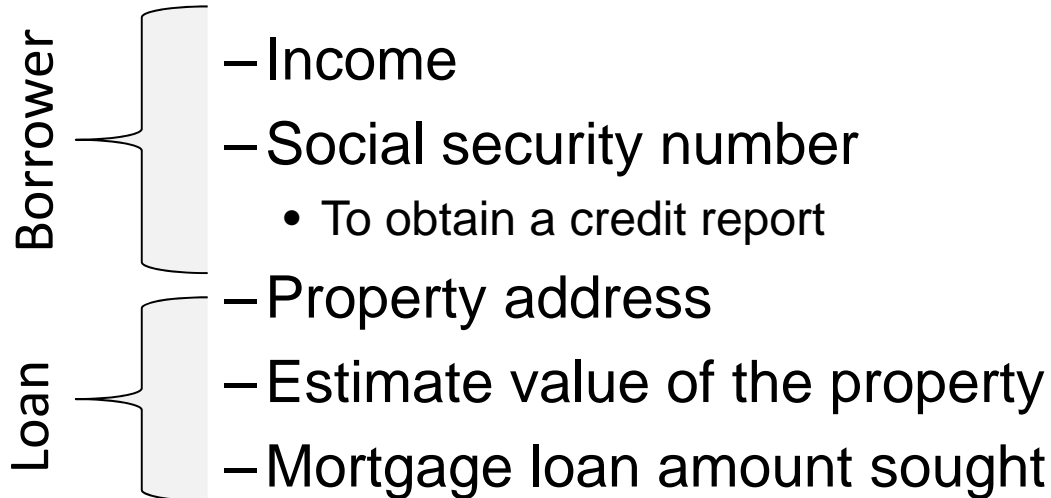
## ◉ DOES NOT APPLY TO

- Home Equity Lines of Credit (HELOCs)
- Reverse Mortgages
- Mortgages secured by a mobile home or by a dwelling not attached to real property (*i.e.*, land)
- Loans made by persons not considered “creditors,” because they make five or fewer mortgages in a year



## ● Loan Estimate: When

- Upon receipt of:



- Catch-all seventh item will no longer apply

- Within three business days of receipt of “application”

- Business day = offices are open to the public for carrying out substantially all of its business functions (“general rule”)

## ● Loan Estimate: When

- Need more information?
  - May request more
  - Three-day clock still applies
  - Do NOT condition issuance on receiving additional information
  - Use due diligence, note what is an estimate
  - Key: use “good faith” based on best information known
- Sequencing of information requests is key
- If sent BEFORE all six are collected: treated “as if” received
- Information can be oral or written, includes electronic
- Deliver in person, mail, electronic

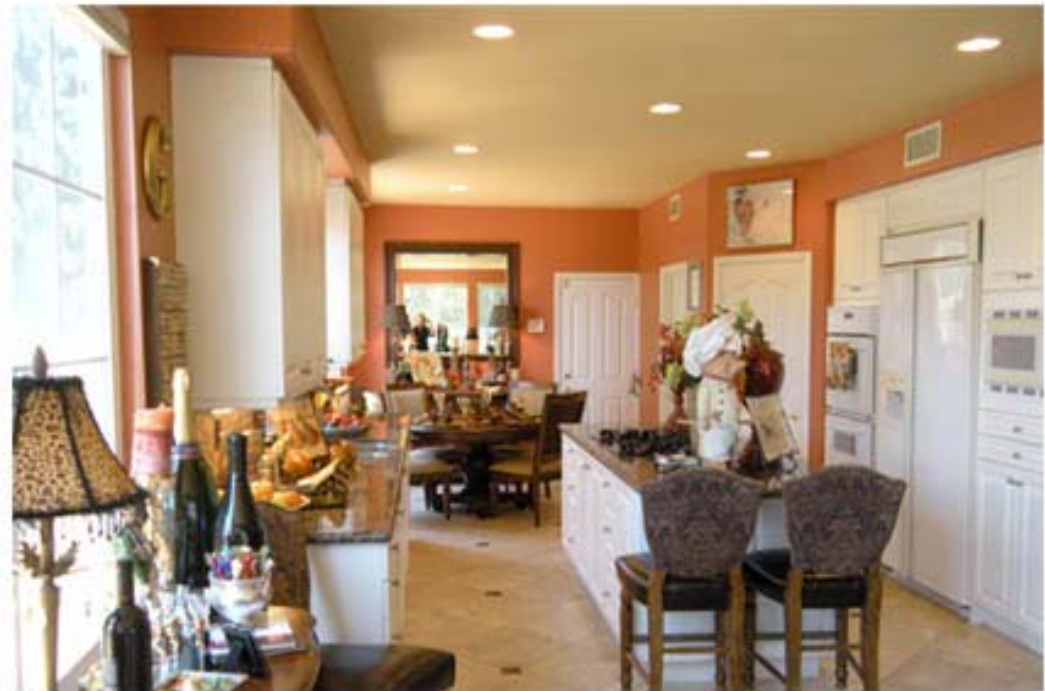




# Let's Talk About Staging

*Before Staging*

*After Staging*



# Staging Purchases

Tell your Real Estate Agents NOT to give you property address until their buyer is READY to go

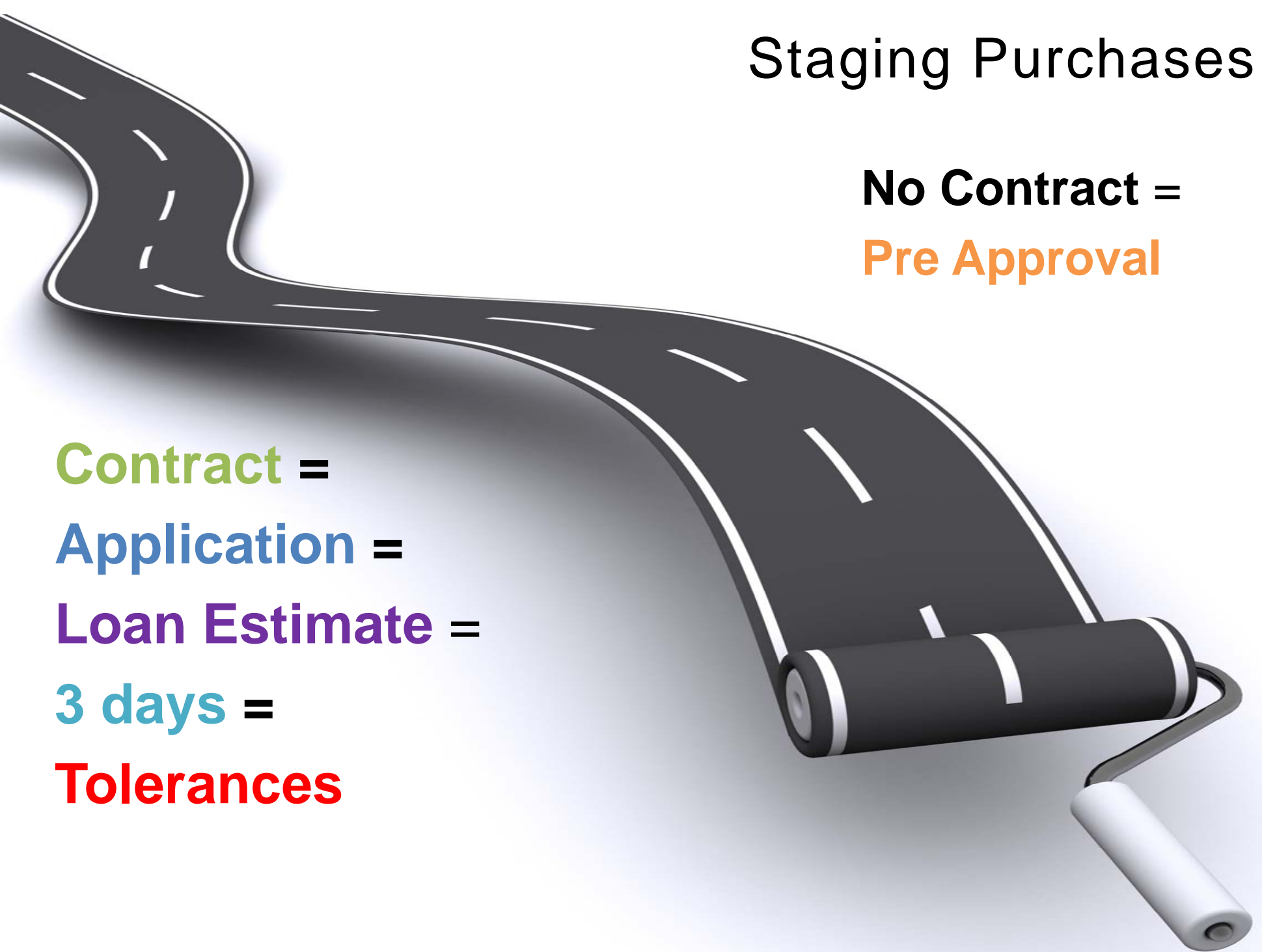
- Purchase Agreement Accepted
- Ernst Money Paid
- Ready to move ahead



# Staging Purchases

**No Contract =**  
**Pre Approval**

**Contract =**  
**Application =**  
**Loan Estimate =**  
**3 days =**  
**Tolerances**



# Staging Refinances

## Standard Refi Information

Name  
State, County  
Loan Amount  
Estimated Value  
Some have Estimated  
Credit Score



## Need for Application

Address of Property  
Social Security Number  
Income

## Application = 6 Items

Address of the Subject Property  
Loan Amount  
Income  
Estimated Value  
Name  
Social Security Number



# Staging Refinances

You will become a Consultant

1. Discussions
2. Questions
3. Decisions



# Loan Estimate: When

- Mortgage Broker
  - Same timing rules
  - Use creditor name, if known
  - Creditor on the hook for what is on Loan Estimate
  - Broker still needs to retain records for 3 years
- Exceptions to delivery
  - Withdrawn or denied
  - Within three business day window

## ● Explaining the Loan Estimate to Borrowers

- Forms are more direct
- Simpler to read
- Will need to become familiar with them



**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*

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

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. <i>See page 2 for details.</i>
<b>Estimated Cash to Close</b>	\$16,054 Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

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

Clearly-defined loan terms and lock status

Additional loan terms including clear disclosure of any prepayment or balloon.

NEW projected payment comparison

Est Closing Costs and Cash To Close now reflect Lender and Seller Credit!



# Loan Estimate: Page 1

## Projected Payments Table - (may have total of four columns)

- Principal & Interest
- Mortgage Insurance
- Estimated Escrow
- Estimated Total Monthly Payment

Subsequent  
amounts column(s)

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
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	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>		
	\$206 a month	In escrow? YES YES	



Media



# Loan Estimate: Page 1

## Projected Payments Table

- Estimated Taxes, Insurance, & Assessments
- Include whether or not paid with escrow funds

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>
Estimated Taxes, Insurance & Assessments <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> YES YES

## Loan Estimate: Page 1

### Loan Terms Table – Interest only, ARM example

- Loan Amount – no negative amortization
- Initial Interest Rate – can change every years in year 6
- Initial Monthly P & I amount – interest only first 5 years
- Prepayment Penalty - no
- Balloon Payment - no

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



## ● Loan Estimate: Page 1

- Closing Costs
  - Detailed on page 2
- Estimated Cash to Close
  - Detailed on page 2

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>



### Closing Cost Details

### Loan Costs

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

<b>B. Services You Cannot Shop For</b>	<b>\$672</b>
--	--------------

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
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### Other Costs

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

F. Prepaids	\$867
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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
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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
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Title – Owner's Title Policy (optional)	\$1,017
---	---------

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
-------------------------	----------

Within each category, line items are listed in alphabetical order and will correspond in exact order to the Closing Disclosure to make for a very simple side-by-side comparison between the initial estimates and final numbers for the consumer.

NEW – Lender Credit!

Breakdown of Cash to Close number from  
Page 1.

## Closing Cost Details

### Loan Costs

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

<b>B. Services You Cannot Shop For</b>	<b>\$672</b>
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

<b>C. Services You Can Shop For</b>	<b>\$3,198</b>
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

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$5,672</b>
--	----------------

## Loan Estimate: Page 2

- A. Origination Charges Table
- B. Services Consumer **Cannot** Shop For
- C. Services Consumer **Can** Shop For
- D. Total Loan Costs





Additional Information About This Loan

LENDER	Ficus Bank	MORTGAGE BROKER
NMLS/ __ LICENSE ID		NMLS/ __ LICENSE ID
LOAN OFFICER	Joe Smith	LOAN OFFICER
NMLS/ __ LICENSE ID	12345	NMLS/ __ LICENSE ID
EMAIL	joesmith@ficusbank.com	EMAIL
PHONE	123-456-7890	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)	4.274%	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 \_\_\_\_\_

NEW! Amount of mortgage interest and principal paid in first 5 years.

APR is still included, just not as conspicuously.

NEW! "Total Interest Percentage (TIP)"

The LE will eliminate the initial appraisal disclosure & the servicing disclosure – 2 fewer forms for your borrowers to sign!

# Loan Estimate: Page 3

## Comparisons Table

Comparisons		Use these measures to compare this loan with other loans.
1	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.
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.
2	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.
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.
3	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.

# TOTAL INTEREST PERCENTAGE (TIP)

Total Interest

÷

Loan Amount

=

TIP

DATE	PAYMENT	PRINCIPAL	INTEREST	TOTAL INTEREST	BALANCE
Jan. 2045	\$761.78	\$754.45	\$7.33	\$112,499.22	\$1,516.22
Feb. 2045	\$761.78	\$756.89	\$4.90	\$112,506.55	\$759.33
Mar. 2045	\$761.78	\$759.33	\$2.45	\$112,509.00	\$0.00

SALE PRICE \$180,000		closing costs expire
Loan Terms		Can this amount increase at
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest	\$761.78	NO

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.

$$\text{\$112,242} \div \text{\$162,000} = 69.45\%$$

## ● Loan Estimate: Page 3

- Confirm Receipt Table

- Optional section
- If used, must use exact language
- Consumer is NOT required to sign

- If not used, loan acceptance statement must be included

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

**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 received or signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_

LOAN ESTIMATE PAGE 3 OF 3 • LOAN ID #123456789

# Other Documents: CFPB Optional Samples

- List of Service Providers
- Can create own version
- Can separate out or combine

## 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

## Additional Details for Services You Cannot Shop For

Service Provider List		You can only select from these providers for these services.	
Service	Estimate	Provider We Identified	Contact Information

APPLICANTS:

DATE ISSUED:

LOAN ID #





## ● Other Document Issues

### Prequalification and preapproval

- May use general statements
- Generally must include required statement in 12-point font at top left of document (this is model from H-26):

*Your actual rate, payment, and costs could be higher.  
Get an official Loan Estimate before choosing a loan.*

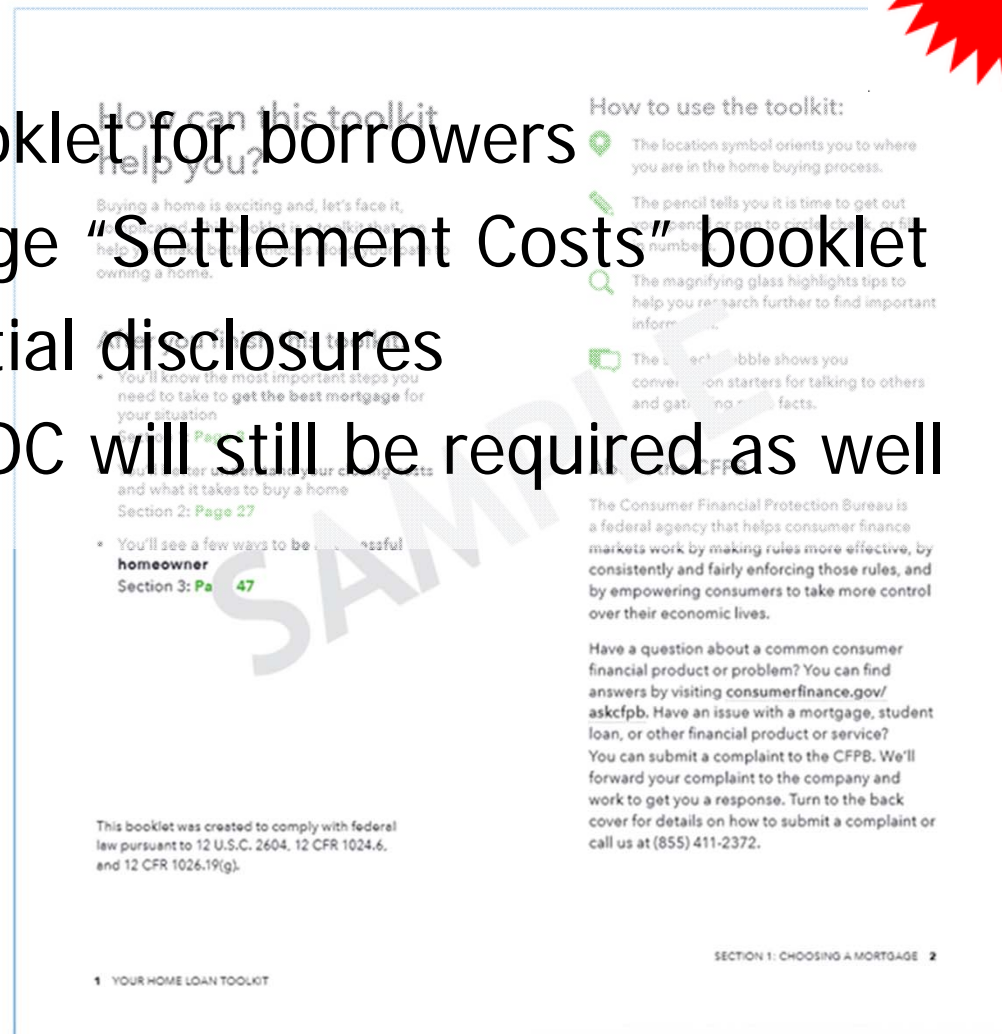
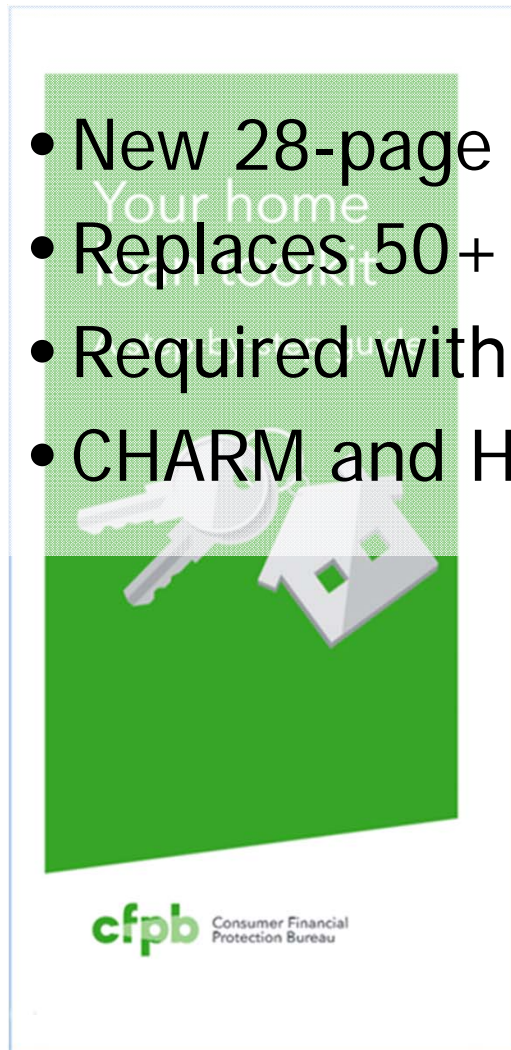
- Not subject to tolerance rules
- May NOT look like Loan Estimate (language, headings, etc.)
- No fees except for credit report



# • Your Home Loan Toolkit



- New 28-page booklet for borrowers
- Replaces 50+ page "Settlement Costs" booklet
- Required with initial disclosures
- CHARM and HELOC will still be required as well



# LOAN ESTIMATE AND CLOSING DISCLOSURE COMPARISON



# FICUS BANK

4321 Random Boulevard • Somerscity, 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*

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>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>	YES	• 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>	\$1,050		\$968
<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> YES YES

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. <i>See page 2 for details.</i>
<b>Estimated Cash to Close</b>	\$16,054	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

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

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

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>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>	YES	• 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	+	82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>	\$1,050.26		\$967.91
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i> <i>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> YES YES NO

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

<b>Loan Costs</b>		<b>Other Costs</b>	
<b>A. Origination Charges \$1,802</b>		<b>E. Taxes and Other Government Fees \$85</b>	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
<b>B. Services You Cannot Shop For \$672</b>		<b>F. Prepaids \$867</b>	
Appraisal Fee	\$405	Homeowner's Insurance Premium ( 6 months)	\$605
Credit Report Fee	\$30	Mortgage Insurance Premium (    months)	
Flood Determination Fee	\$20	Prepaid Interest ( \$17.44 per day for 15 days @ 3.875%)	\$262
Flood Monitoring Fee	\$32	Property Taxes (    months)	
Tax Monitoring Fee	\$75		
Tax Status Research Fee	\$110		
<b>C. Services You Can Shop For \$3,198</b>		<b>G. Initial Escrow Payment at Closing \$413</b>	
Pest Inspection Fee	\$135	Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Survey Fee	\$65	Mortgage Insurance                 per month for      mo.	
Title – Insurance Binder	\$700	Property Taxes                 \$105.30 per month for 2 mo.	\$211
Title – Lender's Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
<b>D. TOTAL LOAN COSTS (A + B + C) \$5,672</b>		<b>H. Other \$1,017</b>	
		Title – Owner's Title Policy (optional)	\$1,017
		<b>I. TOTAL OTHER COSTS (E + F + G + H) \$2,382</b>	
		<b>J. TOTAL CLOSING COSTS \$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>

PAGE 2 OF 3 • LOANID# 123456789

Loan Costs		Borrower-Paid		Seller-Paid		Paid by Others	
		At Closing	Before Closing	At Closing	Before Closing		
<b>A. Origination Charges</b>		<b>\$1,802.00</b>					
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>		<b>\$236.55</b>					
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>		<b>\$2,655.50</b>					
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>		<b>\$4,694.05</b>					
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80				
<b>Other Costs</b>							
<b>E. Taxes and Other Government Fees</b>		<b>\$85.00</b>					
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00					
02	Transfer Tax to Any State			\$950.00			
<b>F. Prepaids</b>		<b>\$2,120.80</b>					
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							
<b>G. Initial Escrow Payment at Closing</b>		<b>\$412.25</b>					
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66					
02	Mortgage Insurance per month for 2 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>		<b>\$2,400.00</b>					
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					
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		\$750.00	
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>		<b>\$5,018.05</b>					
Other Costs Subtotals (E + F + G + H)		\$5,018.05					
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>		<b>\$9,712.10</b>					
Closing Costs Subtotals (D + I)		\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00	
Lender Credits							

PAGE 2 OF 5 • LOAN ID #123456789



## Closing Cost Details

### Loan Costs

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

### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$85</b>
Recording Fees and Other Taxes	\$85
Transfer Taxes	

<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)	

### G. Initial Escrow Payment at Closing

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

### I. TOTAL OTHER COSTS (E + F + G + H)

	<b>\$2,382</b>
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### J. TOTAL CLOSING COSTS

D + I	\$8,054
Lender Credits	

### C. Services You Can Shop For

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)

	<b>\$5,672</b>
--	----------------

### 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
<b>Estimated Cash to Close</b>	<b>\$16,054</b>

### 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
<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

<b>K. Due from Borrower at Closing</b>	<b>\$189,762.30</b>
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	
<b>Adjustments</b>	
05	
06	
07	
<b>Adjustments for Items Paid by Seller in Advance</b>	
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	

<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$175,615.04</b>
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
<b>Other Credits</b>	
06 Rebate from Epsilon Title Co.	\$750.00
07	

<b>Adjustments</b>	
08	
09	
10	
11	
<b>Adjustments for Items Unpaid by Seller</b>	
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

<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$14,147.26</b>
--	--------------------

#### SELLER'S TRANSACTION

<b>M. Due to Seller at Closing</b>	<b>\$180,080.00</b>
01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale	
03	
04	
05	
06	
07	
08	
<b>Adjustments for Items Paid by Seller in Advance</b>	
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	

<b>N. Due from Seller at Closing</b>	<b>\$115,665.04</b>
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	

<b>Adjustments for Items Unpaid by Seller</b>	
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

<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	<b>\$64,414.96</b>
---	--------------------

## 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.

NEW!

### 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

NEW!

#### 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 (CD) Highlights

## New: Closing Disclosure

The image displays five sample Closing Disclosure (CD) forms, arranged in two rows. The top row shows three forms, and the bottom row shows two. Each form is a detailed document with multiple sections, including:

- Loan Information:** Details about the loan, including the loan number, interest rate, and term.
- Property Information:** Information about the property being financed, such as the address and legal description.
- Closing Costs:** A breakdown of the costs associated with the closing, including fees, taxes, and insurance.
- Net Sheet:** A summary of the borrower's net cash at closing, showing the total cash received and the total cash paid.
- Other Information:** Additional details, such as the lender's name, the servicer's name, and the date of the closing.

The forms are presented in a grid-like layout, with each form occupying a distinct rectangular area. The forms are white with black text and some colored highlights (e.g., green for certain sections).

# ○ IMPORTANT INFORMATION FOR REAL ESTATE AGENTS: CLOSING DISCLOSURE PAGE 2 – LISTS REAL ESTATE COMMISSION

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					



# Real Estate Broker Information – Closing Disclosure Page 5

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. Somecity, ST 12340		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	P51461	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

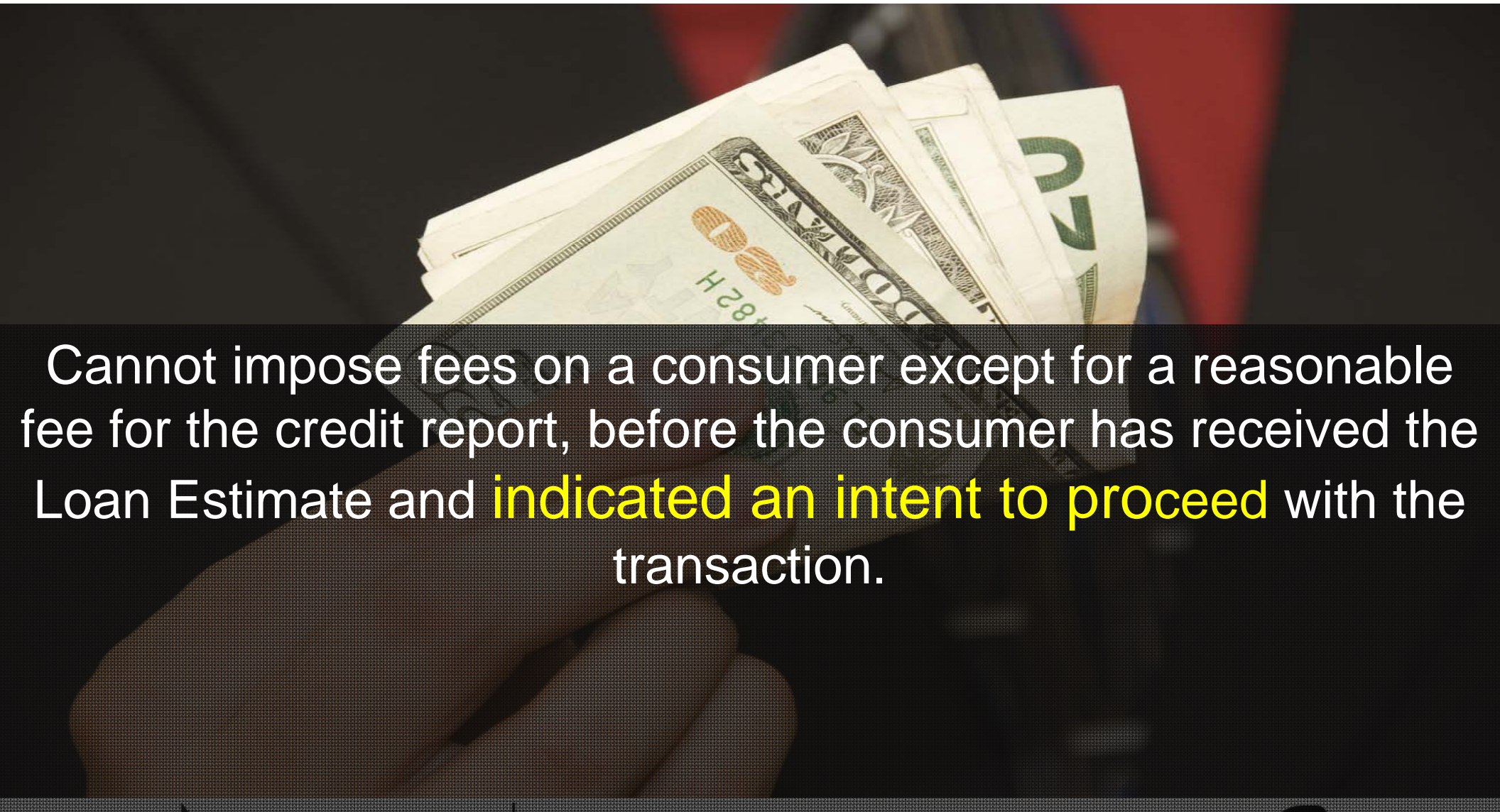


# IMPOSING FEES





## ◉ IMPOSING A FEE



Cannot impose fees on a consumer except for a reasonable fee for the credit report, before the consumer has received the Loan Estimate and **indicated an intent to proceed** with the transaction.



## ◉ WHAT DOES THIS MEAN?

- ✓ Cannot take their credit card number
- ✓ Cannot take a post-dated check
- ✓ Consumer must receive the Loan Estimate AND Indicate an INTENT TO PROCEED



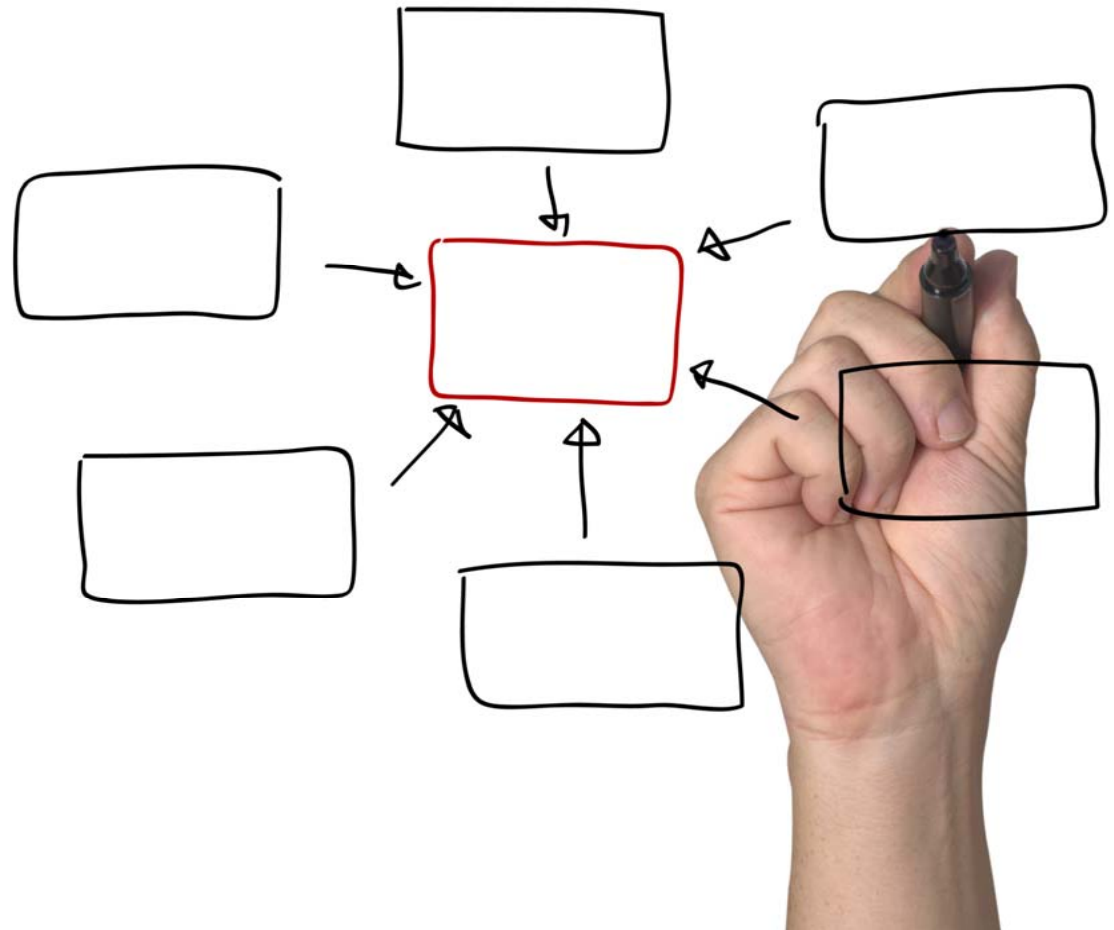


## ● CONSUMER'S INTENT TO PROCEED

- Consumer can indicate an intent to proceed in any manner
  - Phone
  - Email
  - Writing
- Need to have the confirmation from them BEFORE you get their Credit Card or Check for anything OTHER than a Credit Report
- Credit Report Fee MUST BE Reasonable

# TRACK, TRACK AND TRACK

- Create an effective tracking system
- Track when the Loan Estimate is sent to the consumer
- Track when they have in turn responded back to you that they wish to proceed





# TIMING





# LOAN ESTIMATE

## 3 Business Days

Must be sent within 3 business days after the lender or broker receives the consumer's application

## 7 Business Days

Must be received no later than 7 business days prior to consummation. 4 business days for re-disclosure. Add 3 business days if mailing.

## Consummation

A transaction is consummated when the consumer becomes contractually obligated to a creditor.

## State Law

State law prevails so this means follow your state definition of consummation.



# ○ CHANGE OF CIRCUMSTANCE



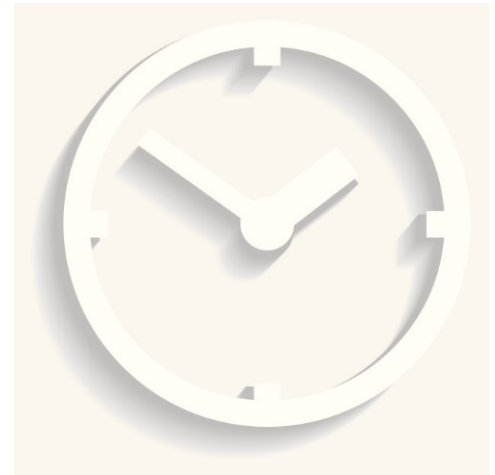
**Something has  
Changed!**

Re-disclose within 3  
business days of  
*receiving* information  
that would cause a  
revision.



# TIMING – CLOSING DISCLOSURE

Form	Trigger	Days	Who can complete
Closing Disclosure	Closing	3 business days prior to consummation	Creditor/Wholesale Lender/Settlement or combination of both





# BUSINESS DAYS





## ● DEFINITION OF BUSINESS DAYS

### ***Loan Estimate***

- Business day is **any day in which the creditor is open to the public** for carrying out substantially all of its business functions.
- If an application is denied or withdrawn during the 3 business day period, the creditor does not need to provide the consumer with the disclosures.
- If the consumer amends the application, the timeline is reset and the 3 day period begins to run from the amended application.

# ● DEFINITION OF BUSINESS DAY

## Closing Disclosure

- A “business day” for this and other purposes in the regulations is **all calendar days except Sundays** and the legal public holidays specified in 5 U.S.C. 6103(a), such as New Year’s Day, the Birthday of Martin Luther King, Jr., Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.



# WAITING PERIODS





# WAITING PERIODS

- Revised loan estimate must be received 4 business days BEFORE closing/consummation.
- Closing Disclosure must be received 3 business days prior to closing/consummation.



# ● NEVER SHALL THE TWO MEET

## **3 Business Days Before Closing**

- The borrower must receive the Closing Disclosure 3 business days prior to closing or consummation.

## **4 Business Days Before Closing**

- A revised Loan Estimate must be received, or considered to have been received by the borrower no later than 4 business days prior to closing. The revised estimate may be given in person or mailed. If mailed, the disclosure estimate will be considered received 3 business days after it is placed in the mail.



# NEW 3 DAY WAITING PERIOD ON RE-DISCLOSURE OF CLOSING DISCLOSURE

There are three changes to disclosures that require a new waiting period if they become inaccurate before consummation. They are:

## **1 The annual percentage rate (APR) disclosed becomes inaccurate**

If the lender makes changes to the APR greater than 1/8 of a percent for most loans and 1/4 of a percent for loans with irregular payments or periods.

## **2 The loan product changes**

The loan product is considered to have changed if any of the “Product” information required to be disclosed changes—generally, any rate or payment feature (e.g., an adjustable rate, step rate, fixed rate, negative amortization, interest only, step payment, balloon payment or seasonal payment schedule).

## **3 A prepayment penalty is added**

# WAIVER OF WAITING PERIOD?

- Rare, rare, very, very RARE!
- a bona fide personal financial emergency
- Must waive this timing requirement in writing
- A pre-printed form may not be used for this purpose
- Preventing the loss of the consumer's home to foreclosure would be an example of a bona fide personal financial emergency.

AL

1. Issue said former policy showing approved.

2. Issues said former policy free from encumbrances

First Payment Date: August 1, 2004

Payment Date: July 1, 2034

Conv

LOAN NO: 123456789-100

Int. Rate: 5.375

Term: 360 mos.

Case No: 9876543-2111

OF LOAN FUN

Secondary Financing

Loan Offi

Branch

PROPERTY described here

APPR

AMOUNT

0.00

1120.00

APRIL 26, 2004



# TOLERANCES





## 3 TOLERANCE CATEGORIES

### Zero Tolerance

Zero tolerance  
(cannot increase  
at closing)

### 10% Tolerance

10% cumulative  
tolerance  
(category may not  
increase more  
than 10% at  
closing)

### No Tolerance

No tolerance  
(fees may  
increase at  
closing, subject to  
good faith  
requirement)

# ZERO TOLERANCE

- Charges paid to the lender or an affiliate of the lender
- Required charges paid to the mortgage broker, or its affiliate
- **Charges paid to third-party service providers for which the borrower was not permitted to shop**
- **Example:** Appraisal, Inspection, Credit Report, Tax Service, etc.
- Transfer taxes





# TOP TIPS FOR AGENTS





# Embrace this Change!

## **Be the Expert – for your Borrowers:**

- Provide the knowledge they need about their loan details and the loan process
- Improve the borrower's ability to understand the information
- Instill confidence, consider your competition

## **Be the Expert - for your Real Estate partners and settlement agents:**

- Create awareness and a sense of urgency; this change is more than just new forms!
- Educate – timing is everything
- Provide guidance and support

## ◉ Plan Ahead

- Be prepared to write your Purchase Agreements for a bit longer....at least for the first few months of the change.
- Inform your buyers and sellers of the changes.
- Work with a lender you know and trust who can help inform you of the timeline in the transaction.





- **Biggest Take Away..**

COMMUNICATE!

COMMUNICATE!

COMMUNICATE!



## ○ Recap

- Added 3 business day waiting periods at closing
- Definition of consummation = when the consumer becomes contractually obligated to the creditor
  - West Coast States = Signing
  - East Coast States = Signing and Funding
- APR changes may mean additional 3 business day waiting period
- Inform buyers and sellers of changes and waiting periods



## ◉ Wrap Up

- Effective Date Applications taken on and after October 3, 2015
- Applies to most mortgage loans except Reverse Mortgages and HELOCs
- Your chance to build relationships and advise Agents to .....Work with a professional, experienced Mortgage Advisor





## ◉ ADDITIONAL RESOURCES

- ✓ TILA/RESPA Highlights Workbook
- ✓ TILA/RESPA Overview Slidedeck
- ✓ Top Agent Tips to Ensure a Timely Closing
- ✓ Meeting Workbook
- ✓ Email Template
- ✓ Event Postcard
- ✓ Partner Slidedeck

[www.TRIDTools.com](http://www.TRIDTools.com)



# Thank You to Our Partners



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