



# Are You Ready For TRID Implementation?

Integrated Mortgage Disclosures  
Basics for Real Estate Professionals

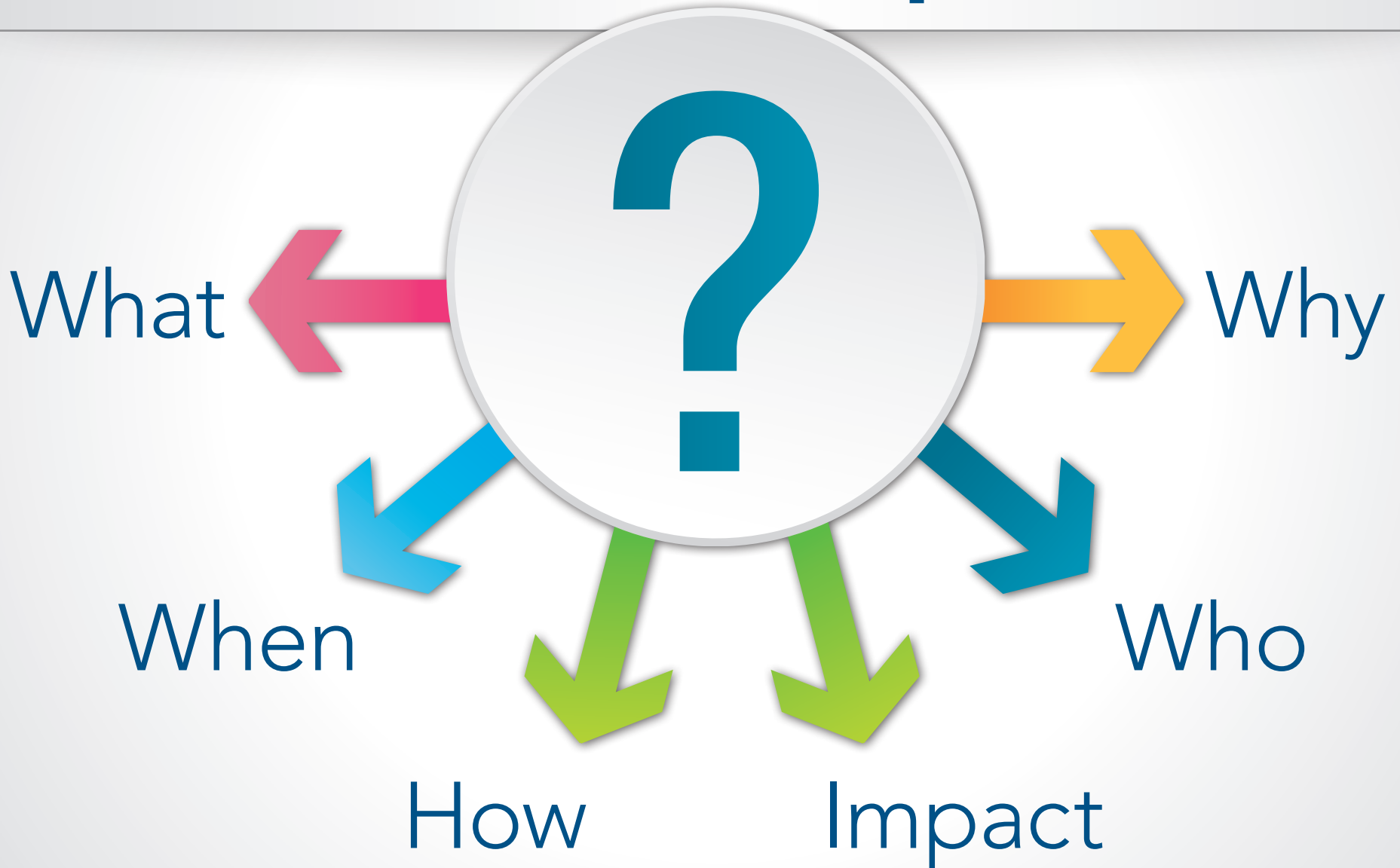
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**PennAttorneys**

*A Division of Ohio Bar Title Insurance Company*

*A First American Company*

# What to Expect



# Time for Change



# Why



**Dodd-Frank Act mandate:  
Combine TIL, GFE, HUD-1**

# How



## CFPB

- Two New Forms
- Three Business-Day Delivery

# Who



## Loan Estimate:

- Lender or Mortgage Broker

## Closing Disclosure:

- Lender or Settlement/  
Escrow Agent

# Penalties



- **\$5,000 per day for failure to follow the laws or regulations**
- **\$25,000 per day for gross negligence**
- **\$1,000,000 per day for intentional violations**

# Impact



- **3 Business Day Review**
- **Different Forms**
- **Contact Information and License Number on Form**
- **Clients May Receive Multiple**
  - Loan Estimates
  - Closing Disclosures





# THE FORMS

# Loan Estimate



**Replaces Current GFE and Initial TIL**



**Three Pages**



**Provided By Lender or Mortgage Broker**



**Deliver or Place in Mail Within 3 Business Days of Application**

Including Saturday if lender open

# Loan Estimate Delivery Calendar

November, 2015						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
22	23	24	25	26	27	28
Not a business day		Loan Application Taken	1st Business Day After Loan Application	"Thanksgiving Federal Holiday- Not a Business Day"	2nd Business Day After Loan Application	"If Lender Open, 3rd Business Day After Loan Application Lender or Mortgage Broker Delivers or Mails Loan Estimate"
29	30	1	2	3	4	5
Not a business day	"If Lender NOT Open on Saturday, 3rd Business Day After Loan Application Lender or Mortgage Broker Delivers or Mails Loan Estimate"		"3rd Business Day After Saturday Mailing Deemed Received if Mailed on Saturday"	"3rd Business Day after Monday Mailing Deemed Received if Mailed on Monday"		

# 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>b</b>		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>	<b>YES</b>	• As high as \$3,240 if you pay off the loan during the first 2 years
<b>Balloon Payment</b>	NO	

Projected Payments <b>c</b>			
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>

# Loan Estimate

Page 1  
 § 1026.37(a)-(c)

- (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  
§ 1026.37(d)-(e)

<b>Costs at Closing</b>	
<b>Estimated Closing Costs</b>	<b>\$8,054</b> 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>	<b>\$16,054</b> Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

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

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

(d). Costs at Closing

(e). Website Reference

Statement about, and link to, CFPB website

## Closing Cost Details

Loan Costs <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">f</span>		Other Costs <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">g</span>	
<b>A. Origination Charges</b> <b>\$1,802</b>		<b>E. Taxes and Other Government Fees</b> <b>\$85</b>	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
<b>B. Services You Cannot Shop For</b> <b>\$672</b>		<b>F. Prepays</b> <b>\$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</b> <b>\$3,198</b>		<b>G. Initial Escrow Payment at Closing</b> <b>\$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)</b> <b>\$5,672</b>		<b>H. Other</b> <b>\$1,017</b>	
		Title – Owner's Title Policy (optional)	\$1,017
		<b>I. TOTAL OTHER COSTS (E + F + G + H)</b> <b>\$2,382</b>	
		<b>J. TOTAL CLOSING COSTS</b> <b>\$8,054</b>	
		D + I	\$8,054
		Lender Credits	
		<b>Calculating Cash to Close</b> <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">h</span>	
		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>

# Loan Estimate

Page 2

§ 1026.37(f)-(j)

- (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

Adjustable Payment (AP) Table <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">i</span>		Adjustable Interest Rate (AIR) Table <span style="border: 1px solid red; border-radius: 50%; padding: 2px;">j</span>	
Interest Only Payments?	YES for your first 60 payments	Index + Margin	LIBOR + 4%
Optional Payments?	NO	Initial Interest Rate	4.375%
Step Payments?	NO	Minimum/Maximum Interest Rate	5%/8%
Seasonal Payments?	NO	<b>Change Frequency</b>	
<b>Monthly Principal and Interest Payments</b>		First Change	Beginning of 61st month
First Change/Amount	\$1,233 – \$1,542 at 61st payment	Subsequent Changes	Every 36th month after first change
Subsequent Changes	Every three years	<b>Limits on Interest Rate Changes</b>	
Maximum Payment	\$1,622 starting at 108th payment	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

### 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

# Loan Estimate

Page 3

§ 1026.37(k)-(n)

- (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

# Closing Disclosure



Replaces Current HUD-1 and Final TIL For Transactions Impacted By The Integrated Mortgage Disclosure Rule



Five Pages



Provided by Lender or Settlement/Escrow Agent



Delivered 3 Business Days Before Consummation



## 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	Lender	Anytown, ST 12345	Loan ID #	123456789
	Anytown, ST 12345		Ficus Bank	MIC #	000654321
Sale Price	\$180,000				

**a**

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

**b**

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

**c**

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.

**d**

# Closing Disclosure

Page 1

- (a). General Information
- (b). Loan Terms
- (c). Projected Payments
- (d). Costs at Closing

# Closing Disclosure Page 2

## Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>	<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			

(f)

## (f) Loan Costs

A. Origination Charges

B. Services Borrower Did Not Shop For

C. Services Borrower Did Shop For

D. Total Loan Costs (Borrower-Paid)

# Closing Disclosure Page 2

## (g) Other Costs

### F: Prepays:

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

### H: Other:

01. HOA Capital Contribution
05. Real Estate Commission
06. Real Estate Commission
07. Title - Owner's Title

## (h) Total Closing Costs (Borrower-Paid)

<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. Prepays</b>			<b>\$2,120.80</b>		
01	Homeowner's Insurance Premium ( 12 mo.)	to Insurance Co.	\$1,209.96		
02	Mortgage Insurance Premium ( mo.)				
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)		\$279.04		
04	Property Taxes ( 6 mo.)	to Any County USA	\$631.80		
05					
<b>G. Initial Escrow Payment at Closing</b>			<b>\$412.25</b>		
01	Homeowner's Insurance \$100.83	per month for 2 mo.	\$201.66		
02	Mortgage Insurance	per month for mo.			
03	Property Taxes \$105.30	per month for 2 mo.	\$210.60		
04					
05					
06					
07					
08	Aggregate Adjustment		- 0.01		
<b>H. Other</b>			<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		\$750.00
04	Home Warranty Fee	to XYZ Warranty Inc.	\$150.00		
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
Lender Credits					\$750.00
					\$405.00

CLOSING DISCLOSURE

PAGE 2 OF 5 • LOAN ID # 123456789

# Closing Disclosure

Page 3

(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

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

## Summaries of Transactions i 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	
<b>CALCULATION</b>	
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 <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower</b>	<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	
<b>CALCULATION</b>	
Total Due to Seller at Closing (M)	\$180,080.00
Total Due from Seller at Closing (N) –	\$115,665.04
<b>Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller</b>	<b>\$64,414.96</b>



## 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.

# Closing Disclosure

Page 4

- (l). Loan Disclosures
- (m). Adjustable Payment (AP) Table\*
- (n). Adjustable Interest Rate (AIR) Table\*

\* Tables are only included if applicable

### Adjustable Payment (AP) Table

m

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

### Adjustable Interest Rate (AIR) Table

n

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

# Closing Disclosure Page 5

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

Loan Calculations <span style="float: right; border: 1px solid red; border-radius: 50%; padding: 2px 5px;">o</span>	Other Disclosures <span style="float: right; border: 1px solid red; border-radius: 50%; padding: 2px 5px;">p</span>
<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%

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](http://www.consumerfinance.gov/mortgage-closing)

<b>Appraisal</b> 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.
<b>Contract Details</b> See your note and security instrument for information about <ul style="list-style-type: none"> <li>what happens if you fail to make your payments,</li> <li>what is a default on the loan,</li> <li>situations in which your lender can require early repayment of the loan, and</li> <li>the rules for making payments before they are due.</li> </ul>
<b>Liability after Foreclosure</b> 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"> <li><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.</li> <li><input type="checkbox"/> state law does not protect you from liability for the unpaid balance.</li> </ul>
<b>Refinance</b> 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.
<b>Tax Deductions</b> 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.

# Closing Disclosure Page 5

## (r). Contact Information

Lender  
 Mortgage Broker  
 Real Estate Broker (B)  
 Real Estate Broker (S)  
 Settlement Agent

Contact Information <span style="float: right; border: 1px solid red; border-radius: 50%; padding: 2px;">r</span>					
	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

## (s). Signature Statement Confirm Receipt (Signature Statement)

**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

# Additional Model Forms & Variations



## Forms Differ Based On:

- » Sale vs. Loan Only
- » Split Forms For:
  - Borrower's Transaction
  - Seller's Transaction
- » Alternative "Calculating Cash-to-Close" table
- » Etc.





**THREE  
BUSINESS DAY  
REQUIREMENT  
CLOSING DISCLOSURE**

# Three Day Advance Disclosure



## Closing Disclosure Received 3 Business Days Before "Consummation" (Closing)

» Includes Saturday whether lender is open or not<sup>1</sup>



## Changes Requiring New 3 Business Day Waiting Period<sup>2</sup>

- » Annual Percentage Rate (APR) becomes inaccurate (clarified by CFPB as an "increase" – most loans 1/8%; certain loans 1/4%)
- » Loan product changed
- » Prepayment penalty added

1. 12 CFR § 1026.2(a)(6) 2<sup>nd</sup> sentence  
2. 12 CFR § 1026.19(f)(2)(ii)

# Three Day Advance Disclosure



**If Not Provided In Person (i.e. Mailed),  
Add 3 Business Days For Presumed  
Receipt<sup>1</sup>**



**Consumer May Not Waive 3 Day Waiting  
Period Except For "Bona Fide Personal  
Financial Emergency"<sup>2</sup>**

1. 12 CFR § 1026.19(f)(1)(iii)
2. 12 CFR § 1026.19(f)(1)(iv)

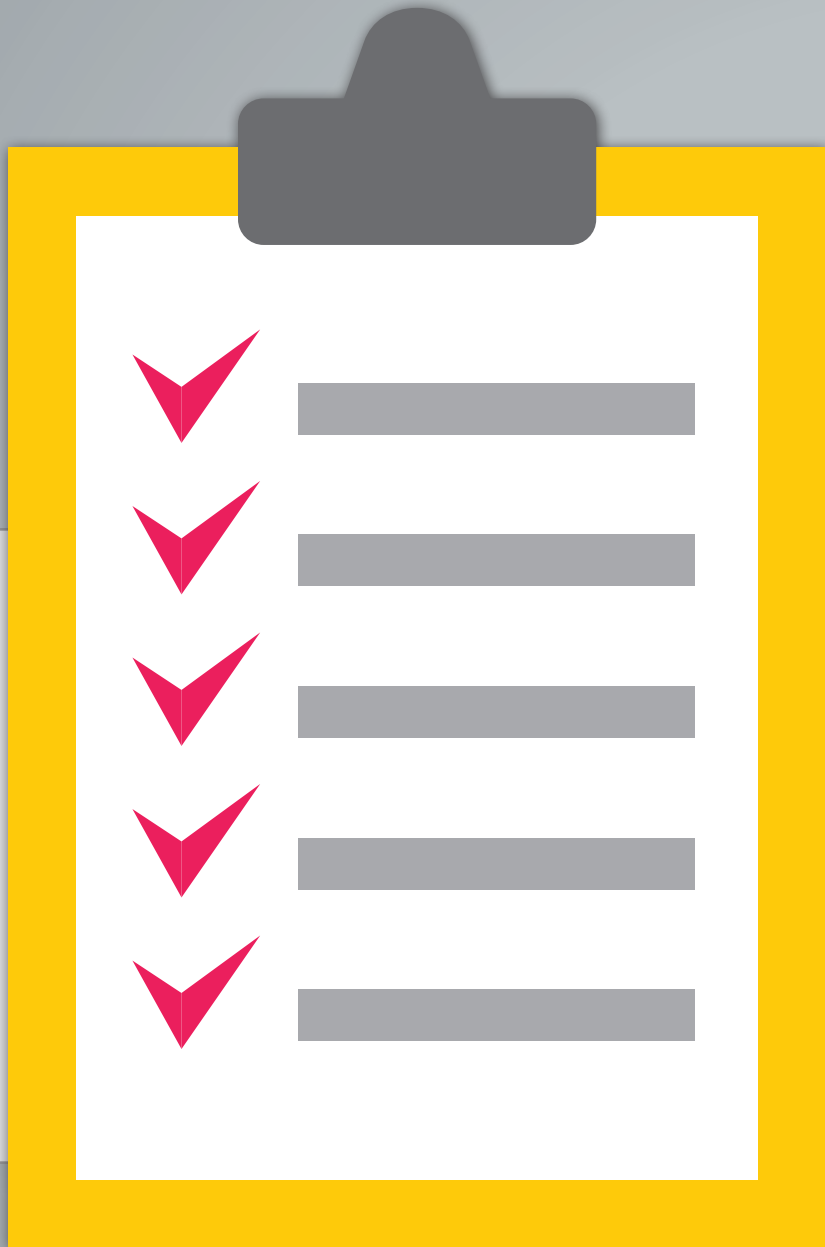
# Clarification

## Hand Delivery:

November, 2015						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
<b>Not a business day</b>	Closing Disclosure Personally Delivered 3 Business Days Prior to Consummation	2 Business Days Prior to Consummation	1 Business Days Prior to Consummation	Consummation		

## Mail Delivery:

November, 2015						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
22	23	24	25	26	27	28
<b>Not a business day</b>			Closing Disclosure Mailed	Thanksgiving Federal Holiday- Not a Business Day	1st Business Day After Mailing	2nd Business Day After Mailing
29	30	1	2	3	4	5
<b>Not a business day</b>	3rd Business Day After Mailing Presumed Receipt 3 Business Days Prior to Consummation	2 Business Days Prior to Consummation	1 Business Day Prior to Consummation	Consummation		



# QUESTIONS

THANK YOU

**PennAttorneys**

*A Division of Ohio Bar Title Insurance Company  
A First American Company*