



Reference Guide: Loan Estimate (LE) Form Analysis

The purpose of this document is to provide a reference guide for the Loan Estimate (LE) Form Analysis learning.

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Loan Estimate (LE) Form Page 1

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED	Date that the disclosure was mailed or delivered to customer	LOAN TERM	Transaction type such as: Purchase, Refinance, Construction or Home Equity Loan, refinance or new construction
APPLICANTS		PURPOSE	
		PRODUCT	
		LOAN TYPE	<input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/>
		LOAN ID #	
PROPERTY SALE PRICE	Sale Price - disclosed for a purchase Refinance transaction not involving a purchase - name of the field is changed to Estimated Property Value	RATE LOCK	<input type="checkbox"/> NO <input type="checkbox"/> YES, until
			Information about whether or not the interest rate has been locked and the expiration date of the lock

Loan Terms	Can this amount increase after closing?
Loan Amount	Indicates whether or not the amount can increase after closing
Interest Rate	If "YES" - loan has a negative amortization feature
Monthly Principal & Interest	
<i>See Projected Payments below for your Estimated Total Monthly Payment</i>	

Prepayment Penalty	Does the loan have these features?
Balloon Payment	Information specific to the loan program

Projected Payments	Payment Calculation
	May not exceed four columns in this section
Estimated Total Monthly Payment	Includes the estimated Principal & Interest, Mortgage Insurance, Estimated Escrow and Estimated Total Monthly Payment

Estimated Taxes, Insurance & Assessments	This estimate includes
Amount can increase over time	<input type="checkbox"/> Property Taxes
	<input type="checkbox"/> Homeowner's Insurance
	<input type="checkbox"/> Other:
	May show items like a homeowner association assessment and will refer the consumer to Section G for a complete breakdown
	<i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>

Costs at Closing	
Estimated Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs - _____ in Lender Credits. See page 2 for details.
Estimated Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.
	On a refinance transaction this line will include check boxes labeled From and To Borrower indicating whether the consumer is receiving funds or must bring funds to close

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Loan Estimate (LE) Form Page 2

Closing Cost Details

Loan Costs

A. Origination Charges

% of Loan Amount (Points)

All charges are listed alphabetically, except that the % Loan Origination (Points) line is always listed first in this section

B. Services You Cannot Shop For

Includes items such as the appraisal, credit report, flood determination, tax status research, lender's attorney, lender's title insurance policy and government funding fees, such as the VA funding fee

Additional required disclosures labeled "Additional Charges" with aggregate amount

C. Services You Can Shop For

Includes items such as pest inspection, and survey fee and title fees including closing fees and charges for closing protection letters (if any)

Note: any item that is a component of title insurance or is for conducting the closing, the description must begin with the word "Title."

In the case of a transaction that does not involve a seller, an optional alternative Calculating Cash to Close table may be used, which includes check boxes indicating whether the consumer will be receiving cash or will be bringing cash to the closing

D. TOTAL LOAN COSTS (A + B + C)

Adjustable Payment (AP) Table

Interest Only Payments?	Will appear on the Loan Estimate only if the loan program allows for a change in the payment other than a change to the interest rate
Optional Payments?	
Step Payments?	
Seasonal Payments?	
Monthly Principal and Interest Payments	
First Change/Amount	
Subsequent Changes	
Maximum Payment	

Other Costs

E. Taxes and Other Government Fees

Recording Fees and Other Taxes
Transfer Taxes

F. Prepaids

Homeowner's Insurance Premium (months)
Mortgage Insurance Premium (months)
Prepaid Interest (per day for days @)
Property Taxes (months)

G. Initial Escrow Payment at Closing

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

The monthly charge is not rounded, but the total of the line is rounded and truncated at the decimal point

H. Other

Any premiums in this section which are paid for separate must include the parenthetical description "Optional" at the end of the item description

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

J. TOTAL CLOSING COSTS

D + I
Lender Credits

Calculating Cash to Close

Total Closing Costs (J)
Closing Costs Financed (Paid from your Loan Amount)
Down Payment/Funds from Borrower
Deposit
Funds for Borrower
Seller Credits
Adjustments and Other Credits
Estimated Cash to Close

Adjustable Interest Rate (AIR) Table

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

Will appear only when the loan has a provision that allows for the interest rate to increase after consummation



Loan Estimate (LE) Form Page 3

Additional Information About This Loan

LENDER
 NMLS/____LICENSE ID
 LOAN OFFICER
 NMLS/____LICENSE ID
 EMAIL
 PHONE

Information for the Lender,
 Mortgage Broker, Loan

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

Comparisons

Use these measures to compare this loan with other loans.

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

Each area of this section contains required language to help consumers compare loans to find the one that best suits their needs

Other Considerations

Appraisal

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

Assumption

If you sell or transfer this property to another person, we
 will allow, under certain conditions, this person to assume this loan on the original terms.
 will not allow assumption of this loan on the original terms.

Homeowner's Insurance

This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

Late Payment

If your payment is more than ____ days late, we will charge a late fee of _____

Refinance

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

Servicing

We intend
 to service your loan. If so, you will make your payments to us.
 to transfer servicing of your loan.

If the lender opts to include this signature statement, it must include the Loan Acceptance verbiage stating that the customer is only acknowledging receipt of the document and are not required to accept the loan, even if they have signed the form

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



Completed Loan Estimate (LE) Form Example

FICUSBANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

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

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

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
Does the loan have these features?		
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

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

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

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



Closing Cost Details

Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097
B. Services You Cannot Shop For	\$672
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

C. Services You Can Shop For	\$3,198
Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

D. TOTAL LOAN COSTS (A + B + C)	\$5,672
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Adjustable Payment (AP) Table	
Interest Only Payments?	
Optional Payments?	
Step Payments?	
Seasonal Payments?	
Monthly Principal and Interest Payments	
First Change/Amount	
Subsequent Changes	
Maximum Payment	

Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	
F. Prepays	\$867
Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	
G. Initial Escrow Payment at Closing	\$413
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211
H. Other	\$1,017
Title – Owner's Title Policy (optional)	\$1,017

I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
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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

Adjustable Interest Rate (AIR) Table	
Index + Margin	
Initial Interest Rate	
Minimum/Maximum Interest Rate	
Change Frequency	
First Change	
Subsequent Changes	
Limits on Interest Rate Changes	
First Change	
Subsequent Changes	

LOAN ESTIMATE

Optional tables not used for Fixed rate loan Estimate

PAGE 2 OF 3 • LOAN ID # 123456789



Additional Information About This Loan

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

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

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

Other Considerations

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

Confirm Receipt

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

Applicant Signature _____

Date _____

Co-Applicant Signature _____

Date _____

LOAN ESTIMATE

PAGE 2 OF 2 - LOAN ID # 123456789



Annotated Loan Estimate (LE) Form

12 CFR 1026.37

Bank Name - (a)(3)

Save this Loan Estimate to compare with your Closing Disclosure. (a)(2)

Loan Estimate (a)(1)

DATE ISSUED (a)(4)

APPLICANTS (a)(5)

PROPERTY (a)(6)

SALE PRICE (a)(7)

LOAN TERM (a)(8)

PURPOSE (a)(9)

PRODUCT (a)(10)

LOAN TYPE Conventional FHA VA (a)(11)

LOAN ID # (a)(12)

RATE LOCK NO YES, until (a)(13)

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on

Loan Terms	Can this amount increase after closing?	
Loan Amount	(b)(1)	
Interest Rate	(b)(2)	(b)(6)
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	(b)(3)	
	Does the loan have these features?	
Prepayment Penalty	(b)(4)	(b)(7)
Balloon Payment	(b)(5)	

Projected Payments	
Payment Calculation	(c)(3)
Principal & Interest	(c)(2)
Mortgage Insurance	
Estimated Escrow <i>Amount can increase over time</i>	
Estimated Total Monthly Payment	
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	(c)(4)
	This estimate includes <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
	In escrow?

Costs at Closing	(d)(1)
Estimated Closing Costs	Includes in Loan Costs + in Other Costs - in Lender Credits. <i>See page 2 for details.</i>
Estimated Cash to Close	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i> <input type="checkbox"/> From <input type="checkbox"/> To Borrower

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

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID #



Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges % of Loan Amount (Points) <div style="text-align: center;">(f)(1)</div>		E. Taxes and Other Government Fees Recording Fees and Other Taxes Transfer Taxes (g)(1)	
B. Services You Cannot Shop For <div style="text-align: center;">(f)(2)</div>		F. Prepays Homeowner's Insurance Premium (months) Mortgage Insurance Premium (months) Prepaid Interest (per day for days @) Property Taxes (months) (g)(2)	
C. Services You Can Shop For <div style="text-align: center;">(f)(3)</div>		G. Initial Escrow Payment at Closing Homeowner's Insurance per month for mo. Mortgage Insurance per month for mo. Property Taxes per month for mo. <div style="text-align: center;">(g)(3)</div>	
D. TOTAL LOAN COSTS (A + B + C) (f)(4)		H. Other <div style="text-align: center;">(g)(4)</div>	
		I. TOTAL OTHER COSTS (E + F + G + H) (g)(5)	
		J. TOTAL CLOSING COSTS D + I (g)(6)	
		Calculating Cash to Close (h)(1)	
		Total Closing Costs (J) Closing Costs Financed (Paid from your Loan Amount) Down Payment/Funds from Borrower Deposit Funds for Borrower Seller Credits Adjustments and Other Credits Estimated Cash to Close	
Adjustable Payment (AP) Table		Adjustable Interest Rate (AIR) Table	
Interest Only Payments?	(i)(1)	Index + Margin	(j)(1)
Optional Payments?	(i)(2)	Initial Interest Rate	(j)(3)
Step Payments?	(i)(3)	Minimum/Maximum Interest Rate	(j)(4)
Seasonal Payments?	(i)(4)	Change Frequency	
Monthly Principal and Interest Payments		First Change (j)(5)	
First Change/Amount	(i)(5)	Limits on Interest Rate Changes	
Subsequent Changes		First Change (j)(6)	
Maximum Payment		Subsequent Changes	

LOAN ESTIMATE

PAGE 2 OF 3 - LOAN ID #



Additional Information About This Loan

LENDER NMLS/ LICENSE ID	(k)(1)	MORTGAGE BROKER NMLS/ LICENSE ID
LOAN OFFICER NMLS/ LICENSE ID	(k)(2)	LOAN OFFICER NMLS/ LICENSE ID
EMAIL PHONE	(k)(3)	EMAIL PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	(l)(1)	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	(l)(2)	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	(l)(3)	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations		
Appraisal	(m)(1)	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	(m)(2)	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 type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	(m)(3)	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	(m)(4)	If your payment is more than ___ days late, we will charge a late fee of _____
Refinance	(m)(5)	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	(m)(6)	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input 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