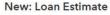
Zew Disclosure

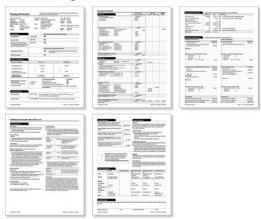


Highlights for buyers and sellers on the new TILA/RESPA Integrated Disclosures





New: Closing Disclosure





Why the Change?

For more than 30 years, Federal law has required lenders to provide four different disclosure forms to consumers applying for and closing a mortgage. The **information** on these forms is overlapping and the language is inconsistent. Consumers often find the forms confusing.

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.

Effective Date

The Loan Estimate and Closing Disclosures will be used for all applications taken on or after October 3, 2015.

Loan Estimate at Application

The Loan Estimate will replace the existing Good Faith Estimate (GFE) and the initial Truth-in-Lending disclosure (initial TIL). The new Loan Estimate form is designed to provide disclosures that help you understand the key features, costs, and risks of your mortgage loan. The Loan Estimate must be given to the consumer within 3 business days of a complete application.





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Closing Disclosure at Closing

The existing HUD-1 and final Truth-in-Lending disclosure have been combined into a new form called the Closing Disclosure. The Closing Disclosure must be "received" by the consumer within 3 business days of consummation.

Communicate with Your Lender

Communication is key to the success of your closing on time. Your lender and real estate agent will communicate your next steps with you. Be sure to follow your lenders instructions and provide them with the documentation they are requesting in the timeframe they are requesting it. This will help to keep your transaction moving along. If you have any questions be sure to ask your real estate agent or lender to help you understand the changes.



3 Day Waiting Period

The TILA/RESPA Integrated Disclosure change requires that the Closing Disclosure be "received" by the borrowers 3 business days prior to what is called consummation.

Consummation is when you, the borrower, become contractually obligated to the creditor. The creditor is the institution who is providing the funding for your loan. This is the later of the Note Date or the Security Instrument Notary Date which is the date that the

3 BUSINESS DAYS WAITING PERIOD

The new regulation requires that you receive your Closing Disclosure 3 business days before you sign your final closing documents.

signature of the final borrower on the transaction signs. Your lender will tell you what that definition means in the state you are closing your loan in.

The day you receive the Closing Disclosure is day 1 of the 3 day waiting period.

The wait period does not include Sunday and legal public holidays.

Definition of Business Day

A "business day" for the Closing Disclosure 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.

This means if you receive your Closing Disclosure on a Tuesday, the soonest you could sign your closing documents would be on Friday. You can count the day you receive your Closing Disclosure as day one.





Receipt of Delivery



In Person Delivery

Your lender may give you your Closing Disclosure in person. This will allow the 3 business day waiting period to begin immediately from the time you receive the disclosures. They may ask you to acknowledge receiving the



Electronically

Your lender may send your Closing Disclosure to you via a secure e-disclosure delivery system. They will ask you to opt in to receiving your disclosures this way and you will need to log in and confirm that you have in fact received your disclosures.

Acknowledge Receipt of Disclosures

The 3 business day waiting period can begin from the time you acknowledge receiving your disclosures to be sure to work with your lender to find out how you confirm receipt.

If you do not acknowledge receiving your Closing Disclosure then the disclosures will be considered received by you 6 business days after the lender sends you the Closing Disclosure. This is why it is important for you to work with your lender to determine the best delivery method and acknowledge receipt of disclosures.



Mail

Your lender may send your Closing Disclosure to you by mail.

Additional 3 business day waiting period

Your lender will need to add on an additional 3 business days to count for delivery of your Closing Disclosures by mail. This means that from the day they place your Closing Disclosures in the mail they will count a total of 6 business days before you can sign your closing documents.



The Process

Once your offer has been accepted on your house your lender will begin the process of underwriting your loan. The following steps will occur after your real estate agent has communicated the details of your contract with the lender. Here are the steps that will happen.

Step One

Application

Your lender will meet with you in person or by phone and ask you to complete an application. The information they gather will help them to prepare a Loan Estimate.

Step Two

Loan Estimate

Next your lender will prepare a Loan Estimate. The Loan Estimate will detail the costs of the loan. You will want to review the Loan Estimate and have your lender answer any questions you may have on the costs listed. Your lender will explain what all the costs mean. The Loan Estimate can be delivered to you in person, by mail or electronically via an electronic email service. You will need to "opt-in" to receive your disclosures electronically. If your lender is using an electronic email delivery system you will want to be sure to give them accurate email addresses for all borrowers on your loan. This way everyone can receive and acknowledge disclosures on time. This will be important when you get to the end of your transaction and ready to close your loan.

Step Three

Intent to Proceed

Once you have completed an application and received a Loan Estimate from your lender you will need to let your lender know that you are ready to proceed with the transaction. Your lender cannot order the appraisal or underwrite the loan until you have given them your intent to proceed. Your lender may ask you to sign a document acknowledging your intent to proceed.

Step Four

Appraisal

Your lender will place an order for your appraisal. The appraiser will coordinate with your real estate agent on a time to appraise the house. Your lender will communicate information regarding the appraisal.

Step Five

Underwriting

The underwriter is the person who will review the information you have given to your lender. This will include income documentation, tax returns, bank statements and any other documents they will need to review. It is important for you to work closely with your lender and get them the documents they need on a timely basis. The sooner they have the documents they have requested the sooner they can underwrite your loan.



Step Six

Changes

Sometimes changes happen along the way. This is normal. When a change happens such as a repair that is needed to the home prior to closing a change may occur in your closing costs. When this happens you will receive a new Loan Estimate from your lender that will detail the change. If there is a change or revision to your original closing costs your revised Loan Estimate will be used as your comparison to your Closing Disclosure

Step Seven

Closing Disclosure

Your lender will give you instructions on how you will be receiving your Closing Disclosure. You will need to acknowledge that you have received your Closing Disclosure at least 3 business days prior to signing all your documents. The timing on closing is very important so we will cover some important things you should know. The most important thing to remember is to work with your lender and communicate often through the process.

Closing Steps



Your disclosures can be delivered to you in person, electronically or by mail. Your lender will work with you to find out the best delivery method for you.

Timing of Delivery

How your Closing Disclosure is delivered and how you acknowledge delivery determines the date that begins the 3 business day countdown period.

Receipt of Disclosure

How your Closing Disclosure is delivered and how you acknowledge delivery determines the date that begins the 3 business day countdown period. Be sure to work with your lender to find out how disclosures are being delivered so that you can acknowledge the delivery time.

3 Day Waiting Period

Closing

The 3 business day waiting period is designed to give you time to review and compare your closing costs. There is no waiver for this waiting period. Instructions for closing will be communicated to you during this time period.

Your closing instructions will be communicated to you and your date and time to sign your closing documents will be set. Remember to bring your government issued photo identification with you. They will be need to verify you and your signature.



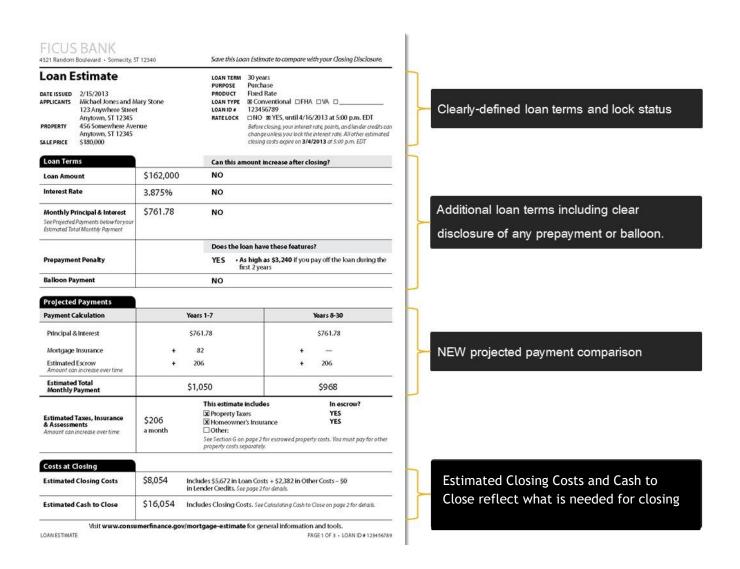
Understanding the Disclosures

THE LOAN ESTIMATE

The next section of the guide will explain the details of the Loan Estimate.

Page One

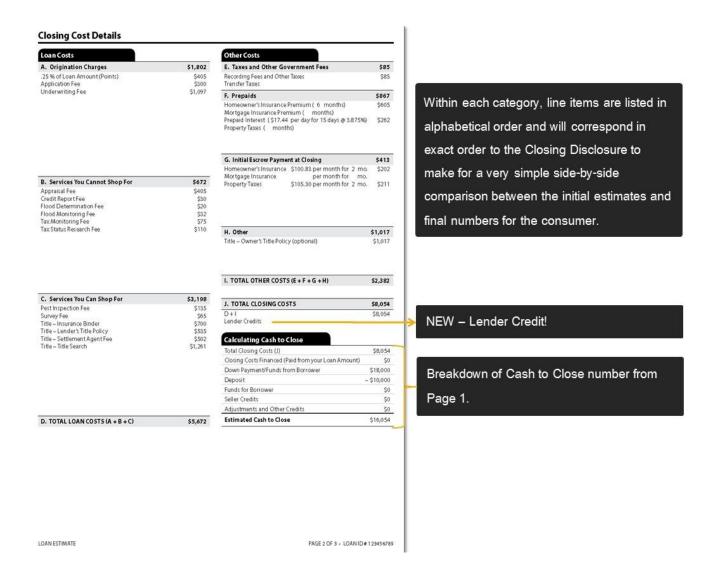
The first page of the Loan Estimate includes your information, the property information, loan terms, your projected payments and your estimated closing costs.





Page Two

The second page of the Loan Estimate gives the details of the costs on your loan. It will include your loan costs, costs for services you can and cannot shop for and other costs. It will also detail the estimated cash to close in more detail than what you saw on page one of the Loan Estimate.





Page Two of the Loan Estimate details the following fees:

A. Origination Charges

These are the fees to originate and underwrite your loan.

Loan Costs		
A. Origination Charges	\$1,950	
.5 % of Loan Amount (Points)	\$750	
Application Fee	\$250	
Origination Fee	\$450	
Underwriting Fee	\$500	

B. Services You Cannot Shop For

These are fees for services that are required on your loan that you cannot shop for. These fees include things like the appraisal, home owner association dues, and any other fees that the lender is required to have included in your loan.

B. Services You Cannot Shop For	\$635
Appraisal Fee	\$425
Credit Report Fee	\$30
Flood Determination Fee	\$25
Flood Monitoring Fee	\$45
Tax Monitoring Fee	\$65
Tax Status Research Fee	\$45

C. Services You Can Shop For

Your lender will probably give a list of what are called settlement service providers.

C. Services You Can Shop For	\$936
Pest Inspection Fee	\$85
Title - Insurance Binder	\$50
Title – Lender's Title Policy	\$251
Title - Settlement Agent Fee	\$350
Title - Title Search	\$200

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

Service Provider List

The Service Provider List will have the cost of the fees for that service provider if you were to select that service provider from the list. You do not have to select one of the service providers on the list and can select your own service provider if you like.



D. Total Loan Costs

Section D will total your loan costs for categories A, B and C and give you your estimated total Loan Costs.

E. Other Costs

Other costs include your costs for items like recording and transfer taxes.

F. Prepaids

Costs that are prepaid are costs that you will pay at closing. The reason they are called prepaid is because you are paying for things like property taxes and insurance upfront for a specific amount of time. These fees will be paid at closing.

G. Initial Escrow Payment at Closing

This section details the amounts that will need to be placed into your initial escrow account.

H. Other

This section will include any other fees that do not fall into one of the other categories.

Total Other Costs

This section will total the costs in sections E, F, G and H.

I. Total Closing Costs

The Total Closing Costs are the total of all of your closing costs.

	7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
D. TOTAL LOAN COSTS (A + B + C)	\$3,521

Other Costs

E. Taxes and Other Government Fees	\$80
Recording Fees and Other Taxes	\$80
Transfer Tayes	

F. Prepaids	\$1,585
Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (1 months)	\$82
Prepaid Interest (\$17.71 per day for 15 days @ 4.25%)	\$266
Property Taxes (6 months)	\$632

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

H. Other

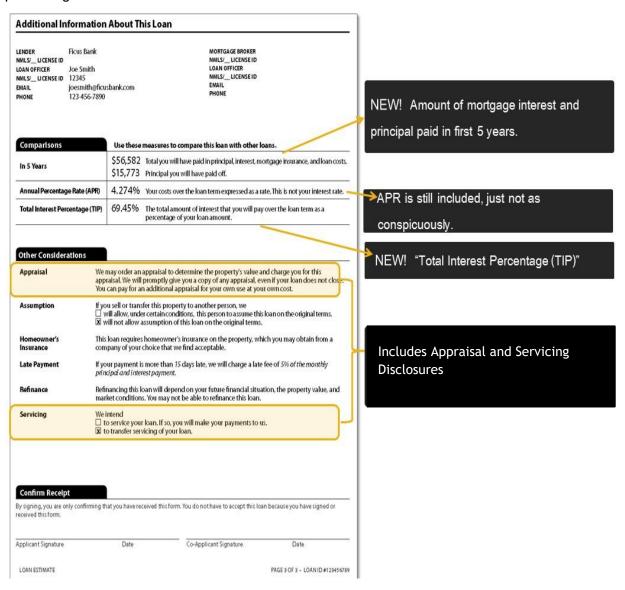
I. TOTAL OTHER COSTS (E + F + G + H)	\$2,078

J. TOTAL CLOSING COSTS	\$5,099
D+I	\$5,599
Lender Credits	- \$500



Page Three

The third page of the Loan Estimate includes information on your lender, a comparison of what you will have paid off at the end of five years, your annual percentage rate, the total interest percentage and other disclosure information.



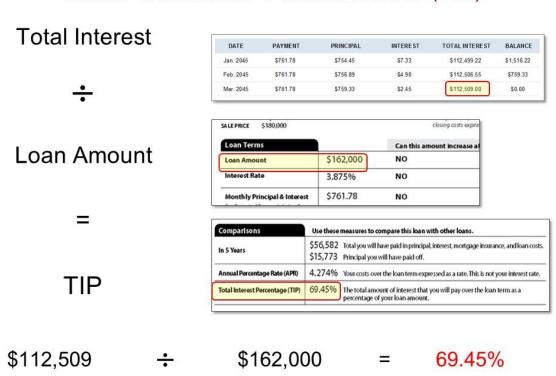


Total Interest Percentage

A new category called Total Interest Percentage tells you the total amount of interest you would pay if you were to keep the loan for the life of the loan.

TIP is calculated by taking the total amount of interest you would pay over the life of the loan and divide it by your loan amount. This will give you the total amount of interest that you pay over the life of the loan in the form of a percentage.

TOTAL INTEREST PERCENTAGE (TIP)



Home Loan Toolkit

The lender will also send you a Home Loan Toolkit that will detail information about the responsibilities associated with home ownership.



THE CLOSING DISCLOSURE

Your lender will include, to the best of their ability actual fee amounts for your closing costs on the Closing Disclosure. If fees have changed from your original Loan Estimate you will receive a revised Loan Estimate from the Lender with the new fees. The Closing Disclosure will detail your costs and provide a comparison from your costs listed on the Loan Estimate to those listed on the Closing Disclosure. There are circumstances when your lender will be relying on third parties for information and fees they will make a good faith standard of including these fees based on the information they obtain from the third party. Lenders may estimate disclosures using the best information reasonably available when the actual term or cost is not reasonably available to the lender at the time the disclosure is made. Your lender will act in good faith and use due diligence in obtaining the information. The lender may rely on the representations of other parties in obtaining the information, including, for example, the settlement agent. In the next section we will cover the highlights to help you understand the Closing Disclosure.

A. Borrower Paid, Seller Paid, Paid by Others

You will notice three columns on the Closing Disclosure that will tell you who is paying that particular fee. **Borrower**

Closing Cost Details		,		,	¥
Loan Costs	Borrow At Closing	er-Paid Before Closing	Selle At Closing	r-Paid Before Closing	Paid by Others
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
05 06					
07					
08					

Paid ar fees that you, the Borrower has or will pay. **Seller-Paid** are fees that the Seller is paying and **Paid by Others** are fees that your lender or other individual like your real estate agent is paying. You will notice two columns that say 'At Closing' and 'Before Closing.'

'At Closing' are fees that will be paid when your loan closes. 'Before Closing' are fees you have already paid or are required to be paid prior to your loan closing.

B. Calculating Cash to Close

The Calculating Cash to Close section will give you a side by side comparison of your closing costs from your Loan Estimate to your Closing Disclosure. Remember if there were changes made during your loan process you

Calculating Cash to Close		270427022	nas 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	The "Did this change?" column tells the borrowe where to find this information on both the Loan
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	No Estimate and the Closing Disclosure as a
Deposit	- \$10,000.00	- \$10,000.00	comparison.
Funds for Borrower	\$0	\$0	NO COMPUTATION.
Seller Credits	\$0	- \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	- \$1,035.04	YES - See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

may have received a revised Loan Estimate. The comparison of your Closing Disclosure is made to your final revised Loan Estimate. The 'Did this change?' column tells you if the fee changed and where to look for it in the Closing Disclosure.



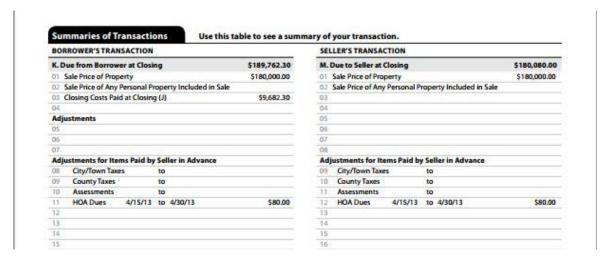


This column also tells you if you have already paid this fee prior to closing. At the bottom of the Calculating Cash to Close section you will see the

dollar amount of the actual Cash to Close that you will need. Again, this table provide a comparison from your Loan Estimate to your Closing Disclosure.

C. Summaries of Transaction

The **Summaries of Transactions** section details amounts due from both the Borrower and Seller in the transaction. This will detail the sales price, personal property included in the transacton and any additional adjustments made such as taxes or HOA dues.





This section will also detail your deposit, loan amount, payoff and closing costs paid by the seller, which will show as seller credits on the borrowers side of the Closing Disclosure. The **Calculation Section** will sum up the totals due from both the Borrower and the Seller in the transaction.

Cash to Close 🗵 From 🗆 To Borrower	\$14,147.26	Cash ☐ From ☒ To Seller	\$64,414.9
Total Paid Already by or on Behalf of Borrower at Closing (L)	- \$175,615.04	Total Due from Seller at Closing (N)	-\$115,665.04
Total Due from Borrower at Closing (K)	\$189,762.30	Total Due to Seller at Closing (M)	\$180,080.00
CALCULATION		CALCULATION	
17		19	
16		18	
15		17	
14 Assessments to		16 Assessments to	
13 County Taxes to		15 County Taxes to	
12 City/Town Taxes 1/1/13 to 4/14/13	\$365.04	14 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
Adjustments for Items Unpaid by Seller		Adjustments for Items Unpaid by Seller	
11		13	
10		12	
09		11	
08		10	
Adjustments		09	
07		08 Seller Credit	\$2,500.00
06 Rebate from Epsilon Title Co.	\$750.00	07	
Other Credits	\$2,300.00	05 Payon of Second Mortgage Loan	
05 Seller Credit	\$2,500.00	05 Payoff of Second Mortgage Loan	\$100,000.00
04		04 Payoff of First Mortgage Loan	\$100,000.00
03 Existing Loan(s) Assumed or Taken Subject to	\$162,000.00	03 Existing Loan(s) Assumed or Taken Subject to	312,600.00
02 Loan Amount	\$162,000.00	02 Closing Costs Paid at Closing (J)	\$12,800.00
L. Paid Already by or on Behalf of Borrower at Closing Ol Deposit	\$175,615.04	N. Due from Seller at Closing O1 Excess Deposit	\$115,665.04



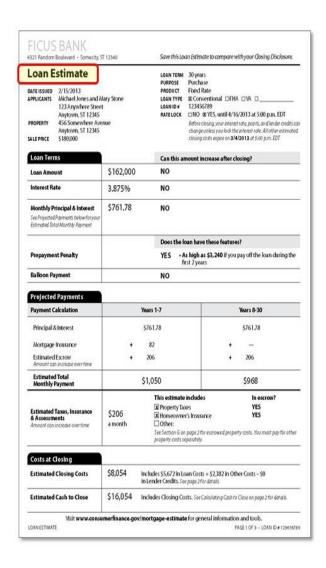
COMPARING THE LOAN ESTIMATE AND CLOSING DISCLOSURE

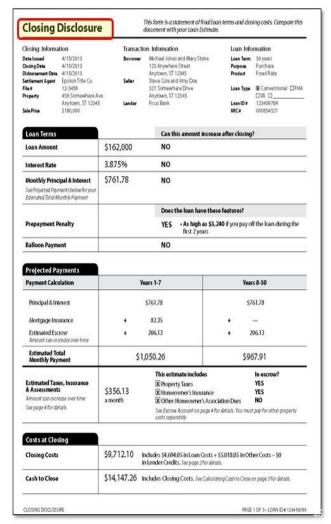
You will receive an initial Loan Estimate at the beginning of your transaction and if there were any changes during your loan process; you may receive a revised Loan Estimate before you receive your Closing Disclosure.

Once you have your final Loan Estimate and your Closing Disclosure you can do a side by side comparison of the two.

The new disclosures were designed to be easier to read and understand. Be sure to ask your lender about any questions you may have.

Here we have a side by side comparison of the Loan Estimate and the Closing Disclosure and you see that they look very similar.

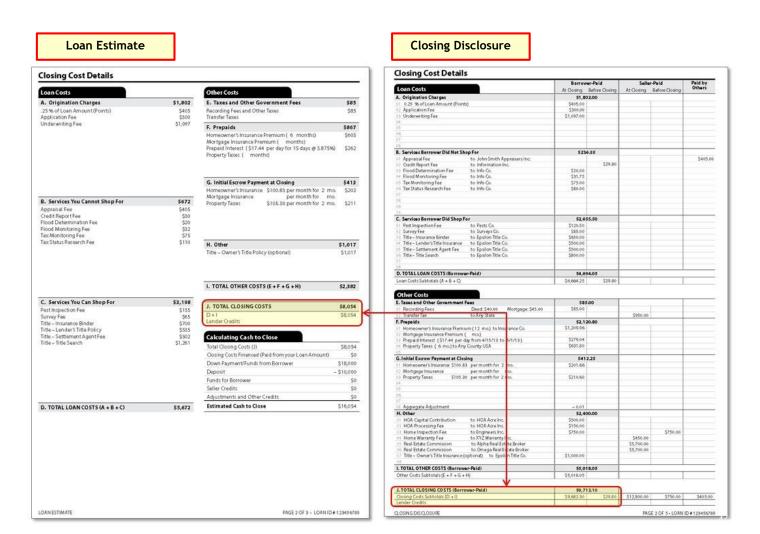






Comparing the Loan Estimate and the Closing Disclosure

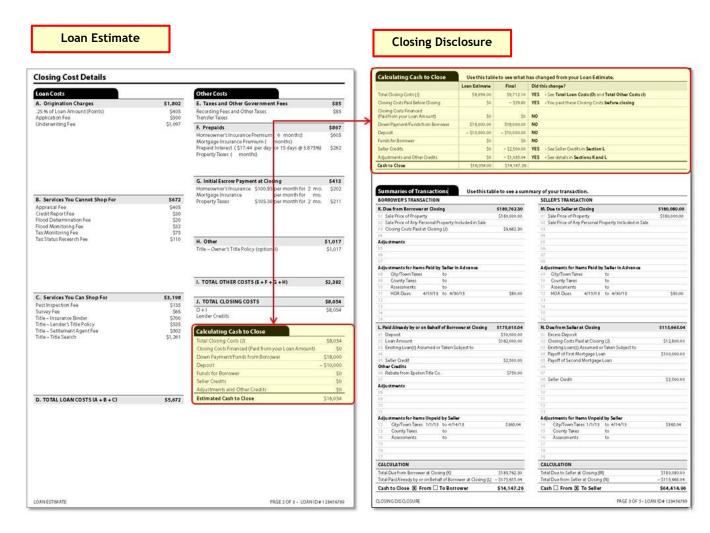
On page two of both the Loan Estimate and the Closing Disclosure you will see how your costs are categories into Loan Costs, Other Costs and Calculating Cash to Close. Within each category you will see a letter of the alphabet that will be the same on both the Loan Estimate and the Closing Disclosure. This will allow you to accurately compare your costs. The Closing Disclosure also details what costs are being paid by you, the borrower, the seller and by others. You can see that the Loan Estimate and the Closing Disclosure show your costs detailed by letters. The letters will match from the Loan Estimate to the Closing Disclosure. Your lender will explain the disclosures in more detail.





Comparing Closing Cost Details

The Closing Disclosure will give you a more detailed itemization of your comparison of costs from the Loan Estimate to the Closing Disclosure. The Calculating Cash to Close portion of the Closing Disclosure will also detail your closing costs that were listed on your Loan Estimate and compare them to what the actual costs are at closing. It will reflect if a change in fees did occur and show you where on the Closing Disclosure to find the change.



Congratulations!

We appreciate your trust and business and look forward to helping you again in the future. If you know someone who is buying a home or interested in refinancing their existing home please pass our name along.



