

# New Disclosure Guide



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

New: Loan Estimate

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.



Derek Goss

469-640-0400

derek@capacitylending.com

www.capacitylending.com

NMLS # 621164

## 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 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.

---

### 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.*

---

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**

1

#### **Disclosure Delivery**

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.

2

#### **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.

3

#### **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.

4

#### **3 Day Waiting Period**

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.

5

#### **Closing**

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.

**FICUS BANK**  
4321 Random Boulevard • Somerby, 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> <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$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 <small>Amount can increase over time</small>	+ 206	+ 206
<b>Estimated Total Monthly Payment</b>	<b>\$1,050</b>	<b>\$968</b>

<b>Estimated Taxes, Insurance &amp; Assessments</b> <small>Amount can increase over time</small>	\$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: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	<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. See page 2 for details.
<b>Estimated Cash to Close</b>	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

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

Clearly-defined loan terms and lock status

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

NEW projected payment comparison

Estimated Closing Costs and Cash to Close reflect what is needed for closing



## 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.

### Closing Cost Details

Loan Costs		Other Costs	
<b>A. Origination Charges</b>		<b>E. Taxes and Other Government Fees</b>	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
		<b>F. Prepays</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)	
		<b>G. Initial Escrow Payment at Closing</b>	
		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>	
		Title - Owner's Title Policy (optional)	\$1,017
		<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	
			\$2,382
		<b>J. TOTAL CLOSING COSTS</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>	\$16,054
<b>B. Services You Cannot Shop For</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>			
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>			
	\$5,672		

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.





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	
<b>A. Origination Charges</b>	<b>\$1,950</b>
.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>B. Services You Cannot Shop For</b>	<b>\$635</b>
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.

<b>C. Services You Can Shop For</b>	<b>\$936</b>
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 Provider List			
You can select these providers or shop for your own providers.			
Service	Estimate	Provider We Identified	Contact Information
Pest Inspection Fee	\$135	Pest Co.	Jane Polk 123 Avenue A Anytown, ST 12345 janep@pestco.com 111-222-3333
Survey Fee	\$65	Surveyor LLC	Bill Barnes 456 Avenue B Anytown, ST 12341 billb@surveyorllc.com 111-333-4444
Title – Insurance Binder	\$700	Gamma Title Co.	Joanna Campbell 789 Avenue C Anytown, ST 12333 joannac@gammatitle.com 222-444-5555
Title – Lender's Title Policy	\$535		
Title – Settlement Agent Fee	\$502		
Title – Title Search	\$1,261		
Title – Lender's Title Insurance	\$1,100	Delta Title Inc.	Frank Fields 321 Avenue D Anytown, ST 12321 frankf@delatitle.com 222-444-6666
Title – Other Title Services	\$1,000		
Title – Settlement Agent Fee	\$350		

### 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.

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$3,521</b>
----------------------------------------	----------------

## E. Other Costs

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

### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$80</b>
Recording Fees and Other Taxes	\$80
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.

<b>F. Prepaids</b>	<b>\$1,585</b>
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

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

<b>G. Initial Escrow Payment at Closing</b>	<b>\$413</b>
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

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

### H. Other

## Total Other Costs

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

<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$2,078</b>
---------------------------------------------	----------------

## I. Total Closing Costs

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

<b>J. TOTAL CLOSING COSTS</b>	<b>\$5,099</b>
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.

Additional Information About This Loan	
<b>LENDER</b> NMLS __ LICENSE ID <b>LOAN OFFICER</b> NMLS __ LICENSE ID <b>EMAIL</b> <b>PHONE</b>	Ficus Bank Joe Smith 12345 joesmith@ficusbank.com 123-456-7890
<b>MORTGAGE BROKER</b> NMLS __ LICENSE ID <b>LOAN OFFICER</b> NMLS __ LICENSE ID <b>EMAIL</b> <b>PHONE</b>	
<b>Comparisons</b> Use these measures to compare this loan with other loans.	
<b>In 5 Years</b>	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
<b>Annual Percentage Rate (APR)</b>	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
<b>Total Interest Percentage (TIP)</b>	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.
<b>Other Considerations</b>	
<b>Appraisal</b>	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.
<b>Assumption</b>	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.
<b>Homeowner's Insurance</b>	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
<b>Late Payment</b>	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
<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>Servicing</b>	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.
<b>Confirm Receipt</b>	
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 OF 3 • LOAN ID #123456789	

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)"

Includes Appraisal and Servicing Disclosures



## 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)

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
<b>Loan Terms</b>		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.

$$\text{\$112,509} \div \text{\$162,000} = 69.45\%$$

## 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 Paid** are 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.

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. 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

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.

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>	

The "Did this change?" column tells the borrower where to find this information on both the Loan Estimate and the Closing Disclosure as a comparison.





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>	

Also note the information under "Closing Costs" that tells the borrower that they already paid these costs.

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.

Summaries of Transactions		Use this table to see a summary of your transaction.	
<b>BORROWER'S TRANSACTION</b>		<b>SELLER'S TRANSACTION</b>	
<b>K. Due from Borrower at Closing</b>		<b>M. Due to Seller at Closing</b>	
01	Sale Price of Property	01	Sale Price of Property
02	Sale Price of Any Personal Property Included in Sale	02	Sale Price of Any Personal Property Included in Sale
03	Closing Costs Paid at Closing (J)	03	
04		04	
<b>Adjustments</b>		05	
05		06	
06		07	
07		08	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
08	City/Town Taxes to	09	City/Town Taxes to
09	County Taxes to	10	County Taxes to
10	Assessments to	11	Assessments to
11	HOA Dues 4/15/13 to 4/30/13	12	HOA Dues 4/15/13 to 4/30/13
12		13	
13		14	
14		15	
15		16	





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.

<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>

CLOSING DISCLOSURE

<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>

PAGE 3 OF 5 • LOAN ID # 123456789



## 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.

**FICUS BANK**  
4321 Random Boulevard • Somers, CT 06424

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 3/14/2013 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> \$761.78 <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	NO
<b>Prepayment Penalty</b>	<b>Does the loan have these features?</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	Years 1-7	Years 8-30
<b>Principal &amp; Interest</b>	\$761.78	\$761.78
<b>Mortgage Insurance</b>	+ 82	+ —
<b>Estimated Escrow</b> <small>Amount can increase over time</small>	+ 206	+ 206
<b>Estimated Total Monthly Payment</b>	\$1,050	\$968

**Estimated Taxes, Insurance & Assessments** \$206 a month  
Amount can increase over time

**This estimate includes**  
☒ Property Taxes  
☒ Homeowner's Insurance  
☐ Other:  
See Section 6 on page 2 for escrowed property costs. You must pay for other property costs separately.

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

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

**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> Epison 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> \$761.78 <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	NO
<b>Prepayment Penalty</b>	<b>Does the loan have these features?</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	Years 1-7	Years 8-30
<b>Principal &amp; Interest</b>	\$761.78	\$761.78
<b>Mortgage Insurance</b>	+ 82.35	+ —
<b>Estimated Escrow</b> <small>Amount can increase over time</small>	+ 206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>	\$1,050.26	\$967.91

**Estimated Taxes, Insurance & Assessments** \$356.13 a month  
Amount can increase over time. See page 4 for details.

**This estimate includes**  
☒ Property Taxes  
☒ Homeowner's Insurance  
☒ Other: Homeowner's Association Dues  
See Escrow Account on page 4 for details. You must pay for other property costs separately.

**In escrow?**  
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. See page 2 for details.
<b>Cash to Close</b>	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789



## 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 categorized 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.

### Loan Estimate

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. Prepays</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)	
<b>G. Initial Escrow Payment at Closing</b>	<b>\$413</b>
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
<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	
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>
<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$5,672</b>

### Closing Disclosure

Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others
Loan Costs		At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>	<b>\$1,802.00</b>					
(1) .25 % of Loan Amount (Points)		\$405.00				
(2) Application Fee		\$300.00				
(3) Underwriting Fee		\$1,097.00				
(4)						
(5)						
(6)						
(7)						
<b>B. Services Borrower Did Not Shop For</b>	<b>\$236.55</b>					
(1) Appraisal Fee to John Smith Appraisers Inc.						\$405.00
(2) Credit Report Fee to Information Inc.			\$29.80			
(3) Flood Determination Fee to Info Co.		\$20.00				
(4) Flood Monitoring Fee to Info Co.		\$31.75				
(5) Tax Monitoring Fee to Info Co.		\$75.00				
(6) Tax Status Research Fee to Info Co.		\$80.00				
(7)						
(8)						
(9)						
<b>C. Services Borrower Did Shop For</b>	<b>\$2,655.50</b>					
(1) Pest Inspection Fee to Pests Co.		\$120.50				
(2) Survey Fee to Survey Co.		\$85.00				
(3) Title - Insurance Binder to Epsilon Title Co.		\$650.00				
(4) Title - Lender's Title Insurance to Epsilon Title Co.		\$800.00				
(5) Title - Settlement Agent Fee to Epsilon Title Co.		\$500.00				
(6) Title - Title Search to Epsilon Title Co.		\$800.00				
(7)						
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$4,694.05</b>					
Loan Costs Subtotals (A + B + C)		\$4,694.05	\$29.80			
Other Costs		Borrower-Paid		Seller-Paid		Paid by Others
<b>E. Taxes and Other Government Fees</b>	<b>\$85.00</b>					
(1) Recording Fees Deed: \$40.00 Mortgage: \$45.00		\$85.00				
(2) Transfer Tax to Any State				\$950.00		
<b>F. Prepays</b>	<b>\$2,120.80</b>					
(1) Homeowner's Insurance Premium (12 mo.) to Insurance Co.		\$1,209.96				
(2) Mortgage Insurance Premium ( months)						
(3) Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13)		\$276.04				
(4) Property Taxes ( 6 mo.) to Any County USA		\$634.80				
(5)						
<b>G. Initial Escrow Payment at Closing</b>	<b>\$413.25</b>					
(1) Homeowner's Insurance \$100.83 per month for 2 mo.		\$202.66				
(2) Mortgage Insurance per month for mo.						
(3) Property Taxes \$105.30 per month for 2 mo.		\$210.60				
(4)						
(5)						
(6)						
(7)						
(8) Aggregate Adjustment		-\$0.01				
<b>H. Other</b>	<b>\$2,400.00</b>					
(1) HOA Capital Contribution to HOA Acre Inc.		\$500.00				
(2) HOA Processing Fee to HOA Acre Inc.		\$150.00				
(3) Home Inspection Fee to Engineers Inc.		\$750.00				
(4) Home Warranty Fee to XYZ Warranty Inc.				\$450.00		
(5) Real Estate Commission to Alpha Real Estate Broker				\$5,700.00		
(6) Real Estate Commission to Omega Real Estate Broker				\$5,700.00		
(7) Title - Owner's Title Insurance (optional) to Epsilon Title Co.		\$1,000.00				
(8)						
<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)		\$9,694.05	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits						



## 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.

### Loan Estimate

Closing Cost Details	
Loan Costs	Other Costs
<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)	Recording Fees and Other Taxes
Application Fee	Transfer Taxes
Underwriting Fee	
	<b>F. Prepays</b> <b>\$867</b>
	Homeowner's Insurance Premium (6 months)
	Mortgage Insurance Premium (months)
	Prepaid Interest (\$17.44 per day or 15 days @ 3.875%)
	Property Taxes ( months)
	<b>G. Initial Escrow Payment at Closing</b> <b>\$413</b>
	Homeowner's Insurance \$100.83 per month for 2 mo.
	Mortgage Insurance per month for mo.
	Property Taxes \$105.30 per month for 2 mo.
<b>B. Services You Cannot Shop For</b> <b>\$672</b>	<b>H. Other</b> <b>\$1,017</b>
Appraisal Fee	Title - Owner's Title Policy (optional)
Credit Report Fee	
Flood Determination Fee	
Flood Monitoring Fee	
Tax Monitoring Fee	
Tax Status Research Fee	
	<b>I. TOTAL OTHER COSTS (E + F + G + H)</b> <b>\$2,382</b>
<b>C. Services You Can Shop For</b> <b>\$3,198</b>	<b>J. TOTAL CLOSING COSTS</b> <b>\$8,054</b>
Pest Inspection Fee	D + I
Survey Fee	Lender Credits
Title - Insurance Binder	
Title - Lender's Title Policy	
Title - Settlement Agent Fee	
Title - Title Search	
<b>D. TOTAL LOAN COSTS (A + B + C)</b> <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>

### Closing Disclosure

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	\$9,712.19	YES - See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	-\$29.89	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	SELLER'S TRANSACTION
<b>K. Due from Borrower at Closing</b> <b>\$189,762.30</b>	<b>M. Due to Seller at Closing</b> <b>\$180,080.00</b>
01 Sale Price of Property	01 Sale Price of Property
02 Sale Price of Any Personal Property Included in Sale	02 Sale Price of Any Personal Property Included in Sale
03 Closing Costs Paid at Closing (J)	
04	
Adjustments	
05	
06	
07	
08	
Adjustments for Items Paid by Seller in Advance	Adjustments for Items Paid by Seller in Advance
09 City/Town Taxes to	09 City/Town Taxes to
10 County Taxes to	10 County Taxes to
11 Assessments to	11 Assessments to
12 HOA Dues 4/15/13 to 4/30/13	12 HOA Dues 4/15/13 to 4/30/13
13	
14	
15	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b> <b>\$175,615.04</b>	<b>N. Due from Seller at Closing</b> <b>\$115,665.04</b>
01 Deposit	01 Excess Deposit
02 Loan Amount	02 Closing Costs Paid at Closing (J)
03 Existing Loan(s) Assumed or Taken Subject to	03 Existing Loan(s) Assumed or Taken Subject to
04	04 Payoff of First Mortgage Loan
05 Seller Credit	05 Payoff of Second Mortgage Loan
06	
Other Credits	06 Seller Credit
07 Rebate from Ignition Title Co.	07
08	
Adjustments	Adjustments for Items Unpaid by Seller
09	
10	
11	
12 City/Town Taxes 1/1/13 to 4/14/13	12 City/Town Taxes 1/1/13 to 4/14/13
13 County Taxes to	13 County Taxes to
14 Assessments to	14 Assessments to
15	
16	
17	
<b>CALCULATION</b>	<b>CALCULATION</b>
Total Due from Borrower at Closing (K)	Total Due to Seller at Closing (M)
Total Paid Already by or on Behalf of Borrower at Closing (L)	Total Due from Seller at Closing (N)
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower <b>\$14,147.26</b>	<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller <b>\$64,414.96</b>

## 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.

Thank you!



CONGRATS ON YOUR NEW HOME