



**TILA-RESPA Integrated Disclosures (TRID)**  
**TRAINING AND IMPLEMENTATION**

**Effective October 3, 2015**

**Loan Estimate (LE) & Closing Disclosure (CD)**

**PROTECTING THE CONSUMER**

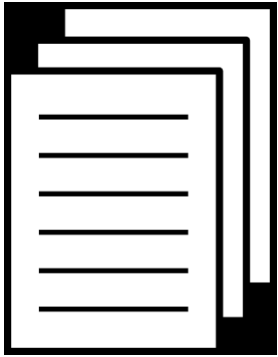
# CHANGES

3-Day Rule

New Forms

Variations

Average Cost Pricing



## COMBINING NEW FORMS

- Good Faith Estimate and initial Truth-in-Lending become “Loan Estimate” (LE)
- HUD-1 AND FINAL Truth-in-Lending become “Closing Disclosure” (CD)
- HUD-1 is still in play ONLY with certain types of loans

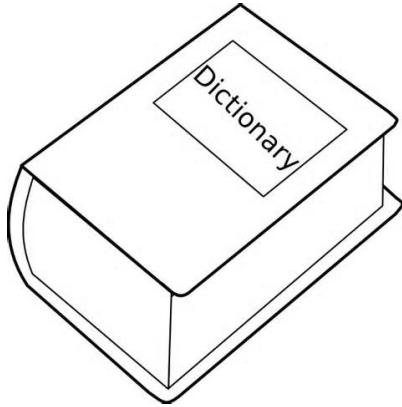
# HUD 1 Still in Play on:

Home-Equity lines of credit

Reverse mortgages

Mortgages secured by a mobile home or dwelling not attached to land

No-interest second mortgages made for down-payment assistance, energy efficiency, or foreclosure



## NEW TERMINOLOGY

### OLD TERMINOLOGY

Lender

Borrower

Closing/Settlement

Tolerances

### NEW TERMINOLOGY

Creditor

Consumer

Consummation

Variations

**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?	
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
<b>Estimated Total Monthly Payment</b>	<b>\$1,050</b>		<b>\$968</b>
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	<b>In escrow?</b> YES YES

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

# LOAN ESTIMATE FORM (LE) Page 1 of 3

- The LE may be provided by either the mtg. broker or the lender & in some cases the settlement agent; the lender is responsible for its accuracy
- Combines and replaces the existing 2 page “early” Truth-in-Lending (TIL) disclosure and 3 page Good Faith Estimate (GFE)
- Must be provided no later than 3 business days after a consumer submits a loan application

## 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)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
		<b>F. Prepaids</b>	<b>\$867</b>
		Homeowner's Insurance Premium ( 6 months)	\$605
		Mortgage Insurance Premium ( months)	
		Prepaid Interest ( \$17.44 per day for 15 days @ 3.875%)	\$262
		Property Taxes ( months)	
		<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	
<b>C. Services You Can Shop For</b>	<b>\$3,198</b>	<b>Calculating Cash to Close</b>	
Pest Inspection Fee	\$135	Total Closing Costs (J)	\$8,054
Survey Fee	\$65	Closing Costs Financed (Paid from your Loan Amount)	\$0
Title - Insurance Binder	\$700	Down Payment/Funds from Borrower	\$18,000
Title - Lender's Title Policy	\$535	Deposit	-\$10,000
Title - Settlement Agent Fee	\$502	Funds for Borrower	\$0
Title - Title Search	\$1,261	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>		

# Loan Estimate

## Form contd. Page 2 of 3

- A creditor can issue the LE when they have 6 items of information from the Consumer
- Any cost other than a credit report fee is disallowed during this process
- It is important to note, the intent of the LE will be that the Closing Disclosure (CD) numbers mimic similar numbers, with minimal change to fees

**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 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

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

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

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

# Loan Estimate

## Form contd. Page 3 of 3

- The LE is subject to variations (previously called “tolerances”)
- May be accompanied by a list of settlement service providers
- Settlement agent in rare cases may be asked to deliver.
- The LE is 3 pages long



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

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	+	82.35	+ —
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>
			<b>In escrow?</b>
			<input checked="" type="checkbox"/> Property Taxes YES
			<input checked="" type="checkbox"/> Homeowner's Insurance YES
			<input checked="" type="checkbox"/> Other: Homeowner's Association Dues NO
			<i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>

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.

# CLOSING DISCLOSURE FORM (CD)

- Combines and replaces the existing 2 page final Truth-in-Lending disclosure (required by TILA) and the three page HUD-1 Settlement Statement (required by RESPA)

**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			
<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.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title – Owner’s Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>	<b>\$5,018.05</b>				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$9,712.10</b>				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

# Closing Disclosure Form contd. Page 2 of 5

The CD is 5 pages long (attachments could bring this to more pages). It is 8-1/2 x 11 in size

# Closing Disclosure

## Form contd. Page 3 of 5

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	<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	Use this table to see a summary of your transaction.		
<b>BORROWER'S TRANSACTION</b>			
<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</b> <input checked="" type="checkbox"/> <b>From</b> <input type="checkbox"/> <b>To Borrower</b>	<b>\$14,147.26</b>		
<b>SELLER'S TRANSACTION</b>			
<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</b> <input type="checkbox"/> <b>From</b> <input checked="" type="checkbox"/> <b>To Seller</b>	<b>\$64,414.96</b>		

- The creditor remains legally liable for all the information on the CD, however with the following options :
  - The lender prepares the entire form or
  - The lender and the settlement agent share responsibility for preparing the form and
  - Preparation and delivery will most likely be a collaborative effort

## Additional Information About This Loan

### Loan Disclosures

#### Assumption

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

#### Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

#### Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

#### Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

#### Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
  - may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
  - does not accept any partial payments.
- If this loan is sold, your new lender may have a different policy.

#### Security Interest

You are granting a security interest in  
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

#### Escrow Account

**For now**, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner's Association Dues</i>  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

## Form contd. Page 4 of 5

## DIFFERENCE BETWEEN CD AND HUD-1

- The CD form does not retain the current line numbers used on the HUD-1
- Note: The CD form has Subsections which are alphabetized
- The line items in each subsection also requires fees to be shown alphabetically
- Another nuance is all title fees must start with the word "Title" (e.g., Title-Settlement Fee)

# Closing Disclosure

## Form contd. Page 5 of 5

### Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$118,830.27
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$162,000.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

### Other Disclosures

#### Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

#### Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

#### Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

#### Refinance

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

#### Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.



**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)

### Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
<b>Address</b>	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
<b>NMLS ID</b>					
<b>ST License ID</b>			Z765416	Z61456	Z61616
<b>Contact</b>	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
<b>Contact NMLS ID</b>	12345				
<b>Contact ST License ID</b>			P16415	P51461	PT1234
<b>Email</b>	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
<b>Phone</b>	123-456-7890		123-555-1717	321-555-7171	987-555-4321

### Confirm Receipt

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

Applicant Signature

Date

Co-Applicant Signature

Date

# THREE DAY RULE

# 3

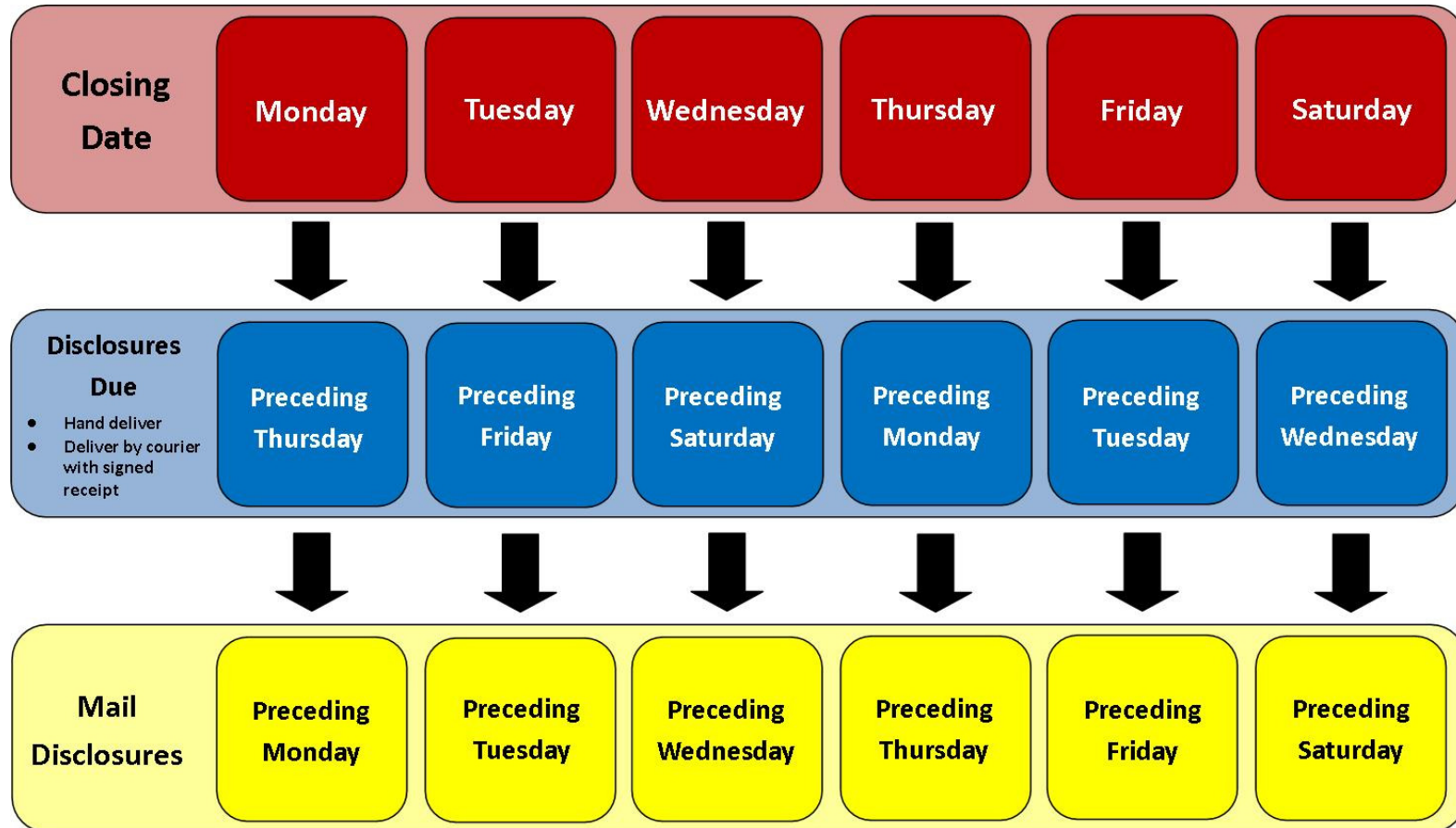
- The creditor must provide the “Closing Disclosure” (CD) to the borrower at least **3 business days before closing;**

## **Acceptable forms of delivery:**

- Providing it to the consumer in person
- Mailing, or by other delivery methods, including email
- Creditors may use electronic delivery methods subject to compliance with the consumer consent and other applicable provisions of the electronic Signatures in Global and National Commerce Act
- Seller must receive no later than day of consummation from Escrow Officer



## 3-Day Closing Rule Calendar courtesy of ALTA.org



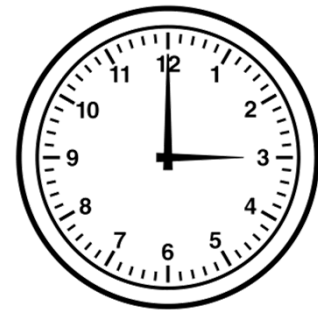
**Note:** If a federal holiday falls in the three-day period, add a day for disclosure delivery.

The three-day period is measured by days, not hours. Thus, disclosures must be delivered three days before closing, and not 72 hours prior to closing.

Disclosures may also be delivered electronically on the disclosures due date in compliance with E-Sign requirements.

# Re-DISCLOSURE

- In limited circumstances, the (CD) form must be re-disclosed and the **3-day clock restarts**:
  - APR changes
  - Addition of prepayment penalty
  - Product changes (loan amt., interest rate, or material changes to the contract)



- \*The borrower may waive re-disclosure in very limited circumstances
- \*\*Exceptions to delivery timelines must be approved by Lender (bona fide personal emergency, catastrophic event and/or medical emergency)



## LIMITS ON VARIATION

- The final rule does not allow changes to more types of charges from the loan estimate to the CD. A “*zero tolerance*” now applies to
  - *Lender or broker charges*
  - Fees charged by an affiliate of the creditor
  - Fees charged by service providers selected by the creditor
  - Charges for services for which the consumer is not permitted to shop or where the consumer must select from a list of providers furnished by the creditor

# WRITTEN LIST OF PROVIDERS

- As in the HUD regulation the following is applicable;
- Lender must provide consumer with Settlement Service Providers List
- List must be provided on a separate piece of paper
- May expressly state that list is not an endorsement of providers
- Must have at least one provider for each service for which the consumer may shop

# AVERAGE COST PRICING

- Average charges can be used as long as the charge does not inflate the overall settlement costs
- If a creditor chooses to use an average charge for a settlement service for a particular loan within a class, then the creditor must use that average charge for that service on all loans within the class

# LIABILITY CHANGES



- **Under TILA**
  - Private right of action for violations (with attorney's fees, and costs)
  - Statutory penalties up to \$4,000.00 for failures to properly provide certain disclosures (including finance charge, APR)
- **Under RESPA**
  - No private right of action for GFE and HUD-1 disclosures
- **Under Dodd-Frank**
  - CFPB enforcement of consumer financial laws (includes TILA and RESPA)
  - \$5,000.00 per day violation; \$25,000.00 per day for reckless violations;
  - \$1,000,000.00 per day for knowing violations

# Owners Policy of Title Insurance

## Disclosure of Fees

In the “Closing Disclosure” page 2, Section “H”, the word “Optional” is required for the description of the “Owners Policy of Title Insurance”;

In the event the consumer should want to waive the “Owners Policy of Title Insurance” a Real Estate Addendum should be obtained to reflect such change to protect you as the Real Estate Agent and the Broker of record;



## Owners Policy of **Title Insurance** continued

The CD requires that the title fees be reflected in a certain manner, as described below. In doing this, the document does not reflect the full accurate numbers. The Title Industry will also be issuing a “Settlement Statement” to clarify the inaccuracy of the numbers on the CD

### **Example of what is required on CD:**

CD will reflect: Full owner’s title insurance premium, adding the simultaneous issuance premium for the lender’s coverage, and then deducting the full premium for lender’s coverage;



## EXPECTATIONS AT THE CLOSING TABLE

- Borrower's CD (updated at or before consummation) may delay closing
- Seller's CD (can be provided at or before consummation)
- Final Closing Statement (prepared by the settlement agent)
- All documents have different purposes but should match on bottom line, including Lender's Closing Instructions

## TIPS TO KEEP IN MIND

- Contract Dates should be written 45 to 60 days to comply and meet timeline requirements; Avoid "Paid Outside of Closing (POC)" items
- Have a pre-walk-through a minimum of 14 days before closing to avoid additional monetary items being changed at the last minute!

# *Thank You*

Please do not hesitate to contact OCT with your questions or concerns regarding these changes.

We must all work together to ensure these changes transition as smoothly as possible into our daily business routines.

