

TILA – RESPA An Overview

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TILA – RESPA An Overview

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Agenda

- Overview of final rule
- Loan Estimate
 - Application
 - “Business Day”
 - Timing
- Closing Disclosures
 - Timing
- Tolerances

Agenda (cont.)

- Implementation Considerations
 - Record Retention
 - State law preemption
 - Safe Harbor
 - Best Practices
- Integrated Mortgage Disclosures themselves

Overview of Integrated Mortgage Disclosures

Issued by CFPB November 20, 2013

Total Pages 1,888

Purpose

To make understanding of content easier

Combines TILA Early Disclosures & RESPA GFE

Combines HUD-1 & TILA Closing Disclosure

Effective Date – August 1, 2015

Use of CFPB's forms is mandatory for most transactions – only limited modifications permitted

Scope/Coverage

Applies to nearly all closed-end mortgage loans except

- HELOCs
- Reverse mortgages
- Mortgages not secured by a dwelling (mobile home loans)
- Creditor that makes five or fewer mortgage loans in one year

Final Rule better than Proposal

- No All-in APR
 - The proposal would have included almost a much more expansive definition of finance charge
- Long implementation period – 21 months
- More favorable definitions – ex: business day
- Electronic, machine readable forms requirement not included
 - But CFPB still investigating

Basic Overview

Loan Estimate --

- 3 business days after application
 - “Business day” does not include Saturday
 - Application
- 7 business days between Loan Estimate and Closing
 - Business day includes Saturdays
 - Borrower can waive – bona fide personal emergency

Basic Overview (cont.)

Closing Disclosures --

- 3 business days before consummation
 - Business day includes Saturdays
 - Clock restarts if the APR is inaccurate and must be changed; the loan product changes or a prepayment penalty is added
 - Borrower can waive – bona fide emergency

Loan Estimate

- Provided to consumers within three business days after submission of loan application
- Replaces early TIL statement and GFE
- Provides summary of key loan terms and estimates of loan and closing costs
- Purpose is to promote comparison shopping, alleviate confusion of consumers

Application Deposit/Loan Estimate

When member provides:

- His or her name
- Income
- Social Security number with permission to obtain a credit report
- Property address
- Estimate of the value of the property

AND

- Proposed mortgage loan amount

Application Deposit/Loan Estimate (cont.)

Applies to nearly all closed-end mortgage loans except

- HELOC's
- Reverse mortgages
- Mortgages not secured by a dwelling (mobile home loans)
- Creditor that makes five or fewer mortgage loans in one year

Limitation on Fees

Can not charge or access member any fees until after member communicates intent to proceed

Exception – Fees to obtain member's credit reports.

Loan Estimate Form (cont.)

A mortgage broker may provide the Loan Estimate BUT
the credit union is still liable

Loan Estimate Form (cont.)

Prior to loan application, written estimates OK BUT disclaimer is required

Advertisements

All advertisements require a disclaimer warning that there is no substitute for Loan Estimate Form –

["This is not an official Loan Estimate"]

Business day – Loan Estimate

- “Business day” has two different meanings for purposes of the Loan Estimate
- Requirement 1: Loan Estimate be provided within three business days of application
 - Definition: “A day on which the creditor’s offices are open to the public for carrying on substantially all of its business functions.”
 - For many credit unions this will NOT include Saturdays

Business day – L.E. (cont.)

- Requirement 2: Loan Estimate provided 7 business days prior to consummation
 - Definition: means all calendar days except Sundays and the legal public holidays. Business days includes Saturdays for the waiting period

Timing – Loan Estimate

- Must provide L.E. 3 days after application:
 - Example 1: If application is received on Monday, the requirement is satisfied by either hand delivering the disclosures on or before Thursday, or placing them in the mail on or before Thursday, assuming each weekday is a business day
 - Example 2: Application received on Thursday, Loan Estimate must be delivered on or before Tuesday – because Saturday is not a business day

Timing – Loan Estimate (cont.)

- **7 business day waiting period before consummation** - begins when the creditor delivers the disclosures or places them in the mail, not when the consumer receives or is considered to have received the disclosures.
- Example: if a creditor delivers the early disclosures to the consumer in person or places them in the mail on Monday, June 1, consummation may occur on or after Tuesday, June 9, the seventh business day following delivery or mailing of the early disclosures - for the purposes this req. Saturday is a business day

Closing Disclosure

(Replaces HUD-1 form and the final TILA disclosures and adds additional disclosures)

- Consumer must receive the Closing Disclosure at least 3 business days before the closing
 - Business days – means all calendar days except Sundays and the legal public holidays. Business days includes Saturdays for the closing disclosure

Closing Disclosure (cont.)

- Must provide a new/revised form if SIGNIFICANT changes occur
- Significant changes include:
 - Changes to the APR above 1/8% for most loans
 - A change to the loan product
 - If a prepayment penalty is added to the terms of the loan

Timing – Closing Disclosure

- Must be received by the consumer no later than three business days before consummation
- Receipt of disclosures
 - If disclosures not provided to the consumer in person, the consumer is considered to have received the disclosures three business days after they are delivered or placed in the mail.

Timing – Closing Disclosure (cont.)

- Example – hand delivery
 - if consummation is scheduled for Thursday, the creditor satisfies this requirement by hand delivering the disclosures on Monday, assuming each weekday is a business day.

Timing – Closing Disclosure (cont.)

- Example – delivery by mail
 - If consummation is scheduled for Thursday, a creditor would satisfy the timing requirements if the creditor places the disclosures in the mail on Thursday of the previous week.
 - Rationale: for the purposes providing the Closing Disclosure, Saturday is a business day, and, the consumer would be considered to have received the disclosures on the Monday before consummation is scheduled.

Tolerances

- Final Rule uses “good faith” standard
 - General rule: met if the charges do not exceed the amounts disclosed on the Loan Estimate
- No Variations (Zero tolerance) expanded to include:
 - Affiliate charges
 - Fees paid to unaffiliated third parties the member is not permitted to shop for
- Variations permitted
 - Prepaid interest, Property insurance premiums, Escrow amounts, impound reserves, 3rd party services not required by creditor

Tolerances (cont.)

- Revised Estimates allowed for:
 - Changed circumstance affecting settlement charges
 - Changed circumstance affecting eligibility
 - Revisions requested by the consumer
 - Interest rate dependent charges
 - Expiration
 - Delayed settlement date on a construction loan

Record Retention

- General rule:
 - records of compliance with the requirements must be kept for 3 years after closing
- Closing Disclosure
 - must be retained for 5 years after consummation
- Electronic machine readable format:
 - FR does NOT require; but CFPB still investigating

State Law Preemption

- State laws that are inconsistent with TILA are preempted to the extent of the inconsistency
- Going forward, whether a state law is inconsistent will be measured against the integrated mortgage disclosures
 - Not TILA and RESPA separately

Safe Harbor - Early Compliance?

- CFPB is considering establishing safe harbor from current TILA and RESPA requirements for compliance prior to August 1, 2015 effective date
 - Meaning, provide the Loan Estimate and Closing Disclosure, don't have to provide TIL, GFE, HUD-1
- CFPB is uncertain if it has legal authority to do this, continuing to evaluate

Implementation Issues

- Implementation will require substantial changes in technology
- Disclosure technology recently overhauled in 2009 for GFE and HUD-1
- Employee training
- Costs of implementation will be substantial
- Long timeline – but most CUs will need the whole 21 months

Best Practices

- Draft and complete procedures by August 1, 2014
- Meet monthly with data processor
- Interview and Select a vendor for the forms/disclosures
- Educate your Board
- Alert your staff and your members
- Meet monthly with the Marketing Department
- Reorganize the rules apply to all and members will use this “User-Friendly” home shopping experience

Integrated Mortgage Disclosures

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED _____
 APPLICANT(S) _____

PROPERTY _____
 SALE PRICE _____

LOAN TERM
PURPOSE
PRODUCT
LOAN TYPE Conventional FHA DVA _____
LOAN ID # _____
RATE LOCK NO YES, until _____
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on _____.

Loan Terms	Can this amount increase after closing?
Loan Amount	
Interest Rate	
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment.</small>	
Prepayment Penalty	Does the loan have these features?
Balloon Payment	
Projected Payments	
Payment Calculation	
Principal & Interest	
Mortgage Insurance <small>Estimated Escrow Amount can increase over time.</small>	
Estimated Total Monthly Payment	
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time.</small>	This estimate includes _____ in escrow? <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section C on page 2 for escrow/property costs. You must pay for other property costs separately.</small>
Costs at Closing	
Estimated Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs - <small>in Lender Credits. See page 2 for details.</small>
Estimated Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 2 for details. <input type="checkbox"/> From _____ <input type="checkbox"/> To Borrower

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

LOAN ESTIMATE PAGE 1 OF 3 - LOAN ID # _____

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Disclosure

Closing Information	Transaction Information	Loan Information
Date Issued _____ Closing Date _____ Disbursement Date _____ Settlement Agent _____ File # _____ Property _____ Sale Price _____	Borrower _____ Seller _____ Lender _____	Loan Term _____ Purpose _____ Product _____ Loan Type <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> DVA <input type="checkbox"/> _____ Loan ID # _____ MFC # _____
Loan Terms	Can this amount increase after closing?	
Loan Amount		
Interest Rate		
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment.</small>		
Prepayment Penalty	Does the loan have these features?	
Balloon Payment		
Projected Payments		
Payment Calculation		
Principal & Interest		
Mortgage Insurance <small>Estimated Escrow Amount can increase over time.</small>		
Estimated Total Monthly Payment		
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time.</small>	This estimate includes _____ in escrow? <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	
Costs at Closing		
Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs - <small>in Lender Credits. See page 2 for details.</small>	
Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.	

CLOSING DISCLOSURE PAGE 1 OF 3 - LOAN ID # _____

Loan Estimate – Page 1

- Loan Estimate info - date issued, applicants, property, sales price, loan term, purpose, etc.
- Loan terms – loan amount, interest rate, monthly P&I, prepayment penalty, balloon payment
- Projected payments
- Escrow information
- Costs at closing

FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

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

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

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

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input 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>	In escrow? YES YES
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Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

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

LOAN ESTIMATE

PAGE 1 OF 3 - LOAN ID # 123456789

Loan Estimate – Page 2

- Origination charges
- Other Costs
 - Taxes and Other Government Fees
 - Prepays
 - Initial Escrow Payment at Closing
- Cash to close, including credits, escrow, and down payment

Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges	\$1,802	E. Taxes and Other Government Fees	\$85
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
		F. Prepays	\$867
		Homeowner's Insurance Premium (6 months)	\$605
		Mortgage Insurance Premium (months)	
		Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
		Property Taxes (months)	
		G. Initial Escrow Payment at Closing	\$413
		Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
		Mortgage Insurance per month for mo.	
		Property Taxes \$105.30 per month for 2 mo.	\$211
		H. Other	\$1,017
		Title - Owner's Title Policy (optional)	\$1,017
		I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
		J. TOTAL CLOSING COSTS	\$8,054
		D + I	\$8,054
		Lender Credits	
		Calculating Cash to Close	
		Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$18,000
		Deposit	- \$10,000
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		Estimated Cash to Close	\$16,054
B. Services You Cannot Shop For	\$672		
Appraisal Fee	\$405		
Credit Report Fee	\$30		
Flood Determination Fee	\$20		
Flood Monitoring Fee	\$32		
Tax Monitoring Fee	\$75		
Tax Status Research Fee	\$110		
C. Services You Can Shop For	\$3,198		
Pest Inspection Fee	\$135		
Survey Fee	\$65		
Title - Insurance Binder	\$700		
Title - Lender's Title Policy	\$535		
Title - Settlement Agent Fee	\$502		
Title - Title Search	\$1,261		
D. TOTAL LOAN COSTS (A + B + C)	\$5,672		

Loan Estimate – Page 3

- “Comparisons” - the amounts of principal, interest, mortgage insurance, and loan costs that the borrower will pay in five years, the APR and the Total Interest Percentage (TIP).
- Other Considerations – Appraisal, assumptions, homeowner’s insurance, late payment, refinance, servicing.
- Borrower acknowledgement/signature – not required

Additional Information About This Loan

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

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

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

Other Considerations

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

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

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

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

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

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

Confirm Receipt

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

Applicant Signature _____

Date _____

Co-Applicant Signature _____

Date _____

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

Closing Disclosure – Page 1

- Same information as first page of Loan Estimate
 - Loan Estimate info - date issued, applicants, property, sales price, loan term, purpose, etc.
 - Loan terms – loan amount, interest rate, monthly P&I, prepayment penalty, balloon payment
 - Projected payments
 - Escrow information
 - Costs at closing

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
 Anytown, ST 12345
Sale Price \$180,000

Transaction Information

Borrower Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
Seller Steve Cole and Amy Doe
 321 Somewhere Drive
 Anytown, ST 12345
Lender Ficus Bank

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional FHA
 VA
Loan ID # 123456789
MK # 000654321

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

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 – Page 2

- Closing cost details
 - All Loan Costs and Other Costs paid by borrower, seller, and other parties
- Similar to current page 2 of HUD-1

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
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					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				\$405.00
01 Appraisal Fee to John Smith Appraisers Inc.					
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.	\$31.25				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$1,205.50				
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					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
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					
G. Initial Escrow Payment at Closing	\$412.25				
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				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Ace Inc.	\$500.00				
02 HOA Processing Fee to HOA Ace 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					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.10	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE

PAGE 2 OF 5 - LOAN ID # 123456789

Closing Disclosure – Page 3

- Calculating cash to close
- Summaries of transactions
 - Similar to page 1 of the HUD-1

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
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION			
K. Due from Borrower at Closing			\$189,762.30
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			
Adjustments			
05			
06			
07			
Adjustments for Items Paid by Seller in Advance			
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			
L. Paid Already by or on Behalf of Borrower at Closing			\$175,615.04
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	
Other Credits			
06 Rebate from Epsilon Title Co.		\$750.00	
07			
Adjustments			
08			
09			
10			
11			
Adjustments for Items Unpaid by Seller			
12 City/Town Taxes	1/1/13 to 4/14/13	\$365.04	
13 County Taxes	to		
14 Assessments	to		
15			
16			
17			
CALCULATION			
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	
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower			\$14,147.26

CLOSING DISCLOSURE

SELLER'S TRANSACTION			
M. Due to Seller at Closing			\$180,000.00
01 Sale Price of Property		\$180,000.00	
02 Sale Price of Any Personal Property Included in Sale			
03			
04			
05			
06			
07			
08			
Adjustments for Items Paid by Seller in Advance			
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			
N. Due from Seller at Closing			\$115,665.04
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			
Adjustments for Items Unpaid by Seller			
14 City/Town Taxes	1/1/13 to 4/14/13	\$365.04	
15 County Taxes	to		
16 Assessments	to		
17			
18			
19			
CALCULATION			
Total Due to Seller at Closing (M)		\$180,000.00	
Total Due from Seller at Closing (N)		-\$115,665.04	
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller			\$64,414.96

PAGE 3 OF 5 - LOAN ID # 123456789

Closing Disclosure – Page 4

- Loan Disclosures
 - Assumption
 - Demand feature
 - Late payment
 - Negative amortization
 - Partial payments
 - Security interest
 - Escrow account

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: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Closing Disclosure – Page 5

- Loan calculations
 - Total of payments, finance charge, amount financed, APR, total interest percentage
- Other disclosures
- Contact information
- Confirmation of receipt/signatures – not required

Loan Calculations

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

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

Contact Information

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

CLOSING DISCLOSURE

PAGE 5 OF 5 - LOAN ID # 123456789

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.

Resources

- Final Rule on Integrated Mortgage Disclosures
- CFPB Fact Sheet on Integrated Mortgage Disclosures
- CFPB Fact Sheet on Testing the Forms
- Loan Estimate and Closing Disclosure Forms
- CFPB's Know Before You Owe
- CFPB's Brief Compliance Summary

QUESTIONS?

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Director of Regulatory
Affairs

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