

Innovation Lab: Breakout Session

Closing with the New GFE & HUD-1

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Overview

- Key January 16, 2009 changes
- January 2010 changes:
 - Revised definitions
 - Revised Good Faith Estimate rules and form
 - Revised HUD-1/HUD-1A rules and forms



January 16, 2009 Changes

- Average Charge Pricing Exception:
 - Amount of fee disclosed in HUD-1/HUD-1A may not exceed actual fee unless exception is used.
 - Exception is not available for charges that vary based on loan amount or property value, including title insurance.
 - Significant limits and requirements apply.



January 16, 2009 Changes

- Average Charge Pricing Exception:
 - Significant limits and requirements:
 - Must define class of transactions to which the average charge applies by timeframe, geography and loan type.
 - Must use same average charge for each particular transaction class.
 - Average charge to borrowers may not exceed average amount paid for service.



January 16, 2009 Changes

- Average Charge Pricing Exception:
 - Significant limits and requirements:
 - Total charge to borrowers may not exceed total of amounts paid for the service.
 - Three year record retention requirement.
 - State law implications.



January 16, 2009 Changes

- Initial Servicing Disclosure:
 - Congress substantially simplified the initial disclosure in 1996.
 - HUD now revised Regulation X to reflect the change.
 - One revision—the acknowledgment requirement is eliminated.



January 16, 2009 Changes

- Required Use Definition:
 - HUD revised the definition to:
 - Reflect HUD's position that the avoidance of economic disincentives or penalties based on the use of a particular settlement service provider is a required use of the provider.
 - Limit the exception for incentives to settlement service providers.



January 16, 2009 Changes

- Required Use Definition:
 - The change regarding incentives effectively would prohibit builders from offering incentives based on the use of an affiliated settlement service provider.
 - NAHB sued HUD in December 2008.
 - HUD delayed the effective date of the change.
 - HUD withdrew the revision in May 2009.



Revised Definitions

- Mortgage Broker:
 - Among other changes, HUD added to the definition an express statement that a party closing in its own name with table funding is a broker.
 - HUD needs to clarify intent. For example, who is the lender for purposes of the HUD-1?



Revised Definitions

- Application:
 - A minimum of the following six items are needed to have an application:
 - Borrower's name, monthly income and SSN for a credit report.
 - Property address and estimated value.
 - Loan amount sought.
 - Additional items can be required.



GFE—Overview

- Major format change.
 - Three page form with thirteen main sections.
- New GFE and new HUD-1/HUD-1A must be used together.
- GFE can be provided by hand or mail, or if consumer agrees, by fax, email or other electronic means.
 - Different rule applies to HUD-1/HUD-1A.



GFE—Fee Restriction

- Other than a credit report fee, no fee may be imposed on consumer before receipt of a GFE.
 - If GFE is mailed, consumer is deemed to receive GFE three calendar days after mailing, exclusive of Sundays and Federal holidays in 5 USC 6103(a).
- MDIA adds similar restriction to TILA effective July 30, 2009.



GFE—Availability of Terms

- Initially, the GFE terms must be available for at least 10 business days, except for the rate-dependent charges, which are:
 - The credit or charge for the rate chosen.
 - The adjusted origination charges.
 - Per diem interest.
- No minimum period of availability for the interest rate or rate-dependent charges.



GFE—Tolerances

- Once the originator is bound by the GFE, charges are divided into three tolerance categories:
 - 0% tolerance—no increase permitted.
 - 10% bucket tolerance—charges in total may not increase by more than 10%.
 - No tolerance—no limit on increase.
- Tolerances apply to increases in charges.



GFE—Tolerances

- 0% tolerance:
 - Government transfer taxes.
 - Origination charge.
 - Credit or charge for rate chosen, if rate locked.
 - Adjusted origination charges, if rate locked.



GFE—Tolerances

- 10% bucket tolerance:
 - Government recording charges.
 - Charges for loan originator-required settlement services, when originator selects provider.
 - Charges for loan originator-required settlement services, title services, required title insurance and owner's title insurance, when borrower uses provider identified by originator.



GFE—Tolerances

- 10% bucket tolerance—identification requirement:
 - As noted, if a consumer selects a provider identified by the originator for originator-required settlement services, title services, required title insurance and owner's title insurance, the applicable charges are subject to the 10% tolerance.
 - When the originator allows the consumer to shop, it must provide a list of providers.



GFE—Tolerances

- No tolerance:
 - Charges not subject to the 0% and 10% tolerances may increase without any specific limit.
 - Statutory obligation to estimate in good faith still applies.
- While the tolerances apply to increases in charges, once the rate is locked any credit for the rate chosen may not decrease.



GFE—Tolerance Exceptions

- Tolerance exceptions:
 - Changed circumstances.
 - Borrower-requested changes.
 - New homes.



GFE—Tolerance Exceptions

- Changed circumstances:
 - Acts of God, war, disaster or other emergency.
 - Information regarding the borrower or loan relied on in providing the GFE that changes or is found to be inaccurate.
 - New information regarding the borrower or loan.



GFE—Tolerance Exceptions

- If there are changed circumstances or the borrower requests a change the originator may:
 - Deny the loan.
 - Issue a new GFE within three business days.
- New homes: If closing is not expected to occur within 60 days of GFE, originator can provide notice advising new GFE may be issued up to 60 days before closing.



GFE—Violation and Cure

- A violation of GFE requirements will constitute a violation of RESPA Section 5.
 - Currently there are no express damages or penalties for Section 5 violations.
 - HUD has asked Congress to change this.
- An originator can cure a tolerance violation at or within 30 calendar days after closing.



GFE—Page One

OMB Approval No. 2502-0265



Good Faith Estimate (GFE)

| | |
|-------------------------|------------------|
| Name of Originator | Borrower |
| Originator Address | Property Address |
| Originator Phone Number | |
| Originator Email | Date of GFE |

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

- Transaction Identification Section.
- Purpose Section.
- Shopping for Your Loan Section.



GFE—Page One

Important dates

1. The interest rate for this GFE is available through . After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
2. This estimate for all other settlement charges is available through .
3. After you lock your interest rate, you must go to settlement within days (your rate lock period) to receive the locked interest rate.
4. You must lock the interest rate at least days before settlement.

- Paragraph 1: Sets forth date and, at originator's option, time through which rate and rate-dependent charges are available.
- Paragraph 2: Sets forth date through which all other charges are available.
- Paragraph 3: Sets forth rate lock period.
- Paragraph 4: Sets forth deadline to lock rate before settlement.



GFE—Page One

Summary of your loan

| | |
|---|---|
| Your initial loan amount is | \$ |
| Your loan term is | years |
| Your initial interest rate is | % |
| Your initial monthly amount owed for principal, interest, and any mortgage insurance is | \$ per month |
| Can your interest rate rise? | <input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of %. The first change will be in . |
| Even if you make payments on time, can your loan balance rise? | <input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$ |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise? | <input type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be in and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$ |
| Does your loan have a prepayment penalty? | <input type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ |
| Does your loan have a balloon payment? | <input type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. |

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$.

Do we require you to have an escrow account for your loan?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

| | | |
|--------------|--|----|
| A | Your Adjusted Origination Charges (See page 2.) | \$ |
| B | Your Charges for All Other Settlement Services (See page 2.) | \$ |
| A + B | Total Estimated Settlement Charges | \$ |

- Summary of loan terms and if there is an escrow account.
- Summary of charges from page two.



GFE—Page Two

Understanding
your estimated
settlement charges

| Your Adjusted Origination Charges | |
|--|----|
| 1. Our origination charge This charge is for getting this loan for you. | |
| 2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of [] % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ [] for this interest rate of [] %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ [] for this interest rate of [] %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan. | |
| A Your Adjusted Origination Charges | \$ |

- All lender and broker compensation is combined in Block 1 as "Our origination charge." However:
 - If there is no broker, lender may also include credit or charge for rate chosen in Block 1.
 - If there is a broker, a credit or charge for rate chosen must be separately itemized in Block 2.
- HUD-1/1A have a similar format.



GFE—Page Two

Understanding
your estimated
settlement charges

| Your Adjusted Origination Charges | |
|---|----|
| 1. Our origination charge This charge is for getting this loan for you. | |
| 2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of <input type="text"/> % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan. | |
| A Your Adjusted Origination Charges | \$ |

- Example 1: \$100,000 loan with no points, lender fees of 1.5% and broker yield spread premium of 2%:
 - Block 1: \$3,500 Our origination charge (\$1,500 lender fees plus \$2,000 yield spread premium).
 - Block 2: \$2,000 credit (the yield spread premium).
 - Block A: \$1,500 Your Adjusted Origination Charge (net of Block 1 less Block 2).



GFE—Page Two

Understanding
your estimated
settlement charges

| Your Adjusted Origination Charges | |
|---|----|
| 1. Our origination charge This charge is for getting this loan for you. | |
| 2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of <input type="text"/> % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan. | |
| A Your Adjusted Origination Charges | \$ |

• Example 2: \$100,000 loan with 2 points, lender fees of 1.5% and broker fee of 1%:

- Block 1: \$2,500 Our origination charge (\$1,500 lender fees plus \$1,000 broker fee).
- Block 2: \$2,000 charge (the points).
- Block A: \$4,500 Your Adjusted Origination Charge (sum of Block 1 and Block 2).



GFE—Page Two

Some of these charges can change at settlement. See the top of page 3 for more information.

| <p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1"> <thead> <tr> <th data-bbox="527 282 1020 311">Service</th> <th data-bbox="1025 282 1354 311">Charge</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table> | Service | Charge | | | | | | | |
|---|---------|--------|--|--|--|--|--|--|--|
| Service | Charge | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| <p>4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.</p> | | | | | | | | | |
| <p>5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.</p> | | | | | | | | | |

- Block 3: Lists each service required by the originator for which the originator will select the provider, the amount for each service and the total.
- Block 4: Shows total for all title services, premiums and endorsements (other than owner's title) regardless of who selects or pays for the title provider.
- Block 5: Shows total for all owner's title premiums and endorsements regardless of who selects or pays for the title provider.



GFE—Page Two

| <p>6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1"> <thead> <tr> <th data-bbox="208 325 846 354"><i>Service</i></th> <th data-bbox="846 325 1286 354"><i>Charge</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="208 354 846 425"> </td> <td data-bbox="846 354 1286 425"> </td> </tr> </tbody> </table> | <i>Service</i> | <i>Charge</i> | | | |
|--|----------------|---------------|--|--|--|
| <i>Service</i> | <i>Charge</i> | | | | |
| | | | | | |
| <p>7. Government recording charges These charges are for state and local fees to record your loan and title documents.</p> | | | | | |
| <p>8. Transfer taxes These charges are for state and local fees on mortgages and home sales.</p> | | | | | |
| <p>9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input type="checkbox"/> all property taxes, <input type="checkbox"/> all insurance, and <input type="checkbox"/> other _____.</p> | | | | | |

- Block 6: Lists each service required by the originator for which the borrower may shop, the amount for each service and the total.
- Block 7: Government recording charges.
- Block 8: Government transfer taxes.
- Block 9: Escrow account information.



GFE—Page Two

| 10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is \$ <input type="text"/> per day for <input type="text"/> days (if your settlement is <input type="text"/>). | | | | | | | | |
|---|--|-------------------------|---------------|----------------------|----------------------|----------------------|----------------------|--|
| 11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. | | | | | | | | |
| <table border="1"> <thead> <tr> <th><i>Policy</i></th> <th><i>Charge</i></th> </tr> </thead> <tbody> <tr> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table> | | <i>Policy</i> | <i>Charge</i> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| <i>Policy</i> | <i>Charge</i> | | | | | | | |
| <input type="text"/> | <input type="text"/> | | | | | | | |
| <input type="text"/> | <input type="text"/> | | | | | | | |
| B | Your Charges for All Other Settlement Services | \$ <input type="text"/> | | | | | | |
| A + B | Total Estimated Settlement Charges | \$ <input type="text"/> | | | | | | |

- Block 10: Shows the daily, or per diem, interest.
- Block 11: Lists each required hazard or similar insurance, the estimated premium for each, and the total.
- Block B: Shows the total of Blocks 3 through 11.
- Block A+B: Shows the sum of Block A (Your Adjusted Origination Charges) and Block B.



GFE—Page Three

Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

| These charges cannot increase at settlement: | The total of these charges can increase up to 10% at settlement: | These charges can change at settlement: |
|---|--|---|
| <ul style="list-style-type: none"> ▪ Our origination charge ▪ Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate) ▪ Your adjusted origination charges (after you lock in your interest rate) ▪ Transfer taxes | <ul style="list-style-type: none"> ▪ Required services that we select ▪ Title services and lender's title insurance (if we select them or you use companies we identify) ▪ Owner's title insurance (if you use companies we identify) ▪ Required services that you can shop for (if you use companies we identify) ▪ Government recording charges | <ul style="list-style-type: none"> ▪ Required services that you can shop for (if you do not use companies we identify) ▪ Title services and lender's title insurance (if you do not use companies we identify) ▪ Owner's title insurance (if you do not use companies we identify) ▪ Initial deposit for your escrow account ▪ Daily interest charges ▪ Homeowner's insurance |

- Explains the tolerances to the borrower.
- No information is entered in this Section.

GFE—Page Three

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

- If you want to choose this same loan with lower settlement charges, then you will have a higher interest rate.
- If you want to choose this same loan with a lower interest rate, then you will have higher settlement charges.

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

| | The loan in this GFE | The same loan with lower settlement charges | The same loan with a lower interest rate |
|---|----------------------|---|---|
| Your initial loan amount | \$ | \$ | \$ |
| Your initial interest rate ¹ | % | % | % |
| Your initial monthly amount owed | \$ | \$ | \$ |
| Change in the monthly amount owed from this GFE | No change | You will pay \$ more every month | You will pay \$ less every month |
| Change in the amount you will pay at settlement with this interest rate | No change | Your settlement charges will be reduced by \$ | Your settlement charges will increase by \$ |
| How much your total estimated settlement charges will be | \$ | \$ | \$ |

¹ For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

- Intent of Section is to demonstrate relationship between the interest rate and closing costs.
- Originator must complete left column based on loan covered by the GFE.
- Completion of remainder of table is optional.



GFE—Page Three

Using the shopping chart

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

| | This loan | Loan 2 | Loan 3 | Loan 4 |
|---|-----------|--------|--------|--------|
| Loan originator name | | | | |
| Initial loan amount | | | | |
| Loan term | | | | |
| Initial interest rate | | | | |
| Initial monthly amount owed | | | | |
| Rate lock period | | | | |
| Can interest rate rise? | | | | |
| Can loan balance rise? | | | | |
| Can monthly amount owed rise? | | | | |
| Prepayment penalty? | | | | |
| Balloon payment? | | | | |
| Total Estimated Settlement Charges | | | | |

If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.

- Intent of Section is for consumer to use as a shopping tool.
- Originator does not enter any information.



HUD-1/1A—Overview

- Basic format of forms remains intact, but more changes in how forms are completed than first meet the eye.
- New GFE and new HUD-1/1A must be used together.
- GFE can be provided by hand or mail, or if consumer agrees, by fax, email or other electronic means.



HUD-1/1A—Overview

- There is no corresponding electronic delivery rule for the HUD-1/1A.
- However, the new rule provides that The Electronic Signatures in Global and National Commerce Act (ESIGN) applies to RESPA.



HUD-1/1A—Overview

- The changes to the HUD-1/1A include:
 - A cross reference on various lines to the appropriate GFE Block in which the estimated fee was disclosed.
 - The addition of a new page that compares the GFE and HUD-1/1A charges and summarizes the loan.
 - A combination of disclosing lump sum and itemized charges.



HUD-1/1A—Overview

- The changes to the HUD-1/1A include:
 - A requirement to show who paid a POC item.
 - The disclosure of seller-paid fees as buyer-paid with a corresponding credit from the seller to the buyer.
 - This creates an issue with FHA loans that is being examined.



HUD-1/1A—Violation and Cure

- A violation of the HUD-1/1A requirements will constitute a violation of RESPA Section 4.
 - Currently there are no express statutory damages or penalties for a Section 4 violation.
 - HUD has asked Congress to change this.



HUD-1/1A—Violation and Cure

- An inadvertent or technical error in completing the HUD-1/1A will not be deemed a violation of RESPA Section 4 if a revised HUD-1/1A is provided in accordance with the requirements of the new rule within 30 calendar days after settlement.



HUD-1/1A—Page One



OMB Approval No. 2502-0265

A. Settlement Statement (HUD-1)

B. Type of Loan

| | | | | | |
|---------------------------------|--|--|-----------------|-----------------|------------------------------------|
| 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> RHS | 3. <input type="checkbox"/> Conv. Unins. | 6. File Number: | 7. Loan Number: | 8. Mortgage Insurance Case Number: |
| 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> Conv. Ins. | | | | |

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

| | | |
|--------------------------------|------------------------------|------------------------------|
| D. Name & Address of Borrower: | E. Name & Address of Seller: | F. Name & Address of Lender: |
| G. Property Location: | H. Settlement Agent: | I. Settlement Date: |
| | Place of Settlement: | |

- Transaction identification section.



HUD-1/1A—Page One

| J. Summary of Borrower's Transaction | |
|--|-----|
| 100. Gross Amount Due from Borrower | |
| 101. Contract sales price | |
| 102. Personal property | |
| 103. Settlement charges to borrower (line 1400) | |
| 104. | |
| 105. | |
| Adjustment for items paid by seller in advance | |
| 106. City/town taxes | to |
| 107. County taxes | to |
| 108. Assessments | to |
| 109. | |
| 110. | |
| 111. | |
| 112. | |
| 120. Gross Amount Due from Borrower | |
| 200. Amounts Paid by or in Behalf of Borrower | |
| 201. Deposit or earnest money | |
| 202. Principal amount of new loan(s) | |
| 203. Existing loan(s) taken subject to | |
| 204. | |
| 205. | |
| 206. | |
| 207. | |
| 208. | |
| 209. | |
| Adjustments for items unpaid by seller | |
| 210. City/town taxes | to |
| 211. County taxes | to |
| 212. Assessments | to |
| 213. | |
| 214. | |
| 215. | |
| 216. | |
| 217. | |
| 218. | |
| 219. | |
| 220. Total Paid by/for Seller | |
| 300. Cash at Settlement from/to Borrower | |
| 301. Gross amount due from borrower (line 120) | |
| 302. Less amounts paid by/for borrower (line 220) | () |
| 303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower | |

| K. Summary of Seller's Transaction | |
|--|-----|
| 400. Gross Amount Due to Seller | |
| 401. Contract sales price | |
| 402. Personal property | |
| 403. | |
| 404. | |
| 405. | |
| Adjustments for items paid by seller in advance | |
| 406. City/town taxes | to |
| 407. County taxes | to |
| 408. Assessments | to |
| 409. | |
| 410. | |
| 411. | |
| 412. | |
| 420. Gross Amount Due to Seller | |
| 500. Reductions in Amount Due to Seller | |
| 501. Excess deposit (see instructions) | |
| 502. Settlement charges to seller (line 1400) | |
| 503. Existing loan(s) taken subject to | |
| 504. Payoff of first mortgage loan | |
| 505. Payoff of second mortgage loan | |
| 506. | |
| 507. | |
| 508. | |
| 509. | |
| Adjustments for items unpaid by seller | |
| 510. City/town taxes | to |
| 511. County taxes | to |
| 512. Assessments | to |
| 513. | |
| 514. | |
| 515. | |
| 516. | |
| 517. | |
| 518. | |
| 519. | |
| 520. Total Reduction Amount Due Seller | |
| 600. Cash at Settlement to/from Seller | |
| 601. Gross amount due to seller (line 420) | |
| 602. Less reductions in amount due seller (line 520) | () |
| 603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller | |



HUD-1/1A—Page Two

| L. Settlement Charges | | | |
|---|----|--|--|
| 700. Total Real Estate Broker Fees | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
| Division of commission (line 700) as follows: | | | |
| 701. \$ | to | | |
| 702. \$ | to | | |
| 703. Commission paid at settlement | | | |
| 704. | | | |

- 700 Series: Line 700 no longer provides for the disclosure of the home price, percentage of total commission and dollar amount of total commission.



HUD-1/1A—Page Two

| 800. Items Payable in Connection with Loan | | | |
|---|----|---------------|--|
| 801. Our origination charge | \$ | (from GFE #1) | |
| 802. Your credit or charge (points) for the specific interest rate chosen | \$ | (from GFE #2) | |
| 803. Your adjusted origination charges | | (from GFE A) | |
| 804. Appraisal fee to | | (from GFE #3) | |
| 805. Credit report to | | (from GFE #3) | |
| 806. Tax service to | | (from GFE #3) | |
| 807. Flood certification | | (from GFE #3) | |
| 808. | | | |

- Lines 801 to 803: Follow basic format of Your Adjusted Origination Charges Section of GFE.
- Lines 801 and 802: Enter applicable amount to the left of the borrower's column.
- Line 803: Enter the adjusted origination charge amount in the borrower's column.
- Lines 804 to 808: Enter the applicable amount in or out of borrower's column, based on whether POC or not.



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| 900. Items Required by Lender to Be Paid in Advance | | | | | |
|---|-----|-----------|------|----------------|--|
| 901. Daily interest charges from | to | @ \$ | /day | (from GFE #10) | |
| 902. Mortgage insurance premium | for | months to | | (from GFE #3) | |
| 903. Homeowner's insurance | for | years to | | (from GFE #11) | |
| 904. | | | | | |

| 1000. Reserves Deposited with Lender | | | | | |
|---|-------------|--|--------------|---------------|--|
| 1001. Initial deposit for your escrow account | | | | (from GFE #9) | |
| 1002. Homeowner's insurance | months @ \$ | | per month \$ | | |
| 1003. Mortgage insurance | months @ \$ | | per month \$ | | |
| 1004. Property taxes | months @ \$ | | per month \$ | | |
| 1005. | months @ \$ | | per month \$ | | |
| 1006. | months @ \$ | | per month \$ | | |
| 1007. Aggregate Adjustment | | | -\$ | | |

- 900 Series: The same except for cross references.
- Line 1001: Enter the total deposit amount in the borrower's column.
- Lines 1002 to 1007: Itemize the specific amounts to the left of the borrower's column.
- Line 1007: Dedicated line for aggregate adjustment.

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| 1100. Title Charges | | | |
|--|----|---------------|--|
| 1101. Title services and lender's title insurance | | (from GFE #4) | |
| 1102. Settlement or closing fee | \$ | | |
| 1103. Owner's title insurance | | (from GFE #5) | |
| 1104. Lender's title insurance | \$ | | |
| 1105. Lender's title policy limit \$ | | | |
| 1106. Owner's title policy limit \$ | | | |
| 1107. Agent's portion of the total title insurance premium | \$ | | |
| 1108. Underwriter's portion of the total title insurance premium | \$ | | |

- Line 1101: Enter total for title services and the lender's title premium in the borrower's column.
- Line 1102: If settlement fee is included in Line 1101, itemize to the left of the borrower's column. If not, enter in the borrower's column.
- Line 1103: Enter the owner's title insurance premium in the borrower's column.
- Line 1104: Itemize the lender's title premium to the left of the borrower's column.



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| 1100. Title Charges | | | |
|--|----|---------------|--|
| 1101. Title services and lender's title insurance | | (from GFE #4) | |
| 1102. Settlement or closing fee | \$ | | |
| 1103. Owner's title insurance | | (from GFE #5) | |
| 1104. Lender's title insurance | \$ | | |
| 1105. Lender's title policy limit \$ | | | |
| 1106. Owner's title policy limit \$ | | | |
| 1107. Agent's portion of the total title insurance premium | \$ | | |
| 1108. Underwriter's portion of the total title insurance premium | \$ | | |

- Line 1105: Enter the lender's title policy limit to the left of the borrower's column.
- Line 1106: Enter the owner's title policy limit to the left of the borrower's column.
- Line 1107: Enter the agent's portion of the total title insurance premium to the left of the borrower's column.
- Line 1108: Enter the underwriter's portion of the total title insurance premium to the left of the borrower's column.

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| 1200. Government Recording and Transfer Charges | | | |
|---|-------------|---------------|--|
| 1201. Government recording charges | | (from GFE #7) | |
| 1202. Deed \$ | Mortgage \$ | Releases \$ | |
| 1203. Transfer taxes | | (from GFE #8) | |
| 1204. City/County tax/stamps | Deed \$ | Mortgage \$ | |
| 1205. State tax/stamps | Deed \$ | Mortgage \$ | |
| 1206. | | | |

- Line 1201: Enter the total recording charges in the borrower's column.
- Line 1202: Itemize the specific recording charges to the left of the borrower's column.
- Line 1203: Enter the total transfer taxes in the borrower's column.
- Line 1204: Itemize the specific transfer taxes to the left of the borrower's column.

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| 1300. Additional Settlement Charges | | | |
|---|---------------|--|--|
| 1301. Required services that you can shop for | (from GFE #6) | | |
| 1302. | \$ | | |
| 1303. | \$ | | |
| 1304. | | | |
| 1305. | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | |

- Line 1301: Enter the total for the required services that the borrower can shop for in the borrower's column.
- Line 1302 to 1305: Itemize the specific required services and charges to the left of the borrower's column.
- The 1300 series also can be used to disclose miscellaneous charges not included in any other category, such as a charge for an optional warranty plan.



Thank You

Richard Andreano, Jr.

John Socknat

Weiner Brodsky Sidman Kider PC



Upcoming Learning Lunch

Joe Petrelli

President, Demotech, Inc.
Across from the Business Center

Networking Lunch

Elevators (4th Fl) to The Cafe

