



**InterFirst**  
MORTGAGE COMPANY

**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 Terms	
Loan Amount	\$162,000
Interest Rate	3.875%
Principal & Interest	\$761.78

**Closing Disclosure**

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

Loan Terms	
Loan Amount	\$162,000
Interest Rate	
Monthly Payment	

## Loan Estimate and Closing Disclosure Overview

# Agenda

## ❑ Introduction

- The Regulation
- New Disclosures
- Covered Transactions, Records Retention, and Definitions

## ❑ The Loan Estimate

- General Requirements
- The Form in Detail

## ❑ The Closing Disclosure

- General Requirements
- The Form in Detail

Please note –

These materials do not represent legal interpretation, guidance or advice of/from InterFirst Mortgage Company. We have made efforts to ensure the accuracy of this information; however, you should rely solely upon the TILA-RESPA Integrated Disclosure and its Official Interpretation(s). The information contained herein does not bind InterFirst Mortgage Company in any fashion and is subject to change at our sole discretion.

# The Regulation

The Consumer Financial Protection Bureau (CFPB) issued a final rule (TRID) amending Regulation Z (Truth in Lending Act) and Regulation X (Real Estate Settlement Procedures Act) to integrate mortgage loan disclosures.

The purpose of the TRID rule is to create disclosures that consumers can more easily understand and eliminate inconsistencies. It will also eliminate surprises at closing.

Effective with applications taken on or after **October 3, 2015**, four existing disclosures will be replaced with two new disclosures.

# New Loan Estimate

The Loan Estimate (LE) integrates and replaces the existing Good Faith Estimate (GFE) and the initial Truth in Lending (TIL) disclosure. It provides the consumer upfront with the key features, costs, and risks associated with the loan.



The LE must be delivered (provided or placed in the mail) within three business days of the receipt of the consumer's loan application. InterFirst does not require it to be signed.

# New Closing Disclosure

The Closing Disclosure (CD) integrates and replaces the existing HUD-1 Settlement Statement and the final TIL disclosure to make it easier for the consumer to understand all of the costs associated with the loan.



It must be received by the consumer no later than three business days before consummation of the loan.

# What Transactions Are Covered?

The TRID Rule applies to most closed-end consumer credit secured by real property and includes some previously exempt loans such as:

- Construction only loans
- Loans secured by vacant land
- Loans secured by 25 acres or more

The TRID Rule does not apply to:

- HELOCS
- Reverse mortgages
- Loans secured by mobile homes or other dwellings that are not secured by real property

# Records Retention

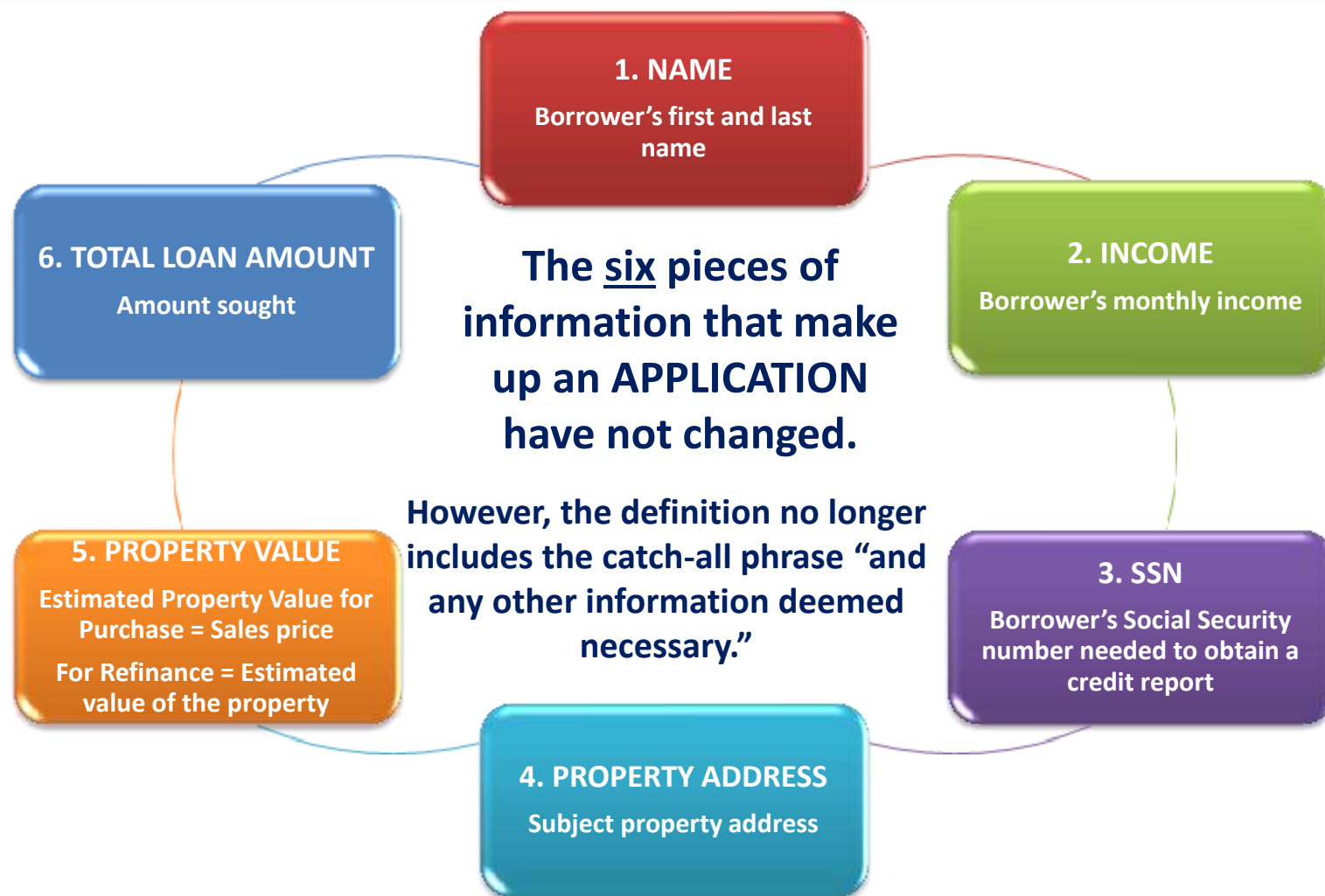
- Loan Estimate - **3 years** after the later of:
  - Date of consummation
  - Disclosures required to be made
  - Date action required to be taken
- Closing Disclosure – **5 years** from the date of consummation (even if it is sold or servicing is transferred)



# Timing Requirements

To comply with the timing requirements for the mortgage transaction, it's important to know the legal definition of an **APPLICATION** and a **BUSINESS DAY**.

# How is an Application Defined?



# How is a Business Day Defined?

A business day has a different meaning for purposes of providing the Loan Estimate than it has for providing the Closing Disclosure.

## Traditional Definition Used for Providing the Loan Estimate

- A day in which the creditor's offices are open for "substantially all of its business functions"

## Precise Definition Used for Providing the Closing Disclosure

- All calendar days except Sundays and legal holidays

**NOTE:** InterFirst will only recognize a five day business week. Saturday will not be recognized as a business day under the traditional definition.

# **The Loan Estimate (GFE + Initial TIL)**

# Initial LE Timing Requirements



In general, the initial LE must be provided to all applicants within 3 business days of the **Application Date**.

- A business day is defined using the traditional definition.
- For rescindable transactions, all non-borrowing parties must receive the LE in addition to the loan applicants.



The initial LE must be provided no less than 7 business days prior to **Consummation**.

# Revised LE Timing Requirements



A revised LE must be provided within 3 business days of the **Lock Date**.



A revised LE must be provided within 3 business days when there is a valid **Change in Circumstance**.

# Revised LE Timing Requirements Cont.



The last revised LE must be provided no later than 4 business days prior to **Consummation**.

# Additional LE Requirements

- The LE is not required if the application is withdrawn or denied within three days of receipt
- It must be provided clearly and conspicuously in writing and in a form the customer can keep
- If not delivered in person, the customer “receives” it three business days after it is placed in the mail
- If delivered electronically, E-sign requirements must be followed. (Customer must consent to electronic delivery first)



# Additional LE Requirements Cont.

- A lender cannot require the consumer to submit documents verifying information on the consumer's application until the LE has been provided
- Prior to receipt of the LE, no payment information can be collected for the purpose of imposing a fee other than for the credit report (i.e. cannot collect and hold a check from the consumer to be cashed at a later date)
- Disclosure needs to be segregated and no pages are to be added unless specifically allowed by the regulation

# Additional LE Requirements Cont.

- The LE must reflect the actual terms of the obligation or be based upon Good Faith Estimates
- It must not be provided after the CD has been provided to the consumer
- Any “issues” may not be remedied by InterFirst providing an updated disclosure

# Additional LE Requirements Cont.

- It must have the title of the LE and non applicable fields must be left blank (not NA)
- Creditor can include logo/slogan (if it does not exceed the space provided)
- Can physically affix a business card over the creditor name and address field
- It must state that the customer should save the disclosure so it can be compared to the Closing Disclosure

# Intent to Proceed

After the LE is provided to the applicant, InterFirst will require evidence of the applicant's intent to proceed. Every file must contain the borrower's **signed and dated acknowledgement** that the applicant received the LE and intends to proceed with the loan application.

## Acknowledgment of Intent to Proceed

### BORROWER INFORMATION

Borrower Name(s): \_\_\_\_\_ Loan #: \_\_\_\_\_

Property Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

# Intent to Proceed Cont.

If the applicant communicates their intent to proceed more than 10 business days (according to the traditional definition) after the LE was delivered or placed in the mail, then the LE is expired. You can then issue a revised LE with changed fees.

# Settlement Service List of Providers

If the applicant is allowed to shop for services, the applicant must be provided with a **Settlement Service List of Providers** within 3 business days of the application date.

## Settlement Service List of Providers

Date: \_\_\_\_\_

Loan Number: \_\_\_\_\_

This list is provided to inform you of Particular Settlement Service Providers. You are not required to use the providers on this list. The costs indicated on the Loan Estimate are based upon the fees charged by the providers in this list. Except for the Lender's chosen attorney, credit reporting company and appraiser, you may shop for your own Settlement Service Providers.

Service Provided: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Line Item #: \_\_\_\_\_

Provider Relationship: \_\_\_\_\_

# Settlement Service List of Providers Cont.

The list must identify at least one available provider for each settlement service for which the customer can shop.

It must include sufficient provider information to allow the customer to contact the provider.

If the customer is not provided with a written list of providers within 3 days of the application date, then fees for the services the customer is allowed to shop for are subject to the 10% limitation (zero if the provider is an affiliate). This is regardless of the provider selected by the customer (rather than unlimited if they select someone not included on the list).

# Which Charges on the LE Can Change and by How Much?

Depending on the type of charge, it can change according to one of the following three tolerance levels:

- **Zero Tolerance**
- **10% Tolerance**
- **Unlimited Tolerance (No “Tolerance” is applied to these fees)**



# Charges Subject to Zero Tolerance

The following charges **cannot** increase (unless an exception applies – discussed later):

1. Fees paid to the creditor and/or mortgage broker
2. Fees paid to an affiliate of the creditor or mortgage broker
3. Charges for services where the borrower is not permitted to shop
4. Transfer taxes

# Charges Subject to 10% Tolerance

Charges for other services can increase, but generally not by more than 10% (unless an exception applies).

Examples include:

- Services the consumer can shop for but the consumer does not select a provider or chooses a provider from our list
- Pest Inspection
- Title Insurance
- Survey Fee

# 10% Cumulative Tolerance Rule

The 10% tolerance threshold is calculated based on the combined total of all fees subject to the 10% rule. This means that individual fees may increase by more than 10% without violating the rule.

A tolerance violation will only occur if the cumulative total of fees from that category increases by more than 10%.

# Charges Subject to Unlimited Tolerance

Certain fees are allowed to increase without limit:

- Prepaid interest, property insurance premiums, and funds placed in an escrow account
- Fees for services that the customer was able to shop for when the customer chose a service provider that was not on the written list of service providers
- Charges paid to service providers for services not required by the creditor

# Exceptions to Tolerance Thresholds

Exceptions can be made to the tolerance thresholds for certain circumstances.

## **Exceptions Include:**

- The consumer asks for a change
- The consumer chooses a service provider that was not identified by the creditor
- Information specific to the consumer or transaction that was relied upon when providing the LE that was inaccurate or becomes inaccurate
- Delayed settlement on a construction loan
- The Loan Estimate expires

# Timing Requirement for Exceptions

When an exception applies, the creditor generally must provide an updated LE within 3 business days (using the traditional definition).



# Changing Fees

If a revised Loan Estimate is provided, only those fees directly impacted by the change in circumstance can change.

For example, if customer chooses a higher loan amount, then the title fees may increase if these fees were directly impacted by the higher loan amount.

# Changing Fees Cont.

**Q: What if a creditor estimates a charge for a service that is not actually performed?**

A: The estimated fee for that service should not be considered when calculating potential tolerance violations.

**Q: What if a creditor does not provide an estimate for a fee that is a 10% tolerance fee that is later charged?**

A: A creditor may include the charge for a fee that would fall into the 10% tolerance limitation as long as the sum of all fees in the category do not increase on a cumulative basis by more than 10%.



# Curing Tolerance Violations

If fee tolerance limitations are exceeded:

- For zero tolerance fee violations, the amount above the amount on the Loan Estimate must be reimbursed to the customer
- For 10% tolerance fee violations, the amount over the 10% cumulative tolerance limit must be reimbursed to the customer

# Which Amounts to Round on the LE

Certain dollar amounts must be rounded to the nearest dollar.

- The loan amount, balloon, and penalty amount (if the amount can change under the loan terms)

**Note:** Do not round up the loan amount (pg. 1), but if it is a whole number, then truncate it to the decimal

# Which Amounts to Round on the LE Cont.

- Minimum and maximum payment amounts in the Projected Payments section

**Note:** For Estimated Total Monthly Payments in the Projected Payment section (pg. 1), round if any component amounts are required to be rounded

- Mortgage insurance maximum and escrow amount in the Projected Payments section

# Which Amounts to Round on the LE Cont.

- The sum disclosed under estimated taxes, insurance, and assessment
- The following sections: Closing Cost Details - Loan Costs, Closing Cost Details - Other Costs, Calculating Cash to Close, Adjustable Payment Table, and Comparisons - In 5 Years

# Special Rules for Rounding

## Do Not Round:

- Per Diem Interest Amount and Per Month Escrow Deposit (pg. 2)
- Percentage amounts – they should always be shown with two or three decimal places
  - If it is a whole percentage, truncate it

# **The Loan Estimate (Page 1)**

# Example of a Loan Estimate Page 1

## 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
<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	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

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

PAGE 1 OF 3 • LOAN ID # 123456789

# LE Page 1 – General Information

## 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

**DATE ISSUED:** The date delivered or placed in the mail. If e-delivered, e-consent is required.

**APPLICANTS:** List each applicant's name and mailing address. If more

space is needed to accommodate multiple borrowers, an additional page to the loan estimate may be added.

**PROPERTY:** Address of subject property. Must include zip code

**SALE PRICE:** From Offer to Purchase or estimate, if a refinance



# LE Page 1 – General Information Cont.

LOAN TERM	30 years
PURPOSE	Purchase
PRODUCT	Fixed Rate
LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____
LOAN ID #	123456789
RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 4/16/2013 at 5:00 p.m. EDT <i>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</i>

**LOAN TERM:** Less than 24 months is disclosed in months. 24 months or more is disclosed in years.

For example, if the term is 185 months, the correct disclosure would be “15 yr. 5 mo.”

**LOAN ID#:** A Broker issued LE cannot have another lender’s name or loan number on it.

**RATE LOCK:** Marked at the time the LE is prepared. If locked, the date and time when the lock period ends must be disclosed.

# LE Page 1 – Loan Terms Table

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

Items that must be disclosed in the **LOAN TERMS** Table:

- Loan amount
- Interest rate at consummation
- Initial monthly P&I. **Note:** MI is not disclosed here
- Prepayment penalty and balloon payment information
- Whether any amounts can increase after closing

# LE Page 1 – Loan Terms Table Cont.

If **YES**, an amount can increase after closing:

- For ARMs, the LE must disclose the frequency of the rate changes, the first rate adjustment date, the maximum rate, the first date that the rate can reach the maximum rate, and a reference to the Adjustable Interest Rate Table (AIR Table)
- There are similar requirements for P&I payments for adjustable rate loans

# LE Page 1 – Projected Payments

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>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <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

**PROJECTED PAYMENTS:** Must break down the monthly payment into P&I, mortgage insurance, and estimated escrow payments.

# LE Page 1 – Projected Payments Cont.

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>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	<b>\$206</b> 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> <b>YES</b> <b>YES</b>

**PROJECTED PAYMENTS:** The first column will be for the initial payment information. additional columns will be required for changes (ARMs, PMI to reflect automatic termination, etc.). There can only be a maximum of four columns.

# LE Page 1 – Costs at Closing

Costs at Closing		
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
Estimated Cash to Close	\$16,054	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

**ESTIMATED CLOSING COSTS:** The total amount of closing costs (itemized on page two of the LE), listed with a general breakdown to the right of the total number.

**ESTIMATED CASH TO CLOSE:** The total cash the consumer is expected to bring, or that will be paid to the consumer at consummation. (Also itemized on page two of the LE in the Calculating Cash to Close table)

# **The Loan Estimate**

## **(Page 2: Closing Cost Details)**

# Example of an LE

## Page 2:

### Closing Cost Details

#### Closing Cost Details

##### Loan Costs

<b>A. Origination Charges</b>	<b>\$1,802</b>
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

<b>B. Services You Cannot Shop For</b>	<b>\$672</b>
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

<b>C. Services You Can Shop For</b>	<b>\$3,198</b>
Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$5,672</b>
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##### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$85</b>
Recording Fees and Other Taxes	\$85
Transfer Taxes	

<b>F. Prepays</b>	<b>\$867</b>
Homeowner's Insurance Premium ( 6 months)	\$605
Mortgage Insurance Premium ( months)	
Prepaid Interest ( \$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes ( months)	

<b>G. Initial Escrow Payment at Closing</b>	<b>\$413</b>
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211

<b>H. Other</b>	<b>\$1,017</b>
Title – Owner's Title Policy (optional)	\$1,017

<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$2,382</b>
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<b>J. TOTAL CLOSING COSTS</b>	<b>\$8,054</b>
D + I	\$8,054
Lender Credits	

##### Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	– \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$16,054</b>



# LE Page 2 – Loan Costs

Closing Cost Details	
Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

**ORIGINATION CHARGES:** Information including points to reduce interest rate, presented as a percentage and dollar amount

- Includes all charges paid directly by the customer to the creditor
- Application, origination, and underwriting fee, etc.
- Charges related to loan level pricing adjustments must be listed separately

# LE Page 2 – Loan Costs Cont.

## SHOPPING FOR

**SERVICES:** Itemization of each settlement fee that the customer can and cannot shop for

- Alphabetize
- Clearly label all fees related to title services  
“Title –”

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

# LE Page 2 – Other Costs

## ■ TAXES AND OTHER FEES:

If these amounts are not paid by the customer, then leave them blank

- ## ■ PREPAIDS:
- HOI, flood insurance, mortgage insurance, prepaid interest, property taxes, and a maximum of three additional items

Other Costs	
<b>E. Taxes and Other Government Fees</b>	<b>\$85</b>
Recording Fees and Other Taxes	\$85
Transfer Taxes	
<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)	

# LE Page 2: Other Costs Cont.

## ■ INITIAL ESCROW PAYMENT

**AT CLOSING:** Number and total of payments for each item escrowed, (e.g taxes, HOI, PMI, etc.)

**Note:** There is no aggregate adjustment on the LE.

- **OTHER:** Fees likely to be paid and not included elsewhere, should not include required services. Clearly label any title related services

<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

# LE Page 2 – Other Costs Cont.

- All sections of Other Costs must be listed in alphabetical order
- If any item does not fit in the space provided, total and list as 'Additional Charges' on the last available line – no itemization addendum is permitted
- However, an Itemized Addendum is allowed for any state law disclosures

# LE Page 2 – Cash to Close

- Calculated by offsetting total Closing Costs with fees that are financed, down payment, seller credits and any other adjustments and credits
- For refinances, an alternative table can be used that excludes down payment/deposit funds, seller credits and adjustments

## Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	– \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$16,054</b>

# LE Page 2 – Adjustable Interest Rate Table

- Required if the periodic P&I may change after consummation
- Not required if changes to P&I are related to interest rate adjustments
- Include the index and the margin, the initial rate, minimum and maximum interest rates, change frequency, limits on interest rate changes

Adjustable Interest Rate (AIR) Table	
Index + Margin	
Initial Interest Rate	
Minimum/Maximum Interest Rate	
Change Frequency	
First Change	
Subsequent Changes	
Limits on Interest Rate Changes	
First Change	
Subsequent Changes	

## LE Page 2 – AIR Table Cont.

- If terms are applicable, additional information on changes must be provided
- Includes disclosure if terms include interest only, optional payments, step payments, or seasonal payments
- If table is not applicable, it must be removed from the form



# **The Loan Estimate**

## **(Page 3: Additional Information About This Loan)**

# Example of an LE

## Page 3:

### Additional Information About This Loan

#### 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 <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

PAGE 3 OF 3 • LOAN ID #123456789

# LE Page 3 – Contact Information

## 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

**CONTACT INFORMATION** includes:

- The name and NMLS unique identifier for the creditor and the loan officer
- The email address and phone number of the loan officer (can be a general phone number)

# LE Page 3 - Comparisons

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.

**IN 5 YEARS:** Total amount the customer will pay in principal, interest, mortgage insurance, and loan costs through the 60th month after the due date of the first periodic payment. Also provides amount of principal paid through the 60<sup>th</sup> month.

- Assumes all payments are made timely
- Watch calculations for ARM loans

# LE Page 3 – Comparisons Cont.

The Comparisons section also provides the:

- Annual percentage rate (APR) per 1026.22 of TILA
- Total Interest Percentage (TIP)

TIP is the total amount of interest that the consumer will pay over the loan term, expressed as a percentage of the loan amount. This also includes per diem interest.  $\text{Total interest/loan amount} = \text{TIP}$

# LE Page 3 – Other Considerations

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.

- **APPRAISAL:** Model appraisal disclosure can be excluded if it is not required. May remove the word “promptly” if subject to appraisal requirement of TILA (i.e., an HPML loan) but not ECOA

# LE Page 3 – Other Considerations Cont.

The Other Considerations section also provides:

- Loan assumption information
- At creditor's option, the model disclosure for required homeowner's insurance
- Late payment information, including the number of days late that triggers a late charge
- Refinance model language per 1026.37(m)
- Creditor's intentions about servicing the loan

# LE Page 3 – Confirm Receipt

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	

- At the creditor's option, can use the model 'Confirm Receipt' language and space for customer's signature
- Customer is **NOT** required to sign
- If the model language is not used, the creditor must include the model 'Loan Acceptance' disclosure under Other Considerations section
  - “You do not have to accept this loan because...”



# **The Closing Disclosure (HUD-1/1A + Final TIL)**

# The Closing Disclosure

For loans that require a Loan Estimate and that proceed to closing, creditors must provide a new final disclosure reflecting the actual terms of the transaction called the Closing Disclosure (CD).

The image shows a sample Closing Disclosure form for a mortgage loan. The form is titled "Closing Disclosure" and includes a note: "This form is a statement of actual loan terms and closing costs. Compare this document with your Loan Estimate." The form is divided into several sections:

- Closing Information:** Includes Closing Date (4/15/2013), Settlement Date (4/15/2013), Lender (Golden Title Co.), and Servicer (430 Riverside Ave., Plymouth, MI 48170).
- Transaction Information:** Includes Borrower (Michael Lerner and Mary Nier), Seller (123 Anywhere Street, Anytown, MI 48100), and Lender (123 Somewhere Drive, Anytown, MI 48100).
- Loan Information:** Includes Loan Type (30 Year Fixed Rate), Loan Term (30 years), and Loan Rate (3.75% APR).
- Loan Terms:** Includes Loan Amount (\$162,000), Interest Rate (3.75%), and Monthly Principal & Interest (\$761.78).
- Projected Payments:** Includes a table for Monthly Payments, with columns for Years 1-7 and Years 8-30. The table shows that the monthly payment is \$761.78 for Years 1-7 and \$761.78 for Years 8-30.
- Other Fees:** Includes a section for Other Fees, with a total of \$356.13.

The form is resting on a wooden surface next to a blue pen.

# Timing Requirements for the CD



The CD must be received no later than 3 business days before **Consummation** of the loan (the date the Note is signed).

- A business day is defined using the precise definition (all calendar days except Sundays and legal holidays).
- For rescindable transactions, all non-borrowing parties must receive the CD in addition to the loan applicants.



The creditor is required to provide corrected disclosures containing the actual terms of the transaction at or before **Consummation**.

# Timing Requirements for the Corrected CD



If there are changes to the loan's APR exceeding 1/8th, either up or down, changes to the loan product, or the addition of a prepayment penalty, a **new 3 day waiting period** is required before **Consummation**.



During the 30-day period following consummation, if an event causes the CD to become inaccurate, and the inaccuracy results in a change to an amount paid by the consumer from that amount disclosed, the creditor shall provide corrected disclosures **not later than 30 days after receiving information sufficient to establish that such event has occurred**.

# Additional CD Requirements

- The CD generally must contain the actual terms and costs of the transaction
- Creditors may estimate disclosures using the “best information reasonably available” when the actual term or cost is not available at the time the disclosure is made
- Creditors must act in good faith and use due diligence in obtaining the information
- The creditor may rely on other parties to obtain the information (e.g. the settlement agent)

# Additional CD Requirements Cont.

- InterFirst **will not** allow any waiting period to be waived for any reason
- InterFirst will require all parties to the transaction to sign the Closing Disclosure

# **The Closing Disclosure (Page 1)**

# Example of a Closing Disclosure

## Page 1

### 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  
MIC # 000654321

#### Loan Terms

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
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.



# CD Page 1 – General Information

The first page of the Closing Disclosure looks the same as page 1 of the Loan Estimate.

It describes:

- Loan Terms
- Projected Payments
- Costs at Closing

# Example of a Closing Disclosure Page 2: Closing Cost Details

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.		\$29.80					\$405.00	
02	Credit Report Fee to Information Inc.								
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							
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		\$750.00			
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

PAGE 2 OF 5 • LOAN ID # 123456789

# CD Page 2 – Closing Cost Details

Page 2 itemizes costs with columns indicating the party and timing of payment. It closely mirrors the closing cost information on the LE.

It provides a breakdown of all:

- Credit required costs
- Other costs
- Allocation and timing of payment

All items entered are alphabetized and go below all prescribed (hard coded) entries.

**Note:** Loan originator compensation paid by the creditor is disclosed in “Paid by Others” column

# Example of a Closing Disclosure Page 3

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 <b>Total Loan Costs (D)</b> and <b>Total Other Costs (I)</b>
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs <b>before closing</b>
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 <b>Section L</b>
Adjustments and Other Credits	\$0	– \$1,035.04	YES • 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>SELLER'S TRANSACTION</b>	
<b>K. Due from Borrower at Closing</b>	<b>\$189,762.30</b>	<b>M. Due to Seller at Closing</b>	<b>\$180,080.00</b>
01 Sale Price of Property	\$180,000.00	01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$9,682.30	03	
04		04	
<b>Adjustments</b>		05	
05		06	
06		07	
07		08	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
12		13	
13		14	
14		15	
15		16	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$175,615.04</b>	<b>N. Due from Seller at Closing</b>	<b>\$115,665.04</b>
01 Deposit	\$10,000.00	01 Excess Deposit	
02 Loan Amount	\$162,000.00	02 Closing Costs Paid at Closing (J)	\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04		04 Payoff of First Mortgage Loan	\$100,000.00
05 Seller Credit	\$2,500.00	05 Payoff of Second Mortgage Loan	
<b>Other Credits</b>		06	
06 Rebate from Epsilon Title Co.	\$750.00	07	
07		08 Seller Credit	\$2,500.00
<b>Adjustments</b>		09	
08		10	
09		11	
10		12	
11		13	
<b>Adjustments for Items Unpaid by Seller</b>		<b>Adjustments for Items Unpaid by Seller</b>	
12 City/Town Taxes 1/1/13 to 4/14/13	\$365.04	14 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13 County Taxes to		15 County Taxes to	
14 Assessments to		16 Assessments to	
15		17	
16		18	
17		19	
<b>CALCULATION</b>		<b>CALCULATION</b>	
Total Due from Borrower at Closing (K)	\$189,762.30	Total Due to Seller at Closing (M)	\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	– \$175,615.04	Total Due from Seller at Closing (N)	– \$115,665.04
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$14,147.26</b>	<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	<b>\$64,414.96</b>

CLOSING DISCLOSURE

PAGE 3 OF 5 • LOAN ID # 123456789

# CD Page 3: Cash to Close and Summaries of Transactions

Page 3 of the Closing Disclosure has:

- The Calculating Cash to Close table
- Summaries of Transaction table (for the borrower and seller)

# Example of a Closing Disclosure

## Page 4: Additional Information About This Loan

### 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.

# CD Page 4 – Additional Information About This Loan

Page 4 includes disclosures about:

- Assumption
- Demand Feature
- Late Payment
- Negative Amortization
- Security Interest
- Partial Payments
- Details of Escrow Account scenarios
- In the future disclaimer



# Example of a Closing Disclosure

## Page 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%



**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)

### 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.

### 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

CLOSING DISCLOSURE

PAGE 5 OF 5 • LOAN ID # 123456789



# CD Page 5 – Calculations, Disclosures, Contacts

Page 5 contains:

- The Loan Calculations table
- Additional disclosures for appraisals, contract details, liability after foreclosure, future refinance, and tax deductions
- Contact information of lender, broker(s) and settlement agent
- CFPB contact information
- Applicant(s) Signature(s) – required

# Resources

Thank you for joining the webinar!

Further information can be found on the CFPB's website and in InterFirst's Portal under Guides and Forms.

## Additional Resources:



[CFPB](#)



[TRID  
FAQs](#)



[TRID  
Charts](#)

Please note –

These materials do not represent legal interpretation, guidance or advice of/from InterFirst Mortgage Company. We have made efforts to ensure the accuracy of this information; however, you should rely solely upon the TILA-RESPA Integrated Disclosure and its Official Interpretation(s). The information contained herein does not bind InterFirst Mortgage Company in any fashion and is subject to change at our sole discretion.

Please contact your InterFirst Account Executive if you have any questions, concerns, or require additional assistance.



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**For Mortgage Professionals Only**