

Did you know?

- Our office represents **over 41** local and national mortgage lenders.
- We close transactions **all over** Massachusetts and Southern NH.
 - We are an **authorized closing agent** for FHA, VA, USAA, Bank of America, Quicken Loans, and Navy Federal Credit Union.
 - We can close a transaction in **less than 6** business days, from order to closing.
- Our **top priority** is to make you, our business partners, look good.
 - We **guarantee** your client's satisfaction with our services.





Our New Title Quote Application

Mortgage Loan Officers and Real Estate Agents can now access our new title quote application.

What does the application do?

- Produce instant **title quotes**
- Create **seller's net sheets**
- Create **Pre-HUDs**
- Store** your quotes, net sheets and HUDs
- Send** them to your clients via email
- Mobile & Desktop** online access



Sign up for access at www.TheBest Closings.com/quotes



PROUD MEMBER
AMERICAN
LAND TITLE
ASSOCIATION



CFPB's New Closing Disclosure Form (CDF)

CONSUMER FINANCIAL PROTECTION BUREAU



Countdown

105 Days

PROUD MEMBER
AMERICAN
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ASSOCIATION



The Consumer Financial Protection Bureau

- The CFPB is a new federal agency
- Created by Dodd-Frank Wall Street and Consumer Protection Act
- Dodd-Frank Act became Law July 21, 2010
- CFPB Started operation July 1, 2011
- Responsible for supervising and creating hundreds of new rules and regulations under the Act
- Final rules to be effective **January 10, 2014**
- Rules regarding disclosures expect to be effective after August 2014
- Mandatory use of new forms by August 1, 2015
- Lender Must ensure third-party service providers understand and comply



CFPB Mandates

CFPB Places two major requirements on lender with regard to the CDF

- Produce the CDF and ensure accuracy of the information
- Ensure the CDF is received by the consumer at least three business days before consummation While the lender can partner with the closing agent/attorney to perform these tasks, it is at lender's discretion and the lender is ultimately responsible



Production and Delivery

Factors lenders will consider to determine who will handle production and delivery

- Process, workflow and staffing
- Evidence of compliance
 - The lender must retain or have available to them each completed disclosure and all documents related to such disclosures, for five years after consummation

Production and Delivery

Liability

- RESPA (Real Estate Settlement Procedures Act) and TILA (Truth in Lending Act) disclosures are now combined in the new rules (Regulation Z).
- Penalties can range from \$5,000 per day for a **violation**, \$25,000 per day for **reckless violations** and \$1 million per day for **knowing violations**.

While the lender can partner with the title/closing agent to perform these tasks, it is at lender's discretion and the **lender is ultimately responsible**

Collaboration is Key

- What ever decision is made ...
 - Closing Attorneys/Settlement Agents and lenders must work closely
 - Managing and sharing transaction info
- Some lenders will not want to/be able to create and deliver CDF
- How will Closing Attorneys/Settlement Agents handle different lender requirements?

Collaboration is Key

- Why will collaboration be necessary to prepare the CDF?
 - Underlying information is located in two separate systems
 - Loan-centric info in lenders' loan origination systems
 - Property-centric info in title/settlement agent's system
- Nature of CDF requires final preparation and publication in one system

Collaboration is Key

How will information move?

- Manual
- Electronic
- Pro forma CD
- Closing Statement
- Other

Collaboration is Key

Challenges

- Establishing final numbers/versions
- Non-standard communications
- Division of Responsibility/Liability
- Obtaining Loan Estimate Data
- Obtaining calculating tolerance/cures
- Other

Accuracy and Timing

When must Closing Disclosure be provided?

- Must be **received** by the consumer no later than **three business** days before **consummation**
- Combines TIL three-day timing requirements under MDIA and RESPA
- Business days is the specific definition of business day
 - Includes Saturdays
 - Excludes Sunday and legal holidays

Accuracy and Timing

Consummation vs. Closing

- Consummation: “the time that a consumer becomes contractually obligated on a credit transaction.”
- State contract law controls
- When is the borrower legally obligated to accept the loan?
 - Signing of note?
 - Funding?
 - Commitment letter?
- Focus is on borrowers obligations not lenders

Why a Three Day Rule

1. Reconcile the statutes

Congressional mandate: “The Bureau must determine when the integrated disclosures must be provided, given that the statutory requirements are not in sync.”

2. Improve consumer understanding of mortgage loan transactions

Give consumer time to review the final costs, ask questions, negotiate to reduce costs and gather the necessary funds.

3. Eliminate the opportunity for bad actors to surprise consumers with unexpected costs at the closing table.



What exactly was proposed

§1026.19 (f):

- The creditor shall ensure that the consumer receives the disclosures required under paragraph (f)(1)(i) of this section no later than three business days before consummation (TILA wording)

Example:

- If settlement is scheduled for Thursday then the consumer must receive the disclosures by Monday.

Effectively, a three day waiting period after the final disclosure is received by the consumer;

- Changes to the final disclosure will trigger a new three business day waiting period unless an exemption applies.



How will this work in practice?

What is a “Business Day”

- All calendar days except Sundays and Federal legal public holidays

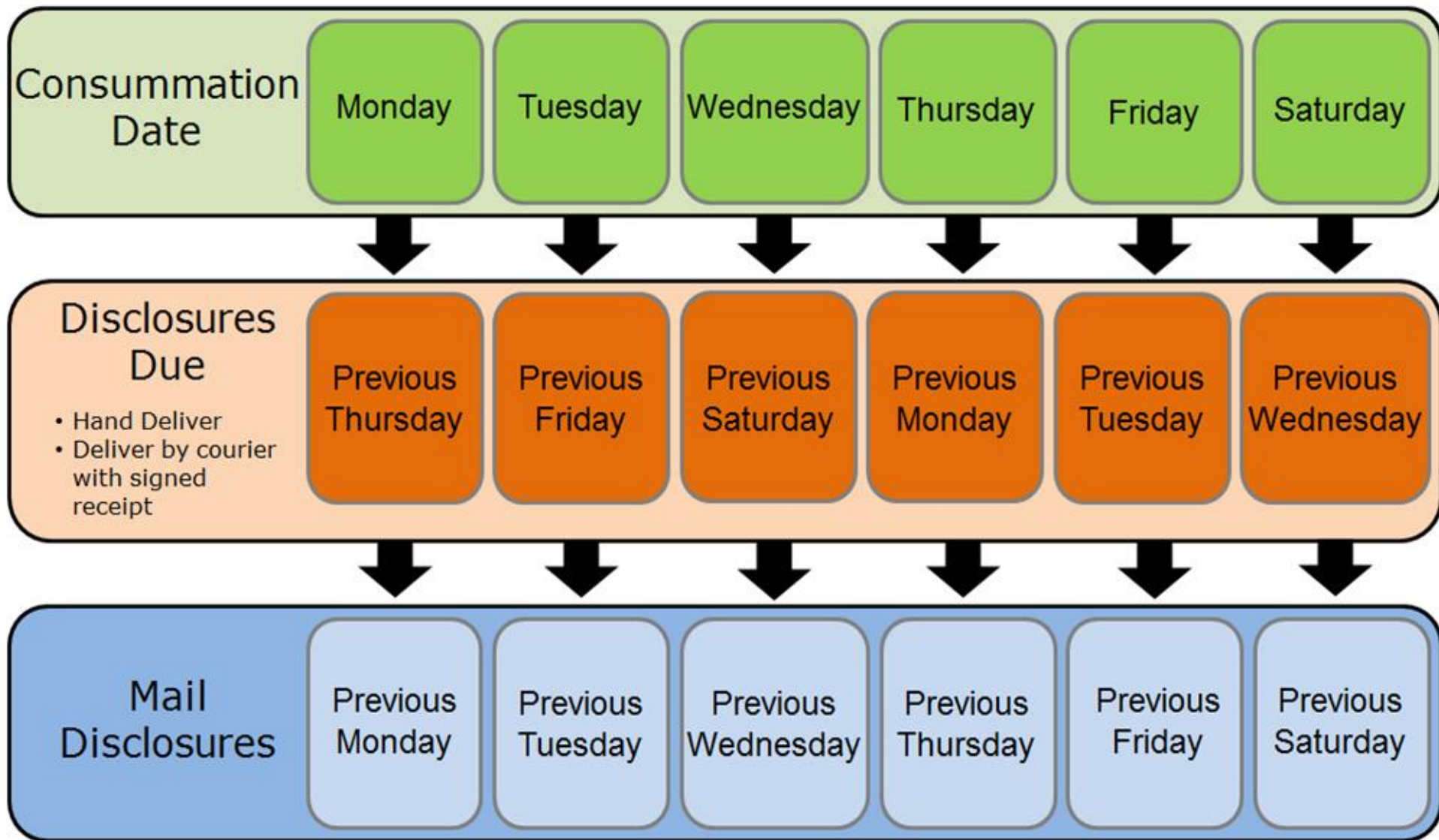
Three ways to deliver:

- **In person**
 - Disclosure is deemed received by the consumer the day it is delivered in person
- **Mail/Fed-Ex/Courier**
 - Creditor or settlement agent can presume the consumer received the disclosure three business days after mailing
 - This presumption may be rebutted by evidence that the consumer received the disclosures earlier or later than three business days.
- **E-mail**
 - Same presumption as for mail
 - Creditor or settlement agent must comply with E-Sign and must get prior approval from the consumer to use electronic disclosure.



Accuracy and Timing

Legal Public Holidays	
New Year's Day	Labor Day
Birthday of MLK, Jr.	Columbus Day
Washington's Birthday	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day



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

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

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



Can Consumer Waive the Waiting Period?

Bona Fide Personal Financial Emergency

- Fact intensive
- One example: Imminent foreclosure sale

How to waive?

- Can only waive after receiving the disclosure
- Give the creditor a dated written statement describing the emergency
 - Specifically modifies or waives the waiting period
 - Signed by all consumers who are primarily liable on the legal obligation
- Printed forms for this purpose are prohibited



Exemptions to three day waiting period

Five category of changes that will not trigger new waiting period

- Seller – Buyer negotiation
- Minor cost increase
- Post Closing change to government fee
- Correct non numerical clerical error
- Tolerance refund



Post Receipt Seller – Buyer negotiation

After the consumer receives the disclosures, the consumer and the seller agree to make changes to the transaction and those changes affect the costs of the items disclosed

Example

- Consummation scheduled for Thursday
- Consumer received the disclosures on Monday
- Walk-through inspection on Wednesday morning
- Discovery of damage to the dishwasher
- Parties agrees to \$500 credit
- Okay to close on Thursday



Post Delivery minor cost increase (\$100)

Amount actually paid by the consumer does not exceed the amount disclosed by more than \$100

- Aggregate not each item

Example

- Disclosure has homeowner's insurance premium of \$800
- Premium is actually \$850
- \$50 understatement is not a violation
- Okay to close with corrected disclosure

Post closing change (government fee only)

A locality could change its recording fees, without advance notice

- Okay to close and send revised disclosures three days after determining the actual fee
- Re-disclosure must take place within 30 days of closing

Example:

- Closing occurs on a Monday
- Recorder changes fees on Tuesday before settlement agents records documents
- Fees charged by the recorder's office differ from those disclosed
- Place revised disclosure in the mail no later than Friday, three business days after Tuesday



Correction of non numerical clerical error

Inadvertent or technical errors will not be considered violations of the disclosure requirements

- An error is considered clerical if it does not affect a numerical disclosure

Example

- Disclosure identifies the incorrect settlement service provider as the recipient of a payment
- Okay to close
- Creditor/settlement agent must provide revised disclosures reflecting the correct payee
- As soon as reasonably practicable
- But no later than 30 days after closing



Tolerance refund

If an amount listed on the disclosure exceeds the tolerance, which would entitle the consumer to a refund, the refund can be included in the disclosure without triggering a new waiting period

Example

- Disclosure has creditor tolerance violation
- Creditor cures violation at or after closing
- Okay to close as scheduled
- New disclosure must be created
 - As soon as reasonably practicable
 - No later than 30 days after consummation



Tolerances

Charges subject to zero tolerance are:

- The lender's or mortgage broker's charges for its own services
- Charges for services provided by an affiliate of the lender or broker
- Charges for which the consumer can't shop



The CDF

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

Closing Disclosure

Closing Information
 Deed Date: 4/15/2013
 Closing Date: 4/15/2013
 Settlement Agent: EquiBank TRS Co.
 File #: 12-3456
 Property: 400 Somershire Ave, Anytown, ST 12345
 Sale Price: \$180,000

Transaction Information
 Borrower: Michael Jones and Mary Stone, 123 Anytown Street, Anytown, ST 12345
 Seller: Steve Cole and Amy Doe, 321 Somershire Drive, Anytown, ST 12345
 Lender: Ficti Bank

Loan Information
 Loan Term: 30 years
 Payment: Fixed Rate
 Loan Type: Conventional FHA
 Loan ID #: 123-456789
 NICK #: 000054321

Can this amount increase after closing?

Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest	\$761.78	NO
Prepayment Penalty		NO
Balloon Payment		NO

Does the loan have these features?

Can this amount increase after closing?	NO
Does the loan have these features?	YES - As high as \$3,240 if you pay off the loan during the first 2 years

Projected Payments

	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	0	0
Estimated Escrow (Amount can increase over time)	8235	206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Total Monthly Payment

Estimated Total Monthly Payment: \$956.13 a month
 Amount can increase over time. See page 4 for details.

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.

Page 1 of 3 - LOANED # 123456789

Additional Information About This Loan

Loan Disclosures

Assumption: If you sell or transfer the property, you will be responsible for details.

Calculating Cash to Close

Item	Use to	Use to
	Calculate Cash to Close	Calculate Cash to Close
Total Closing Costs (C)	\$9,712.10	\$9,712.10
Closing Costs Paid Before Closing (D)	\$0.00	\$0.00
Closing Costs Financed (E) (Paid from your Loan Amount)	\$9,712.10	\$9,712.10
Deposit (F)	\$10,000.00	\$10,000.00
Funds for Borrower (G)	\$0.00	\$0.00
Seller Credits (H)	\$0.00	\$0.00
Adjustments to and Other Credits (I)	\$0.00	\$0.00
Cash to Close (J)	\$14,147.26	\$14,147.26

Summaries of Transactions

Use this table to determine the TRANSACTION.

Transaction	Amount
1. Sale Price of Property	\$180,000
2. Sale Price of Any Partial Property Included in Sale	\$0.00
3. Closing Costs Paid at Closing (C)	\$9,712.10
4. Adjustments	\$0.00
5. Seller Credits	\$0.00
6. Funds for Borrower (G)	\$0.00
7. Deposit (F)	\$10,000.00
8. Other Credits	\$0.00
9. Refund from EquiBank TRS Co.	\$0.00
10. Adjustments to and Other Credits (I)	\$0.00
11. Cash to Close (J)	\$14,147.26

Page 2 of 3 - LOANED # 123456789

Other Disclosures

Loan Calculations

Total of Payments: You give up will have paid a first mortgage interest, and loan costs as scheduled.	\$28,689.36
First-time Charge: The dollar amount the loan will pay for your upfront finance charge.	\$16,200.00
Annual Percentage Rate (APR): Your costs over the loan term expressed as a rate. The rate you pay interest rate.	4.74%
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%

Contract Information

Name	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (C)	Equal Housing Lender
Ficti Bank	EquiBank TRS Co.	Alpha Real Estate Broker Co.	Omega Real Estate Broker Inc.	Delta Real Estate Broker Co.	EquiBank TRS Co.
Address: 400 Somershire Ave, Anytown, ST 12345	Address: 123 Main St, Anytown, ST 12345	Address: 567 Main St, Anytown, ST 12345	Address: 890 Main St, Anytown, ST 12345	Address: 123 Main St, Anytown, ST 12345	Address: 456 Main St, Anytown, ST 12345
ST License ID: Joe Smith	ST License ID: 12345	ST License ID: 67890	ST License ID: 12345	ST License ID: 54321	ST License ID: 98765
Contact: Joe Smith	Contact: Joe Smith	Contact: Joe Smith	Contact: Joe Smith	Contact: Joe Smith	Contact: Joe Smith
Email: joe@ficti.com	Email: joe@ficti.com	Email: joe@ficti.com	Email: joe@ficti.com	Email: joe@ficti.com	Email: joe@ficti.com
Phone: 123-456-7890	Phone: 123-456-7890	Phone: 123-456-7890	Phone: 123-456-7890	Phone: 123-456-7890	Phone: 123-456-7890

Confirm Receipt

By signing, you are only certifying that you have received this form. You do not have to sign if you have signed or received the form.

Applicant Signature: _____ Date: _____
 Co-Signer Signature: _____ Date: _____

Page 3 of 3 - LOANED # 123456789



HOW WERE THESE NEW
FORMS TESTED?
AND WHAT WERE
THE RESULTS?



THE LOAN ESTIMATE
form went through
TWO YEARS
of rigorous testing
(that's 730 days)

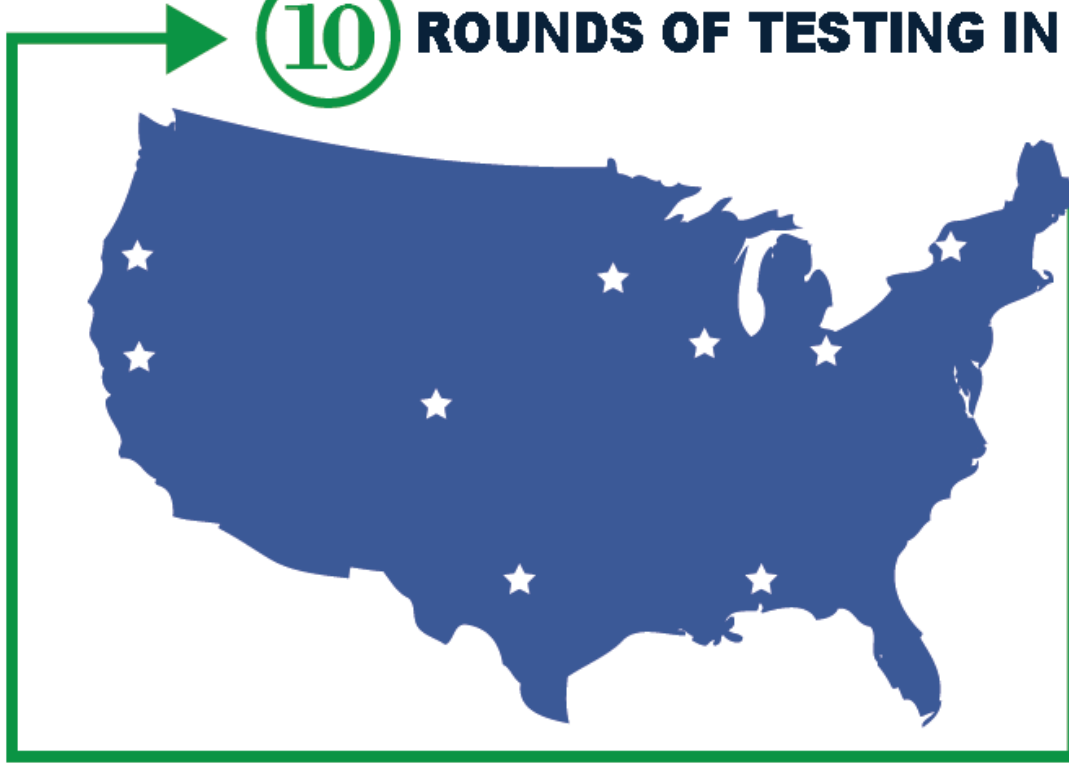


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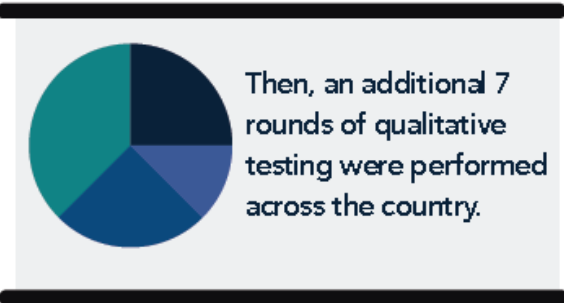
ROUNDS OF TESTING IN

9

DIFFERENT CITIES



More than **27,000** individual comments were collected on the early forms.



THE RESULTS!

NEW FORMS OUTPERFORMED THE CURRENT FORMS



IMPROVED CUSTOMER UNDERSTANDING

29%

Improvement in overall consumer understanding



12%

Improvement in understanding how interest rates can change



32%

Improvement in identifying negative amortization features



IMPROVED MONTHLY PAYMENTS UNDERSTANDING

197%

Improvement in identifying the highest possible total monthly payment in the final loan offer

54%

Improvement in identifying monthly payments including adjustable-rate loans max payment

47%

Improvement in understanding monthly principal and interest payment change



Closing Disclosure Form (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 Amount

\$162,000

Can this amount increase after closing?

NO



Closing Disclosure Form (Page 1)

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



Closing Disclosure Form (Page 1)

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</i> <i>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



Closing Disclosure Form (Page 1)

See page 4 for details

See Escrow Account on page 4 for details. You must pay for other property costs separately.

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.

Next



Closing Disclosure Form (Page 2)

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				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
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					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			



Closing Disclosure Form (Page 2)

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		



Closing Disclosure Form (Page 2)

08 Aggregate Adjustment		- 0.01			
H. Other		\$2,400.00			
01 HOA Capital Contribution	to HOA Acre Inc.	\$500.00			
02 HOA Processing Fee	to HOA Acre Inc.	\$150.00			
03 Home Inspection Fee	to Engineers Inc.	\$750.00			\$750.00
04 Home Warranty Fee	to XYZ Warranty Inc.			\$450.00	
05 Real Estate Commission	to Alpha Real Estate Broker			\$5,700.00	
06 Real Estate Commission	to Omega Real Estate Broker			\$5,700.00	
07 Title – Owner’s Title Insurance (optional)	to Epsilon Title Co.	\$1,000.00			
08					
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05			
Other Costs Subtotals (E + F + G + H)		\$5,018.05			



Closing Disclosure Form (Page 2)

Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE

PAGE 2 OF 5 • LOAN ID # 123456789

Next



Closing Disclosure Form (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 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	



Closing Disclosure Form (Page 3)

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	Buyer's Summary		
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			

SELLER'S TRANSACTION			
M. Due to Seller at Closing			\$180,080.00
01	Sale Price of Property		\$180,000.00
02	Sale Price of Any Personal Property Included in Sale		
03			
04			
05	Seller's Summary		
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			



Closing Disclosure Form (Page 3)

17		
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		
--		

Buyer's Summary
continued

17		
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		
--		

Seller's Summary
continued



Closing Disclosure Form (Page 3)

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

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)			\$180,080.00
	Total Due from Seller at Closing (N)			- \$115,665.04
	Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller			\$64,414.96

CLOSING DISCLOSURE

PAGE 3 OF 5 • LOANID # 123456789



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
No		
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.

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

Next



Closing Disclosure Form (Page 5)

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

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
Name	Ficus Bank				
Address	4321 Random Blvd. Somecity, ST 12340				
NMLS ID					
ST License ID					
Contact	Joe Smith				
Contact NMLS ID	12345				
Contact ST License ID					
Email	joesmith@ficusbank.com		sam@omega.biz	joe@iprime.biz	sarah@epsilon.ttle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

ACKNOWLEDGMENT: *“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.”*

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



CFPB

Presentation End
THANK YOU!

PROUD MEMBER
AMERICAN
LAND TITLE
ASSOCIATION



THE LAW OFFICE
of
DAVID R. ROCHEFORD, JR., P.C.

END of PRESENTATION

END of PRESENTATION



THE LAW OFFICE
of
DAVID R. ROCHEFORD, JR., P.C.

PROUD MEMBER

AMERICAN
LAND TITLE
ASSOCIATION



Did you know:



- Our office represents **over 41** local and national mortgage lenders.
- We close transactions **all over** Massachusetts and Southern NH.
 - We are an **authorized closing agent** for FHA, VA, USAA, Bank of America and Navy Federal Credit Union.
 - We can close a transaction in **less than 6** business days, from order to closing.
- Our **top priority** is to make you, our business partners, look good.
 - We **guarantee** your client's satisfaction with our services.



Mission Statement



Our mission is to:

- provide the finest quality service and expertise in the title and settlement service business.
- provide timely and accurate transactions that exceed all expectations.
- treat every customer as a valued partner.
- handle every transaction as a unique project.
- provide personalized attention to all of our clients and business partners.
- provide innovative solutions.
- have a staff that is pleasant, empowered and accountable.
- make customer satisfaction our number-one priority.
- do business with uncompromised integrity.

