

# Settlement Disclosure

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

## SETTLEMENT INFORMATION

**DATE** 1/24/2012  
**AGENT** ABC Settlement  
**FILE #** 01234  
**PROPERTY** 456 Avenue A  
 Anytown, PA 12345  
**SALE PRICE** \$123,500

## TRANSACTION INFORMATION

**BORROWER** James White and Jane Johnson  
 123 Anywhere Street, Apt 678  
 Anytown, PA 12345  
**SELLER** John Wilson  
 123 Somewhere Drive  
 Anytown, PA 12345  
**LENDER** Hemlock Bank

## LOAN INFORMATION

**LOAN TERM** 30 years  
**PURPOSE** Purchase  
**PRODUCT** Fixed Rate  
**LOAN TYPE**  Conventional  FHA  
 VA  \_\_\_\_\_  
**MIC #** 56789  
**LOAN ID #** 1330172608

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$109,805.63	<b>NO</b>
<b>Interest Rate</b>	4.375%	<b>NO</b>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$548.25	<b>NO</b>
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>		<b>NO</b>
<b>Balloon Payment</b>		<b>NO</b>

Projected Payments	Years 1-7	Years 8-30
<b>Payment Calculation</b>		
Principal & Interest	\$548.25	\$548.25
Mortgage Insurance	+ 55.82	—
Estimated Escrow <i>Amount Can Increase Over Time</i>	+ 422.94	+ 422.94
<b>Estimated Total Monthly Payment</b>	<b>\$1,027.01</b>	<b>\$971.19</b>
<b>Information about Escrow for Taxes, Insurance &amp; Assessments</b> <i>Amount Can Increase Over Time See Details on Page 4</i>	\$422.94 a month	<input checked="" type="checkbox"/> <b>Escrow.</b> Your escrow payment covers the taxes, insurance & assessments listed in Section F on page 2. You must pay for other property costs separately. <input type="checkbox"/> <b>No Escrow.</b> You must pay all of your taxes, insurance & assessments separately from your loan payments.

Closing Costs		
<b>Cash to Close</b>	\$27,625.00	Closing Costs include \$5,519.53 in Settlement Fees. See details on page 2.

Closing Cost Details	Borrower-Paid			Seller-Paid		Paid by Others
	Paid at Closing	Paid Before Closing	Financed in Loan Amt.	Paid at Closing	Paid Before Closing	
<b>SETTLEMENT FEES</b>						
<b>A. Origination Charges</b>	<b>\$2,810.90</b>					
.875 Point(s)	\$960.90					
Underwriting Fee			\$800.00			
Processing Fee			\$300.00			
Verification Fee			\$75.00			
Rate Lock Fee			\$525.00			
Desk Review Fee			\$150.00			
<b>B. Services Borrower Did Not Shop For</b>	<b>\$2,583.63</b>					
Credit Report Fee to Credit Co.			\$30.00			
Appraisal Fee to Local Appraisal Co.	\$335.00					
Document Preparation Fee to Collateral Research Inc.			\$55.00			
Tax Status Research Fee to Collateral Research Inc.			\$25.00			
Flood Determination Fee to Collateral Research Inc.			\$35.00			
Tax Monitoring Fee to Monitoring Services Inc.			\$15.00			
Flood Monitoring Fee to Monitoring Services Inc.			\$10.00			
Lender's Attorney to BF Law Group			\$325.00			
Title – Closing Protection Letter to Regional Title Co.	\$75.00					
Appraisal Mgmt. Co. Fee to AMC Co.			\$100.00			
Title – PA Inclusive Title Fee to Regional Title Co.			\$1,076.63			
Lender Coverage \$109,805.63 / Owner Coverage \$123,500						
Title – Settlement Agent Fee to Regional Title Co.			\$310.00			
Title – Courier Fee to Quick Delivery Co.			\$32.00			
Survey Fee to ABC Surveys Co.			\$160.00			
<b>C. Services Borrower Did Shop For</b>	<b>\$125.00</b>					
Pest Inspection Fee to Home Pest Co.			\$125.00			
<b>Settlement Fees (A + B + C)</b>	\$1,370.90	\$0	\$4,148.63			
Lender Credits						
<b>TOTAL BORROWER-PAID SETTLEMENT FEES</b>	<b>\$5,519.53</b>					
<b>SETTLEMENT COSTS</b>						
<b>D. Taxes and Other Government Fees</b>	<b>\$2,840.00</b>					
Commonwealth of PA Transfer Tax	\$617.50			\$617.50		
City of Philadelphia Transfer Tax	\$1,852.50			\$1,852.50		
Recording Fees Deed: \$200.00 Mortgage: \$170.00	\$370.00					
<b>E. Prepays</b>	<b>\$1,935.38</b>					
Mortgage Insurance Premium ( __mo.)						
Homeowner's Insurance Premium ( 12 mo.) to XYZ Ins. Co.			\$682.00			
Flood Insurance Premium ( 12 mo.) to Flood Safe Co.	\$1,160.00					
Property Taxes ( __mo.)						
Prepaid Interest \$13.34 per day from 1/24/12 to 1/31/12	\$93.38					
<b>F. Initial Escrow Payment at Closing</b>	<b>\$846.82</b>					
Mortgage Insurance per month for mo.						
Homeowner's Insurance \$56.83 per month for 3 mo.	\$170.49					
Property Taxes \$269.44 per month for 3 mo.	\$808.32					
Flood Insurance \$96.67 per month for 3 mo.	\$290.01					
HOA/Condo/Co-op per month for mo.						
Aggregate Adjustment	– \$422.00					
<b>G. Other Costs</b>	<b>\$2,471.31</b>					
\$3,087.50 to Reliable Realty Co./ \$3,087.50 to Realty Pros LLC				\$6,175.00		
Real Estate Broker Administration Fee to Reliable Realty Co.	\$200.00					
Structural Inspection Fee to Home Engineering Corp.	\$325.00					
Inspection Fee to Inspector Home Co.	\$245.00					
HOA Processing Fee to 456 HOA	\$500.00					
Home Warranty to Warrant Row Co.	\$211.31					
Mobile Signing Agent to Quick Signing Co.	\$150.00					
Borrower Attorney to Law Phil LLP	\$840.00					
<b>Settlement Costs (D + E + F + G)</b>	\$7,411.51	\$0	\$682.00			
<b>TOTAL BORROWER-PAID SETTLEMENT COSTS</b>	<b>\$8,093.51</b>					
<b>H. TOTAL CLOSING COSTS (Settlement Fees + Settlement Costs)</b>	\$8,782.41	\$0	\$4,830.63	\$8,645.00		
<b>TOTAL BORROWER-PAID CLOSING COSTS</b>	<b>\$13,613.04</b>					

## What Changed?

CALCULATING CASH TO CLOSE	Estimate	Final
Settlement Fees	\$5,170.00	<b>\$5,519.53</b>
Settlement Costs	\$4,406.37	<b>\$8,093.51</b>
Down Payment/Funds from Borrower	\$18,525.00	\$18,525.00
Deposit	– \$3,000.00	– \$3,000.00
Cash to Borrower	\$0	\$0
Seller Credits	\$0	\$0
Other Credits and Adjustments	\$0	<b>\$3,317.59</b>
Closing Costs to be Financed	\$0	<b>– \$4,830.63</b>
<b>Cash to Close</b>	<b>\$25,101.37</b>	<b>\$27,625.00</b>

INCREASES OVER LIMITS	Estimate	Final	Over Limit?
Costs That Could Not Increase			
A. Origination Charges	\$2,769.00	\$2,810.90	<b>YES</b> \$41.90
D. Transfer Taxes	\$2,470.00	\$2,470.00	NO
Costs That Could Not Increase by More Than 10% in Total			
B. Services You Did Not Shop For	\$2,276.00	\$2,583.63	<b>YES</b> \$43.03
D. Recording Fees	\$370.00	\$370.00	
TOTAL	\$2,646.00	\$2,953.63	

INTEREST RATE CHANGES	Estimate	Final
Interest rate	4.375%	4.375%
Can interest rate change after closing?	NO	NO
Did adjustable rate terms change?	N/A	

## Summaries of Transactions

### BORROWER'S TRANSACTION

I. Due from Borrower at Closing	\$140,430.63
Closing Costs Paid at Closing by Borrower (H)	\$8,782.41
Closing Costs Financed in Loan Amount (H)	\$4,830.63
Sale price of property	\$123,500.00
Sale price of any personal property included in sale	

#### Other Credits & Adjustments

Items Prepaid by Seller that are Due from Borrower		
City/town taxes	1/24/12 to 12/31/12	\$3,030.09
County taxes	to	
Assessments	to	
HOA dues	1/24/12 to 3/31/12 (quarterly)	\$287.50

J. Paid Already or on Behalf of Borrower at Closing	\$112,805.63
Deposit	\$3,000.00
Principal amount of borrower's new loan	\$109,805.63
Existing loan(s) assumed or taken subject to	

#### Other Credits & Adjustments

#### Adjustments for Items Unpaid by Seller

City/town taxes	to	
County taxes	to	
Assessments	to	

### CALCULATION

Total Due from Borrower at Closing (I)	\$140,430.63
Total Paid Already or on Behalf of Borrower at Closing (J)	– \$112,805.63
<b>Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower</b>	<b>\$27,625.00</b>

### SELLER'S TRANSACTION

K. Due to Seller at Closing	\$126,817.59
Sale price of property	\$123,500.00
Sale price of any personal property included in sale	

#### Items Prepaid by Seller that are Due from Borrower

City/town taxes	1/24/12 to 12/31/12	\$3,030.09
County taxes	to	
Assessments	to	
HOA dues	1/24/12 to 3/31/12 (quarterly)	\$287.50

L. Due from Seller at Closing	\$87,807.87
Excess deposit	
Closing costs paid at closing by seller (H)	\$8,645.00
Existing loan(s) assumed or taken subject to	
Payoff of first mortgage loan	\$79,162.87
Payoff of second mortgage loan	

#### Adjustments for Items Unpaid by Seller

City/town taxes	to	
County taxes	to	
Assessments	to	

### CALCULATION

Total Due to Seller at Closing (K)	\$126,817.59
Total Due from Seller at Closing (L)	– \$87,807.87
<b>Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller</b>	<b>\$39,009.72</b>

## Loan Disclosures

### Assumption

If you sell or transfer this property to another person

- We will allow, under certain conditions, this person to assume this loan on the original terms.
- We will not allow assumption of this loan.

### Demand Feature

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

### 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.

### 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.
- have the option of making 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 Payment Policy

- We will accept payments that are less than the full amount due (partial payments). We will apply partial payments:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- We will not accept partial payments.

### Security Interest

You are granting us a security interest in 456 Avenue A, Anytown, PA 12345. You may lose this property if you do not make your payments or satisfy other obligations for this loan.

### Escrow Account Information

**For now,** your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs in Section F on page 2, such as property taxes and homeowner's insurance. We estimate that these costs will total **\$5,075.28** for the first year of your loan. Without an escrow account, you would directly pay these potentially large costs in semi-annual or annual payments. You may have other property costs that are not being paid into the escrow account, which you must directly pay yourself. At closing, you will make an initial deposit of **\$846.82** into your escrow account. After that, your regular mortgage payments will include an additional **\$422.94** that will go into your escrow account. We will take money from your account to pay these property costs as needed. If we fail to make payments, we may be liable for penalties and interest.
- will not have an escrow account. You do not have an escrow account because \_\_\_ you declined an account \_\_\_ we do not offer escrow accounts. The fee for not having an escrow account is \$ \_\_\_\_\_. In addition to your mortgage loan payment, you must directly pay your property costs, such as property taxes and homeowner's insurance. We estimate that these costs will total \$ \_\_\_\_\_ for the first year of your loan. You must pay these costs in potentially large semiannual or annual payments. If you would like an escrow account, you may contact us at \_\_\_\_\_.

### *In the future,*

If you have an escrow account, or if one is added later, the amount of your escrow payment may change. In addition, you may be permitted to cancel your escrow account, but if you do so, you will be responsible for directly paying these property costs unless you create a new escrow account.

If your property taxes are not paid, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. In addition, if you fail to pay any of your property costs, we may

- add the amounts to your loan balance,
- add an escrow account to your loan, or
- require you to pay for insurance on the property that we buy on your behalf, which likely would be more expensive and provide fewer benefits than what you could obtain on your own.

## Loan Calculations

<b>Total of Payments.</b> The amount you have paid after you have made all 360 payments as scheduled.	\$354,038.18
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$94,978.46
<b>Amount Financed.</b> The amount of credit provided to you or on your behalf.	\$106,801.32
<b>Annual Percentage Rate (APR).</b> This is not your interest rate. This rate expresses your costs over the loan term.	4.92%
<b>Total Interest Percentage (TIP).</b> This rate is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.	79.75%
<b>Lender Cost of Funds (LCF).</b> The cost of the funds used to make this loan. This is not a direct cost to you.	1.20%

## Other Disclosures

### Appraisal Copy

If you paid for a written appraisal or valuation of the property, we are 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 John Smith at Hemlock Bank at 111-222-3333.

### Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- other ways you can default on the loan,
- situations in which we 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 be liable for debt remaining after the 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 and market conditions. We cannot guarantee that you will be able to refinance this loan.

### Tax Deductions

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

**Questions?** If you have questions about the loan terms and costs on this form, contact your lender. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov](http://www.consumerfinance.gov).

## Contact Information

	Lender	Mortgage Broker	Real Estate Broker	Real Estate Broker	Settlement Agent
<b>Name</b>	Hemlock Bank		Reliable Realty Co.	Realty Pros	ABC Settlement
<b>Address</b>	4321 Liberty Blvd. Somecity, PA 54321		1776 Franklin St. Ste 405 Anytown, PA 12345	3456 Benjamin Blvd. Anytown, PA 12345	5432 Liberty Blvd. Ste 405 Somecity, PA 54321
<b>NMLS ID</b>	111111				
<b>Contact</b>	John Smith		Jon Anderson	Steve Walsh	Nancy Jones
<b>Loan Officer NMLS ID</b>	487493				
<b>Email</b>	jsmith@hemlockbank.com		janderson@RRealty.com	swalsh@realtypros.com	njones@ABCsettlement.com
<b>Phone</b>	111-222-3333		444-555-6666	555-666-7777	666-777-8888

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to complete this transaction, even if you have signed or received this form.

Applicant Signature

Date

Applicant Signature

Date