

# Settlement Disclosure Form

This form is a statement of final loan terms and actual settlement costs.

## SETTLEMENT INFORMATION

**Date** 11/9/2011  
**Agent** Martha Jones  
**Location** ABC Settlement  
 54321 Random Blvd, Ste 405  
 Somecity, IA 54321  
**Property** 1234 Anywhere Street  
 Somecity, IA 54321

## TRANSACTION INFORMATION

**Borrower** James White and Jane Johnson  
 456 Avenue Anywhere  
 Anytown, IA 12345  
**Seller** John Wilson  
 123 Somewhere Dr.  
 Anytown, IA 12345

## LOAN INFORMATION

**Lender** Ironwood Bank  
 9876 Random Blvd, Ste 504  
 Somecity, IA 54321  
**Loan Type**  Conventional  FHA  
 VA  \_\_\_\_\_  
**Loan Term** 30 years  
**Purpose** Purchase  
**Product** 5/1 Adjustable Rate  
**File No.** 222222222  
**Loan No.** 222222222  
**MIC No.** 222222222

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$121,000	<b>NO</b>
<b>Interest Rate</b>	2.875% for 5 years	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every year</b> starting in year 6</li> <li>• Can go <b>as high as 8%</b> in year 9</li> <li>• See <b>AIR table on page 4</b></li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$502.03	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every year</b> starting in year 6</li> <li>• Can go <b>as high as \$822</b> in year 9</li> </ul>
<b>Prepayment Penalty</b>	<b>Does the loan have these features?</b>	
<b>Balloon Payment</b>	<b>NO</b>	

Projected Payments				
Payment Calculation	Years 1-5	Year 6	Year 7	Years 8-30
Principal & Interest	\$502.03	\$597 min \$683 max	\$597 min \$748 max	\$597 min \$822 max
Mortgage Insurance	+ 61.51	+ 62	+ —	—
Estimated Taxes & Insurance <i>Amount Can Increase Over Time</i>	+ 430.30	+ 430	+ 430	+ 430
<b>Estimated Total Monthly Payment</b>	<b>\$993.84</b>	<b>\$1,089–\$1,175</b>	<b>\$1,027–\$1,178</b>	<b>\$1,027–\$1,252</b>
<b>Escrow Information for Taxes &amp; Insurance</b>	\$430.30 a month	<input checked="" type="checkbox"/> Escrow. Your monthly payment includes your taxes and insurance. <input type="checkbox"/> No escrow. You must pay your taxes and insurance separately from your loan payments.		

Closing Costs	
<b>Cash to Close</b>	\$17,371.44 <b>\$4,842.00</b> in Settlement Fees. See Closing Cost Summary on page 5.

LOAN NO. 222222222  
 CREDITOR Ironwood Bank  
 NMLS ID 989897

LOAN OFFICER Joe Smith  
 NMLS ID 767698

EMAIL joesmith@ironwoodbank.com  
 PHONE 555-123-4444

### Summary of Borrower's Transaction

100 Total Amount Due from Borrower		
101	Contract sales price	\$135,000.00
102	Personal property	
103	Total Closing Costs charged to borrower (line 1400)	\$8,410.28
104		
105		
Adjustment for items paid by seller in advance		
106	City/town taxes to	
107	County taxes to	
108	Assessments to	
109		
110		
111		
112		
<b>120</b>	<b>Total Amount Due from Borrower</b>	<b>\$143,410.28</b>
200 Amount Paid by or on Behalf of Borrower		
201	Deposit or earnest money	\$4,000.00
202	Principal amount of new loan(s)	\$121,000.00
203	Existing loan(s) assumed or taken subject to	
204		
205		
206		
207		
208		
209		
Adjustments for items unpaid by seller		
210	City/town taxes to	
211	County taxes 7/1/11 to 11/9/11	\$1,038.84
212	Assessments to	
213		
214		
215		
216		
217		
218		
219		
<b>220</b>	<b>Total Paid by/for Borrower</b>	<b>\$126,038.84</b>
300 Cash at Settlement from/to Borrower		
301	Total amount due from borrower (line 120)	\$143,410.28
302	Total paid by/for borrower (line 220)	(\$126,038.84)
<b>303</b>	<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$17,371.44</b>

### Summary of Seller's Transaction

400 Total Amount Due to Seller		
401	Contract sales price	\$135,000.00
402	Personal property	
403		
404		
405		
Adjustment for items paid by seller in advance		
406	City/town taxes to	
407	County taxes to	
408	Assessments to	
409		
410		
411		
412		
<b>420</b>	<b>Total Amount Due to Seller</b>	<b>\$135,000.00</b>
500 Reductions in Amount Due to Seller		
501	Excess deposit (see instructions)	
502	Total Closing Costs to seller (line 1400)	\$9,241.00
503	Existing loan(s) assumed or taken subject to	
504	Payoff of first mortgage loan	
505	Payoff of second mortgage loan	
506		
507		
508		
509		
Adjustments for items unpaid by seller		
510	City/town taxes to	
511	County taxes 7/1/11 to 11/9/11	\$1,038.84
512	Assessments to	
513		
514		
515		
516		
517		
518		
519		
<b>520</b>	<b>Total Reduction in Amount Due Seller</b>	<b>\$10,279.84</b>
600 Cash at Settlement to/from Seller		
601	Total amount due to seller (line 420)	\$135,000.00
602	Total reduction in amount due seller (line 520)	(\$10,279.84)
<b>603</b>	<b>Cash</b> <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	<b>\$124,720.16</b>

## Closing Costs

700 Total Real Estate Broker Fees \$8,750.00		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement	Paid Outside of Closing See details on page 4
Division of commission (line 700) as follows:				
701	\$4,375.00 to Reliable Realty Co.			
702	\$4,375.00 to Realty Pros LLC			
703	Commission paid at settlement		\$8,750.00	
704				
800 Origination Charges				
801	1% Points	\$1,210.00		
802	Underwriting Fee	\$800.00		
803	Processing Fee	\$200.00		
804	Verification Fee	\$300.00		
805	Broker Fee to Friendly Mortgage Broker Inc.			\$2,420.00
900 Services in Connection with Your Loan				
901	Credit Report Fee to Creditco			\$12.00
902	Tax Status Research Fee to Collateral Research Inc.	\$55.00		
903	Flood Determination Fee to Collateral Research Inc.	\$25.00		
904	Tax Monitoring Fee to Monitoring Services Inc.	\$35.00		
905	Flood Monitoring Fee to Monitoring Services Inc.	\$40.00		
906	Appraisal Fee to Local Appraisal Co.			\$675.00
907	Document Preparation Fee to Collateral Research Inc.	\$125.00		
908	Survey Fee to Surveyors Inc.	\$105.00		
909	Pest Inspection Fee to Home Pest Co.	\$200.00		
910	Borrower's Attorney to Tyler & Brady LLP	\$400.00		
1000 Title Charges				
1001	Settlement or closing fee to ABC Settlement Co.	\$350.00		
1002	Abstract or title search to Regional Title Co.		\$275.00	
1003	Title examination to Regional Title Co.	\$200.00		
1004	Title insurance binder to			
1005	Document preparation to			
1006	Notary fees to			
1007	Attorney's fees to			
1008	Title insurance to Treasurer State of Iowa	\$110.00		
1009	Lender's coverage \$121,000			
1010	Owner's coverage \$135,000			
1011				
1012				
1100 Taxes and Other Government Fees				
1101	Recording Fees: Deed \$27.00 Mortgage \$92.00	\$119.00		
1102	City/county tax/stamps: Deed \$ Mortgage \$			
1103	State tax/stamps: Deed \$ Mortgage \$			
1104	Transfer Taxes		\$216.00	
1105				
1200 Prepays				
1201	Property Taxes ( 0 months)			
1202	Homeowner's Insurance Premium ( 12 months) to XYZ Ins. Co.	\$596.00		
1203	Mortgage Insurance Premium ( 0 months) to			
1204	Flood Insurance Premium ( 12 months) to Natl. Flood Co.	\$1,695.00		
1205	Daily Interest Charges from 11/9 to 11/30 @ \$9.66 per day	\$202.86		
1300 Initial Escrow Payment				
1301	Homeowner's Insurance \$49.67 per month for 3 mo.	\$149.01		
1302	Mortgage Insurance \$ per month for 0 mo.			
1303	Property Taxes \$239.38 per month for 7 mo.	\$1,675.66		
1304	Flood Insurance \$141.25 per month for 3 mo.	\$423.75		
1305				
1306				
1307				
1308	Aggregate Adjustment	(\$606.00)		
<b>1400 Total Closing Costs (enter on lines 103 and 502)</b>		<b>\$8,410.28</b>	<b>\$9,241.00</b>	<b>\$3,107.00</b>



## Loan Disclosures

### Assumption

If you sell or transfer your home 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.

### Escrow Account Information

**For now,** your loan

- will have an escrow account to pay your home-related costs, such as property taxes and homeowner's insurance. We estimate that these costs will total **\$5,163.60** for the first year of your loan. Without an escrow account, you would pay these potentially large costs directly in semi-annual or annual payments. At closing, you will make an initial deposit of **\$1,642.42** into your escrow account. After that, your regular mortgage payments will include an additional **\$430.30** that will go into your escrow account. We will take money from your account to pay these home-related costs as needed.
- will not have an escrow account. The fee for not having an escrow account is \$\_\_\_\_\_. In addition to your mortgage loan payment, you are personally responsible for directly paying your home-related 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 semi-annual or annual payments.

### 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 home-related costs unless you create a new escrow account.

If you do not have an escrow account and fail to pay your property taxes, your state or local government may (1) impose fines and penalties

or (2) place a tax lien on your home. In addition, if you fail to pay any of your home-related 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 your home that we buy on your behalf, which likely would be more expensive and provide fewer benefits than what you could obtain on your own.

### 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

Under your loan terms, you

- are scheduled to make monthly payments that are less than 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 your home.
- have the option of making monthly payments that are less than 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 your home.
- do not have a negative amortization feature.

### Partial Payment Policy

- We will accept partial payments. We will apply partial payments:

- We will not accept partial payments.

### Security Interest

You are granting us a security interest in 1234 Anywhere St., Somecity, IA 54321. You may lose your home if you do not make your payments or satisfy other obligations for this loan.

## Loan Calculations

Calculations	
<b>Total of Payments.</b> The amount you have paid after you have made all 360 payments as scheduled.	\$370,204.01
<b>Finance Charge.</b> The dollar amount the credit will cost you.	\$97,118.87
<b>Amount Financed.</b> The amount of credit provided to you or on your behalf.	\$118,177.14
<b>Annual Percentage Rate (APR).</b> This is not your interest rate. This rate expresses your costs over the loan term.	4.44%
<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.	74.3%
<b>Lender Cost of Funds (LCF).</b> The cost of the funds used to make this loan. This is not a cost to you.	1.04%

Closing Costs Summary	
<b>Total Settlement Fees</b> <i>(See total of Sections 800, 900, and 1000 on page 3.)</i>	\$4,842.00
Settlement Fees Financed in the Loan Amount	\$0
Settlement Fees Paid in Cash	\$4,842.00
<b>Total of Other Costs in Connection with the Loan</b>	\$3,216.44
Originator Fees Summary	
<b>Total Fees Paid to Originator</b>	\$2,420.00
Fees Paid by Borrower(s) to Originator	\$0
Fees Paid by Lender to Originator	\$2,420.00

## 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:

Joe Smith

Ironwood Bank

555-123-4444

### 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

In the state where your home is located, if your lender forecloses on your home and the foreclosure does not cover the amount of principal remaining on this loan:

- You will not be personally liable for the unpaid principal. If you refinance or take on any additional debt on your home, you may lose this protection (if any) and be personally liable for debt remaining after the foreclosure. You may want to consult an attorney for more information.
- You will be personally liable for the unpaid principal.

### Refinance

We do not guarantee that you will be able to refinance your loan to lower your interest rate and payments.

### Tax Deductions

If you borrow more than your home is worth, the interest on the loan amount above the home'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).

## Confirm Receipt

By signing below, 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 or applied for this loan.

Applicant Signature/Date

Co-Applicant Signature/Date