

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 Hornbeam 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. 1111111111
Loan No. 1111111111
MIC No. 1111111111

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

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
Estimated Total Monthly Payment	\$993.84	\$1,089–\$1,175	\$1,027–\$1,178	\$1,027–\$1,252
Escrow Information for Taxes & Insurance	\$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	
Cash to Close	\$17,371.44 \$4,842.00 in Settlement Fees. See Closing Cost Summary on page 5.

LOAN NO. 111111111
 CREDITOR Hornbeam Bank
 NMLS ID 989897

LOAN OFFICER Joe Smith
 NMLS ID 767698

EMAIL joesmith@hornbeambank.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		
120	Total Amount Due from Borrower	\$143,410.28
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		
220	Total Paid by/for Borrower	\$126,038.84
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)
303	Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$17,371.44

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		
420	Total Amount Due to Seller	\$135,000.00
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		
520	Total Reduction in Amount Due Seller	\$10,279.84
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)
603	Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$124,720.16

Closing Costs

700 Total Real Estate Broker Fees \$8,750.00			Paid at Settlement		Paid Outside of Closing			
Division of commission (line 700) as follows:			From Borrower's Funds	From Seller's Funds	Amount	Paid by	Paid to	When
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	Lender	Broker	Closing
900 Services in Connection with Your Loan								
901	Credit Report Fee	to Creditco			\$12.00	Borrower	Provider	Before
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	Borrower	Affiliate	Before
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)				
1400 Total Closing Costs (enter on lines 103 and 502)				\$8,410.28	\$9,241.00	\$3,107.00		

Limits on Increases

Use this information to compare your Loan Estimate with your final Closing Costs.

Lines	These Charges Cannot Increase	Loan Estimate	Final
800s	Origination Charges	\$2,510.00	\$2,510.00
1104	Transfer Taxes		

Lines	These Combined Charges Cannot Increase by More Than 10%	Loan Estimate	Final
901	Credit Report Fee	\$12.00	\$12.00
902	Tax Status Research Fee	\$55.00	\$55.00
903	Flood Determination Fee	\$25.00	\$25.00
904	Tax Monitoring Fee	\$35.00	\$35.00
905	Flood Monitoring Fee	\$40.00	\$40.00
906	Appraisal Fee	\$675.00	\$675.00
907	Document Preparation	\$125.00	\$125.00
1001	Settlement or Closing fee	\$300.00	\$350.00
1003	Title Examination	\$103.50	\$200.00
1008	Lender's Title Insurance	\$110.00	\$110.00
1101	Recording Fees	\$114.00	\$119.00

		TOTAL	
		\$1,594.50	\$1,746.00

Increase Between Loan Estimate and Final Closing Costs	9.5%
	\$0 over limit

Adjustable Interest Rate (AIR) Table

Index + Margin	LIBOR + 4%
Initial Interest Rate	2.875%
Minimum/Maximum Interest Rate	4.5% / 8%

Limits on Interest Rate Changes

First Change	3%
Subsequent Changes	1%

Change Frequency

First Change	Beginning of 61st month
Subsequent Changes	Every 12th month after first change

Loan Disclosures

Assumption

If you sell or transfer your home to another person: We will will not allow, under certain conditions, this person to assume this loan on the original terms.

Demand Feature

Your loan does does not have 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.

Escrow Account Information

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.

For now, 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.

In the future, the amount of this 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.

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.

Partial Payment Policy

We will will not accept partial payments. We will apply 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 on time or satisfy other obligations for this loan.

Loan Calculations

Closing Costs Summary

The total amount of Settlement Fees is **\$4,842.00**. (See total of sections 800, 900, and 1000 on page 3.) Of this amount, **\$0** will be financed and **\$4,842.00** will be paid in cash. The total of other costs in connection with the loan are **\$3,216.44**.

Lender Cost of Funds (LCF)

The cost of funds used to make this loan is **1.04%**. This is not a cost to you.

Originator Fees Summary

The total amount of fees paid to the Originator is **\$2,420.00**. Of this amount, **\$0** will be paid by the Borrower(s) and **\$2,420.00** will be paid by the Lender.

Total Interest Percentage (TIP)

This rate of **74.3%** is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Total Payments

If the market rate did not change and you made all of your payments as scheduled, you would make **360** payments totaling **\$370,204.01** (including estimated escrow). Of this amount, **\$97,118.87** would go to interest and settlement charges. This amount and your amount financed of **\$118,177.14** are used to calculate your Annual Percentage Rate (APR) of **4.44%**.

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

Hornbeam 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 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.

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.

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