

TAKE JUDICIAL NOTICE

The New HUD-1 Rules Effect on the Title Industry

October 15, 2009

Effective January 1, 2010, new regulations go into effect which impact how the HUD-1 is completed and the information that must be included. The Lender has the responsibility to provide to the closing agent the information necessary to complete the HUD-1. The 1100 and 1200 series appearing on page two of the new HUD-1 involve title charges and related expenses and are of primary importance to the Title Industry.

Lines 1100-1108 cover title charges, attorneys' charges and charges by closing and settlement agents. These charges include services performed by title companies or others, and include fees directly related to transfer of title (title examination, title search and doc prep), fees for title insurance and fees for conducting the closing. Legal charges include fees for lender's, seller's or purchaser's attorneys and any attorney preparing title work. Included in this series are any settlement, notary and delivery fees related to the services covered in the 1100 series. Third party disbursements, if included in Line 1101, must be broken out in the appropriate lines and shown outside the "Paid from Borrower's Funds" or "Paid from Seller's Funds" columns ("Columns"). Charges not included in line 1101 must be listed in the Columns.

Line 1101 – (from Good Faith Estimate ["GFE"] #4) record the total for title services and lender's title insurance in the Columns.

Line 1102 – record the settlement or closing fee.

Line 1103 – (from GFE #5) record charges for owner's title insurance and endorsements in the Columns.

Line 1104 – record Lender's title insurance premium and endorsements outside the Columns.

Line 1105 – record Lender's title insurance policy limit outside the Columns.

Line 1106 – record Owner's title insurance policy limit outside the Columns.

Line 1107 – record outside of the Columns the amount of total title insurance premium, inclusive of endorsements, retained by title agent.

Line 1108 - record outside of the Columns the amount of total title insurance premium, inclusive of endorsements, retained by the title underwriter

If the HUD-1 form provides additional sequentially numbered lines, use these to itemize title charges paid to third parties by name and type of service such as closer's "pick-up" fees.

Lines 1200-1206 cover governmental recording and transfer charges. Borrower's charges for Lines 1201 and 1203 must be listed in the Columns with itemizations set forth outside the Columns. The amounts charged to the seller not included on the GFE must be listed in the Columns.

Line 1201 – (from GFE #7) record total Government recording charges in the Columns.

Line 1202 – record the itemized recording charges outside the Columns.

Line 1203 – (form GFE #8) record the transfer taxes in the Columns.

Line 1204 – record local transfer taxes outside the Columns.

Line 1205 – record State transfer taxes outside the Columns.

Line 1206 (et seq. in the form provides) – record outside the Columns, third party charges for recording and transfer services.

Lines 1300 and following must be used to record required services that the buyer can “shop” for, such as fees for survey, pest inspection. These Lines may also be used to record charges that are not included in a specific category such as engineer’s report fees, insurance or warranty charges, environmental inspection fees.

Line 1301 is taken from GFE #6.

TOLERANCES FOR AMOUNTS INCLUDED IN GFE

The new regulations also affect the Good Faith Estimate (GFE). The aim of the new regulations is to allow the borrower to easily compare the costs of services on the GFE to those at closing.

Certain charges set forth in the GFE may not exceed that which is charged at settlement. These charges include (i) origination charge, (ii) while the interest rate is locked, the credit or charge for the interest rate chosen, (iii) while the interest rate is locked, the adjusted origination charge and (iv) transfer taxes.

At settlement, the sum of the following charges may not exceed the sum of the charges included on the GFE by more than 10%: (i) lender required settlement services where lender selects the third party provider, (ii) lender required services, title services, required title insurance where the borrower uses a provider identified by the loan originator, and (iii) government recording charges.

If any of the above charges at settlement exceed the 10% tolerance, the loan originator may cure the violation of Section 5 of RESPA by reimbursing to borrower at settlement, or within 30 days thereafter, the amount that exceeds the 10% tolerance.

All other settlement service charges included on the GFE may change at closing.

The loan originator may provide the borrower with a revised GFE under certain circumstances, which must be documented by the loan originator, that include (i) changed circumstances affecting settlement costs (higher costs), (ii) changed circumstances affecting the loan, (iii) borrower requested changes to the loan, (iv) expiration of the original GFE, (v) if interest rate changes if rate not locked or rate-lock expired and (vi) for new construction homes, where settlement is to occur more than 60 days from the original GFE and the loan originator provides a clear and conspicuous disclosure on the GFE, any time up to 60 days prior to closing, a revised GFE may be issued.



A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:	E. Name & Address of Seller:	F. Name & Address of Lender:
G. Property Location:	H. Settlement Agent:	I. Settlement Date:
	Place of Settlement:	

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
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. Gross Amount Due from Borrower	
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Seller	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220)	()
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
Adjustments for items paid by seller in advance	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	
500. Reductions In Amount Due to Seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) 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 to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	()
603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

L. Settlement Charges

700. Total Real Estate Broker Fees			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows:				
701. \$	to			
702. \$	to			
703. Commission paid at settlement				
704.				

800. Items Payable in Connection with Loan				
801. Our origination charge	\$		(from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen	\$		(from GFE #2)	
803. Your adjusted origination charges			(from GFE A)	
804. Appraisal fee to			(from GFE #3)	
805. Credit report to			(from GFE #3)	
806. Tax service to			(from GFE #3)	
807. Flood certification			(from GFE #3)	
808.				

900. Items Required by Lender to Be Paid in Advance				
901. Daily interest charges from	to	@ \$	/day	(from GFE #10)
902. Mortgage insurance premium	for	months to		(from GFE #3)
903. Homeowner's insurance	for	years to		(from GFE #11)
904.				

1000. Reserves Deposited with Lender				
1001. Initial deposit for your escrow account				(from GFE #9)
1002. Homeowner's insurance	months @ \$	per month	\$	
1003. Mortgage insurance	months @ \$	per month	\$	
1004. Property taxes	months @ \$	per month	\$	
1005.	months @ \$	per month	\$	
1006.	months @ \$	per month	\$	
1007. Aggregate Adjustment			-\$	

1100. Title Charges				
1101. Title services and lender's title insurance				(from GFE #4)
1102. Settlement or closing fee	\$			
1103. Owner's title insurance				(from GFE #5)
1104. Lender's title insurance	\$			
1105. Lender's title policy limit \$				
1106. Owner's title policy limit \$				
1107. Agent's portion of the total title insurance premium	\$			
1108. Underwriter's portion of the total title insurance premium	\$			

1200. Government Recording and Transfer Charges				
1201. Government recording charges				(from GFE #7)
1202. Deed \$	Mortgage \$	Releases \$		
1203. Transfer taxes (from GFE #8)				
1204. City/County tax/stamps	Deed \$	Mortgage \$		
1205. State tax/stamps	Deed \$	Mortgage \$		
1206.				

1300. Additional Settlement Charges				
1301. Required services that you can shop for				(from GFE #6)
1302.	\$			
1303.	\$			
1304.				
1305.				

1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase	HUD-1 Line Number		
Our origination charge	# 801		
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803		
Transfer taxes	#1203		

Charges That in Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
Total			
Increase between GFE and HUD-1 Charges		\$	or %

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	#1001		
Daily interest charges	# 901 \$ /day		
Homeowner's insurance	# 903		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		

Loan Terms

Your initial loan amount is	\$ <input type="text"/>
Your loan term is	<input type="text"/> years
Your initial interest rate is	<input type="text"/> %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ <input type="text"/> includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of <input type="text"/> %. The first change will be on <input type="text"/> and can change again every <input type="text"/> after <input type="text"/> . Every change date, your interest rate can increase or decrease by <input type="text"/> %. Over the life of the loan, your interest rate is guaranteed to never be lower than <input type="text"/> % or higher than <input type="text"/> %.
Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ <input type="text"/> .
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, the first increase can be on <input type="text"/> and the monthly amount owed can rise to \$ <input type="text"/> . The maximum it can ever rise to is \$ <input type="text"/> .
Does your loan have a prepayment penalty?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input type="text"/> .
Does your loan have a balloon payment?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$ <input type="text"/> due in <input type="text"/> years on <input type="text"/> .
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ <input type="text"/> that results in a total initial monthly amount owed of \$ <input type="text"/> . This includes principal, interest, any mortgage insurance and any items checked below: <input type="checkbox"/> Property taxes <input type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> <input type="text"/>

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.



Settlement Statement (HUD-1A)

Optional Form for Transactions without Sellers

Name and Address of Borrower:	Name and Address of Lender:
Property Location: (if different from above)	Settlement Agent:
	Place of Settlement:
Loan Number:	Settlement Date:

L. Settlement Charges	M. Disbursements to Others	
800. Items Payable in Connection with Loan	1501.	
801. Our origination charge (from GFE #1) \$		
802. Your credit or charge (points) for the specific interest rate chosen (from GFE #2) \$	1502.	
803. Your adjusted origination charges (from GFE A)		
804. Appraisal fee to (from GFE #3)	1503.	
805. Credit report to (from GFE #3)		
806. Tax service to (from GFE #3)	1504.	
807. Flood certification (from GFE #3)		
808.	1505.	
900. Items Required by Lender to Be Paid in Advance		
901. Daily interest charges from to @ \$ /day (from GFE #10)	1506.	
902. Mortgage insurance premium for months to (from GFE #3)		
903. Homeowner's insurance for years to (from GFE #11)	1507.	
904.		
1000. Reserves Deposited with Lender	1508.	
1001. Initial deposit for your escrow account (from GFE #9)		
1002. Homeowner's insurance months @ \$ per month \$	1509	
1003. Mortgage insurance months @ \$ per month \$		
1004. Property taxes months @ \$ per month \$	1510.	
1005. months @ \$ per month \$		
1006. months @ \$ per month \$	1511.	
1007. Aggregate Adjustment -\$		
1100. Title Charges	1512.	
1101. Title services and lender's title insurance (from GFE #4)		
1102. Settlement or closing fee \$	1513.	
1103. Owner's title insurance (from GFE #5)		
1104. Lender's title insurance \$	1514.	
1105. Lender's title policy limit \$		
1106. Owner's title policy limit \$	1515.	
1107. Agent's portion of the total title insurance premium \$		
1108. Underwriter's portion of the total title insurance premium \$	1520. Total Disbursed (enter on line 1603)	
1200. Government Recording and Transfer Charges		
1201. Government recording charges (from GFE #7)		
1202. Deed \$ Mortgage \$ Releases \$		
1203. Transfer taxes (from GFE #8)		
1204. City/County tax/stamps Deed \$ Mortgage \$		
1205. State tax/stamps Deed \$ Mortgage \$		
1206.		
1300. Additional Settlement Charges	1600. Loan Amount	\$
1301. Required services that you can shop for (from GFE #6)	1601. Plus Cash/Check from Borrower	\$
1302. \$	1602. Minus Total Settlement Charges (line 1400)	\$
1303. \$	1603. Minus Total Disbursements to Others (line 1520)	\$
1304.	1604. Equals Total Disbursements to Borrower (after expiration of any applicable rescission period required by law)	\$
1305.		
1400. Total Settlement Charges (enter on line 1602, Section N)		

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Good Faith Estimate (GFE)

Name of Originator	Borrower
Originator Address	Property Address
Originator Phone Number	
Originator Email	Date of GFE

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

Important dates

- The interest rate for this GFE is available through []. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
- This estimate for all other settlement charges is available through [].
- After you lock your interest rate, you must go to settlement within [] days (your rate lock period) to receive the locked interest rate.
- You must lock the interest rate at least [] days before settlement.

Summary of your loan

Your initial loan amount is	\$
Your loan term is	years
Your initial interest rate is	%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ per month
Can your interest rate rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % The first change will be in .
Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be in and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$.
Does your loan have a prepayment penalty?	<input type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$.
Does your loan have a balloon payment?	<input type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years.

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$ [] .

Do we require you to have an escrow account for your loan?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

A	Your Adjusted Origination Charges (See page 2.)	\$
B	Your Charges for All Other Settlement Services (See page 2.)	\$
A + B	Total Estimated Settlement Charges	\$

Understanding your estimated settlement charges

Some of these charges can change at settlement. See the top of page 3 for more information.

Your Adjusted Origination Charges										
1. Our origination charge This charge is for getting this loan for you.										
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of [] % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ [] for this interest rate of [] %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ [] for this interest rate of [] %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.										
A	Your Adjusted Origination Charges	\$								
Your Charges for All Other Settlement Services										
3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. <table border="1"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Service	Charge							
Service	Charge									
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.										
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.										
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table border="1"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Service	Charge							
Service	Charge									
7. Government recording charges These charges are for state and local fees to record your loan and title documents.										
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.										
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input type="checkbox"/> all property taxes, <input type="checkbox"/> all insurance, and <input type="checkbox"/> other [].										
10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is \$ [] per day for [] days (if your settlement is []).										
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. <table border="1"> <thead> <tr> <th>Policy</th> <th>Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Policy	Charge							
Policy	Charge									
B	Your Charges for All Other Settlement Services	\$								
A + B	Total Estimated Settlement Charges	\$								



Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none"> Our origination charge Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate) Your adjusted origination charges (after you lock in your interest rate) Transfer taxes 	<ul style="list-style-type: none"> Required services that we select Title services and lender's title insurance (if we select them or you use companies we identify) Owner's title insurance (if you use companies we identify) Required services that you can shop for (if you use companies we identify) Government recording charges 	<ul style="list-style-type: none"> Required services that you can shop for (if you do not use companies we identify) Title services and lender's title insurance (if you do not use companies we identify) Owner's title insurance (if you do not use companies we identify) Initial deposit for your escrow account Daily interest charges Homeowner's insurance

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

- If you want to choose this same loan with **lower settlement charges**, then you will have a **higher interest rate**.
- If you want to choose this same loan with a **lower interest rate**, then you will have **higher settlement charges**.

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$	\$	\$
Your initial interest rate ¹	%	%	%
Your initial monthly amount owed	\$	\$	\$
Change in the monthly amount owed from this GFE	No change	You will pay \$ more every month	You will pay \$ less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$	Your settlement charges will increase by \$
How much your total estimated settlement charges will be	\$	\$	\$

¹ For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

Using the shopping chart

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name				
Initial loan amount				
Loan term				
Initial interest rate				
Initial monthly amount owed				
Rate lock period				
Can interest rate rise?				
Can loan balance rise?				
Can monthly amount owed rise?				
Prepayment penalty?				
Balloon payment?				
Total Estimated Settlement Charges				

If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.

