

# The New RESPA Closing Process

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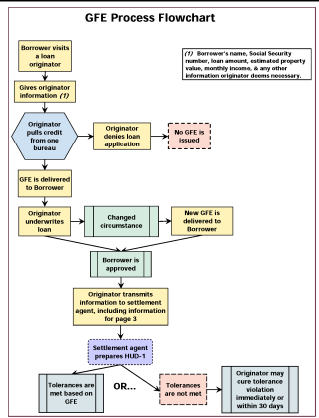
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## Good Faith Estimate (GFE) Process Flowchart



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## Good Faith Estimate (GFE)

- Standardized three-page form delivered at initiation of deal.
  - Key loan terms and costs, tied to HUD-1 Settlement Statement.
  - Establishes tolerances for certain charges that may or may not change from GFE to HUD-1.

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**Good Faith Estimate – Block 4**

- **Title services and Lender’s title insurance premium – regardless if paid for by buyer, seller, or originator. Includes:**
  - Title endorsements
  - Title search
  - Title examination
  - Delivery fees
  - Notary fees
  - Fee for conducting the settlement
  - Title commitment fees
  - Exam fees
  - E-doc fee
  - Overnight fee
  - Extra work fee

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**Good Faith Estimate – Block 4**

- **The lender is to provide a list of providers of settlement services.**
- **If the borrower chooses an identified provider, the 10% tolerance applies.**
- **If the borrower doesn’t choose an identified provider, the tolerance does not apply.**

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**Good Faith Estimate – Block 5**

- **For all *purchase* transactions, the lender must include an estimate of the charge for owner’s title insurance.**
- **Therefore, whenever the owner’s title insurance is shown on the buyer’s GFE, it must be shown as a buyer charge on Line 1103 of the HUD-1. When the seller is paying for the owner’s title insurance there will be an offsetting debit/credit on page one of the HUD-1.**

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**Good Faith Estimate – Block 6**

- **This block is for additional settlement services that the borrower can shop for.**
  - Examples:
    - Survey
    - Pest inspection

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**Good Faith Estimate – Block 7**

- **Lender must estimate all the state and local government fees for recording the loan and title documents that can be expected to be charged at settlement.**
  - These charges are subject to the 10% tolerance.

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**Good Faith Estimate – Block 8**

- **State and local transfer taxes on mortgages and home sales.**
- **If set forth on GFE, HUD-1 will need to show as a buyer expense with a credit back from the seller in the 200/500 sections.**
  - A zero tolerance applies to transfer taxes listed on the GFE.
  - If not shown on the GFE, simply listed on the HUD-1 as a seller charge.

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**Good Faith Estimate – Block 9**

- **Loan originator must estimate the amount it will require the borrower to place into a reserve or escrow account at settlement to pay for recurring charges for:**
  - Property taxes
  - Homeowner’s insurance
  - Mortgage insurance
- **Not subject to tolerance.**

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**Good Faith Estimate – Block 10**

- **Daily interest charges**
  - Per diem charge
  - Number of days

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**Good Faith Estimate – Block 11**

- **Loan originator must make estimates for all types of insurance (other than title insurance).**
  - Hazard insurance
  - Homeowner’s insurance
  - Flood insurance
  - Earthquake insurance
- **Not subject to tolerance.**

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### Good Faith Estimate – Page 3

#### ▪ Three Buckets

##### – 2. Sum of Charges that Cannot Increase More than 10%:

- Required services lender selects.
- Title services and lender's title insurance if lender selects or comes from list provided by lender.
- Owner's title insurance if it comes from list provided by lender.
- Required services borrower shops for if it comes from list provided by lender.
- Government recording charges.

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### Good Faith Estimate – Page 3

#### ▪ Three Buckets

##### – 3. Charges that Can Increase:

- Required services borrower shops for (provider not identified by lender).
- Title services and lender's title insurance (provider not identified by lender).
- Owner's title insurance (provider not identified by lender).
- Initial escrow deposit.
- Daily interest charges.
- Homeowner's insurance.

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### Good Faith Estimate – Page 3

#### ▪ Tradeoff Table

- First column must be filled out with current loan.
- Other columns for loans adjusted for different points or interest rate levels.

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### Good Faith Estimate – Page 3

- **Shopping Chart**

- Comparison of loans from different providers.

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### New HUD-1 Settlement Statement

- **Revised to compare charges with those on GFE.**
- **Categorized**
  - Eliminates fee proliferation.
- **Third party charges listed outside column.**
- **Added third page to HUD-1/1A.**
- **Highlights key loan terms.**

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### New HUD-1 Settlement Statement

- **Payments made on behalf of the borrower by the seller, originator, or real estate agent or other settlement service provider that are for settlement services included on the GFE must be listed in the Borrower's column with an offsetting credit reported in Lines 204-209, identifying the party paying the charge.**
- **If the seller is paying the item, the charge should also be listed in Lines 506-509.**

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**New HUD-1 Settlement Statement**

**700 Series**

- The percentage of commission that the real estate agent receives is no longer disclosed.
  
- Only the broker fees disbursed at closing are shown on lines 701 and 702; Total broker fee shown in Column 703.
  
- If earnest money is paid to broker, that is shown on 704 as a POC.

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**New HUD-1 Settlement Statement**

**1100 Series – Major Changes**

- Line 1101
  - Includes all “Title services and lender’s title insurance.”
- Line 1107
  - Amount of title insurance premium plus endorsements retained by the agent.
- Line 1108
  - Amount of title insurance premium plus endorsements retained by the underwriter.

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**New HUD-1 Settlement Statement**

**1100 Series**

- Line 1101
  - Title Services and Lender’s Title Insurance includes:  
  
1. Title Services
    - Title examination and evaluation;
    - Preparation and issuance of commitment;
    - Clearance of underwriting objections;
    - Preparation and issuance of policies;
    - All processing and administrative services required to perform these functions (e.g., document delivery, preparation, copying, wiring, endorsements, notary, release tracking);
    - Title search fee

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## New HUD-1 Settlement Statement

### ▪ 1100 Series

#### – Line 1101

- Title Services and Lender's Title Insurance includes:
  2. Lender's Title Insurance premium and related endorsement fees (what the borrower will pay for the lender's premium).
  3. The service of conducting a settlement, which includes all processing and administrative services required to perform these functions (e.g., notary, overnight fees, etc.).

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## New HUD-1 Settlement Statement

### ▪ 1100 Series

#### – Line 1102

- Used to record the charge to the borrower for conducting the settlement, which includes all administrative services required to perform these functions (e.g., notary, overnight fees, etc.).
- Fees paid to closers that are not employees must be disclosed.
- The borrower's charge is shown outside the column and rolls up and becomes a part of Line 1101.
- Any separate charge to a seller for conducting the settlement is listed in the seller's column in Line 1102.

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## New HUD-1 Settlement Statement

### ▪ 1100 Series

#### – Line 1103

- Used to record the charges for the owner's title insurance.
- If the owner's title insurance is disclosed on the buyer's GFE the charge remains in the borrower's column on Line 1103.
- A credit from the seller to the borrower to offset the charge should be listed on page 1 of the HUD-1 in Lines 204-209.
- The seller charge for Owner's Policy is then shown in Lines 506-509.

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**New HUD-1 Settlement Statement**

▪ **1100 Series**

- Line 1104
  - Used to record the lender's title insurance premium and related endorsements.
    - Listed outside the column.
- Line 1105
  - The maximum dollar amount of coverage available under the lender's title insurance policy.
    - Listed outside the column.
- Line 1106
  - The maximum dollar amount of coverage available under the owner's title insurance policy.
    - Listed outside the column.

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**New HUD-1 Settlement Statement**

▪ **1100 Series**

- Lines 1107 and 1108
  - Disclose the agent's and underwriter's portion of the title insurance premium, including charges for endorsements.
    - Listed outside the column.
  - An attorney's personal representation of the buyer or seller, not related to the settlement or the provision of title services, should be disclosed on additional lines in the 1100 series.

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**New HUD-1 Settlement Statement**

▪ **1100 Series**

- If the borrower uses the title services provider selected by the lender or from a list provided by the lender, the 10% tolerance is applied.
- If a provider is used that is not on the list given to the borrower by the lender, the 10% tolerance does not apply.

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**New HUD-1 Settlement Statement**

▪ **1200 Series**

- Line 1201
  - Used to record the total government recording charges.
    - Amount must be listed inside the column.
  - The amount is subject to a 10% tolerance.
- Line 1202
  - Used to record the itemized deed, mortgage, and release recording charges.
    - Listed outside the column.
      - Must be actual costs or average cost pricing.
      - Complicated rules for average cost pricing.

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**New HUD-1 Settlement Statement**

▪ **1200 Series**

- Line 1203
  - Used to record the total conveyance tax amount.
    - Listed outside the column.
- Line 1204
  - Used to record the amount of the local conveyance tax.
    - Listed outside the column.
- Line 1205
  - Used to record the amount of the state conveyance tax.
    - Listed outside the column.
- Lines 1204 and 1205 roll up to Line 1203.

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**New HUD-1 Settlement Statement**

▪ **1300 Series**

- Used to:
  - Record required services that the borrower can shop for such as fees for survey, pest inspection, etc., that were previously disclosed on the GFE Block 6; and
  - Record the charges that were not disclosed on the GFE.
- Line 1301
  - The total of all charges for all required third-party settlement service providers that the borrower can shop for.
    - Listed inside the column.

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## New HUD-1 Settlement Statement

### 1300 Series

- If the borrower chooses an identified provider, the 10% tolerance is applied.
- If a non-identified provider is chosen, the fee is not subject to any tolerance.

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## HUD-1 Settlement Statement (page 3)

Changes That Cannot Increase		Tolerable Charges		Charges That Can Increase	
1.000	2.000	3.000	4.000	5.000	6.000
7.000	8.000	9.000	10.000	11.000	12.000
13.000	14.000	15.000	16.000	17.000	18.000
19.000	20.000	21.000	22.000	23.000	24.000
25.000	26.000	27.000	28.000	29.000	30.000
31.000	32.000	33.000	34.000	35.000	36.000
37.000	38.000	39.000	40.000	41.000	42.000
43.000	44.000	45.000	46.000	47.000	48.000
49.000	50.000	51.000	52.000	53.000	54.000
55.000	56.000	57.000	58.000	59.000	60.000
61.000	62.000	63.000	64.000	65.000	66.000
67.000	68.000	69.000	70.000	71.000	72.000
73.000	74.000	75.000	76.000	77.000	78.000
79.000	80.000	81.000	82.000	83.000	84.000
85.000	86.000	87.000	88.000	89.000	90.000
91.000	92.000	93.000	94.000	95.000	96.000
97.000	98.000	99.000	100.000		

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## Comparison Chart – Three Buckets

- Compares charges listed on GFE and actual charges listed on the HUD-1/1A.
- Identifies tolerance compliance or violation.
- Three categories:
  - Charges that cannot increase;
  - **Sum** of charges that cannot increase more than 10%; and
  - Charges that can increase.

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### Charges That Can Change

Charges That Can Change		Good Faith Estimate	HUD-1/1A
Initial deposit for reserves or escrow	#1001	\$306.60	\$306.60
Daily interest charges	# 901 \$50 /day	\$100.00	\$100.00
Homeowner's insurance	# 903	\$800.00	\$800.00
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	#		
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### Title Charges

- **Two standards:**
  - Subject to 10% limit on cost change if the lender selects the title insurer or the borrower uses a company identified by the lender.
  - No limitation on cost change if the borrower does not use a title insurer identified by the lender.
- **This gives the lender a great deal of power over selection of the title insurer.**

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### Right-to-Cure

- **Inadvertent or technical errors are not a violation of RESPA Section 4 if:**
  - Revised HUD-1 is provided within 30 calendar days after settlement; and
  - Corrective action is taken.

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### Loan Terms

Loan Terms	
Your initial loan amount is	\$ 300,000
Your loan term is	30 years
Your initial interest rate is	6%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 1,888.58 includes <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every _____ after _____ . Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%.

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### Loan Terms

Even if you make your payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ _____.
Even if you make your payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ _____ . The earliest it can reach this amount is _____ .
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ .
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years on _____ .
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 checked="" type="checkbox"/> You do have an additional monthly escrow payment of \$ 216.67 . That results in a total initial monthly amount owed of \$ 2,105.25 . This includes principal, interest, and any mortgage insurance, and any items checked below: <input checked="" type="checkbox"/> Property taxes <input type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="checkbox"/> _____ <input type="checkbox"/>

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### HUD FAQs

**Q:** If a GFE is issued on the old form prior to January 1, 2010, and the loan will close after January 1, 2010, which HUD-1 form is to be completed by the settlement agent?

**A:** If a GFE is issued on the old form prior to January 1, 2010, then the old HUD-1 form must be used even if closing will occur after January 1, 2010.

For GFEs issued on the old form, the loan originator has the option to reissue the GFE (with the same terms and charges) on the new form, in which case the settlement agent must complete the new HUD-1 form.

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**HUD FAQs**

**Q:** If the borrower is taking out two loans to finance the purchase, how should the loan originator disclose the charges from each loan on the GFE and the HUD-1?

**A:** Each loan must have a separate GFE and a separate HUD-1. However, the principal amount of the second loan and a brief explanation of the second loan should be listed on Lines 204-209 of the HUD-1 for the first loan.

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**HUD FAQs**

**Q:** When do loan originators have to provide the borrower with a written list of identified providers?

**A:** When a loan originator permits a borrower to shop for third-party settlement services, the loan originator must provide the borrower with a written list of settlement services providers, on a separate sheet of paper, at the time of the GFE.

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**HUD FAQs**

**Q:** Does the borrower have to select a settlement service provider from the loan originator's written list of settlement service providers?

**A:** No. If the loan originator permits a borrower to shop for a settlement service provider, the borrower may choose a qualified provider that is not on the originator's written list.

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**HUD FAQs**

**Q:** If the borrower chooses a settlement service provider that is not on the written list, does the tolerance apply?

**A:** No. If the borrower chooses a settlement service provider that is not on the loan originator's written list of providers, the amount paid for that service is not subject to a tolerance.

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**HUD FAQs**

**Q:** Are delivery fees, notary fees, and settlement services included in "Title services" and therefore included in Block 4 of the GFE?

**A:** Yes, delivery fees, notary fees, and settlement services are all included in the definition of "Title Services" and are included in the charge shown in Block 4 of the GFE.

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**HUD FAQs**

**Q:** If a seller typically pays for the Block 5, "Owner's title insurance," does the charge still have to be shown on the GFE?

**A:** Yes, an estimate of the cost must be shown in Block 5, "Owner's title insurance," for all purchase transactions regardless of who is selecting or paying for it.

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**HUD FAQs**

**Q:** Does the settlement agent have to stop the closing if a tolerance would be violated?

**A:** No, the settlement agent does not need to stop the closing. While HUD recommends that the lender cure the tolerance violation at closing, the lender has 30 calendar days to cure.

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**HUD FAQs**

**Q:** If the lender does not cure a tolerance violation at closing but does cure the violation within the 30-day right-to-cure period, who sends the borrower the reimbursement? Who prepares the revised HUD-1?

**A:** The lender is responsible for making the reimbursement, but either the lender or a third party authorized by the lender (including the settlement agent) may send the reimbursement to the borrower. RESPA and § 3500.8 of HUD’s regulations require the settlement agent (person conducting the settlement) to complete the HUD-1 Settlement Statement. Therefore, a HUD-1 that is revised to adjust charges, such as to cure a tolerance violation, is also completed by the settlement agent.

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**HUD FAQs**

**Q:** What are title services?

**A:** The term “title services” includes:

- 1. Any service involved in the provision of title insurance, including, but not limited to:
  - title examination and evaluation;
  - preparation and issuance of commitment;
  - clearance of underwriting objections;
  - preparation and issuance of policies;
  - all processing and administrative services required to perform these functions (e.g., document delivery, preparation and copying, wiring, endorsements, and notary); and
- 2. The service of conducting a settlement.

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**HUD FAQs**

- Q:** Where should the settlement agent list the document preparation, delivery, commitment, wire, notary, and other miscellaneous title fees on the HUD-1?
- A:** The document preparation, delivery, commitment, wire, notary, and other miscellaneous fees are included as processing and administrative fees that are part of the definition of "title services." All of these types of fees must be included in the charges shown on Line 1101 of the HUD-1, and are not to be itemized separately.

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**HUD FAQs**

- Q:** Do the disclosures of the title agent's and the title underwriter's portions of the title insurance premium on Lines 1107 and 1108 of the HUD-1 Settlement Statement also contain the charges for the title policy endorsements?
- A:** Yes, disclosure of the agent's and the underwriter's portions of the title insurance premium on Lines 1107 and 1108 of the HUD-1 Settlement Statement also contains any charges for title policy endorsements that are retained by the title agent or title underwriter.

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**HUD FAQs**

- Q:** If a borrower selects an attorney to represent the borrower's personal interests at settlement, where is this attorney's fee disclosed on the HUD-1?
- A:** If a borrower selects an attorney to represent the borrower's personal interests at settlement, and the service provided by that attorney is separate from the functions necessary to conduct the closing, provide title services, or issue the lender's title insurance policy, this attorney's charge may be separately listed on a blank line in the 1100 series in the borrower's column, along with the name of the attorney and the type of service provided. Accordingly, the amount of this attorney's fee should not be included in the charge listed on Line 1101.

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**HUD FAQs**

- Q:** How do settlement agents get the information to prepare page 3 of the HUD-1? Do they have to search through all of the loan documents to get this information?
- A:** The lender is required to transmit the information necessary to complete the HUD-1. The instructions for completing the HUD-1 state that the lender must provide information to the settlement agent in a format that permits the settlement agent to simply enter the necessary information to complete the Loan Terms section on page 3 of the HUD-1 without having to refer to the loan documents.

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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](http://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

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



# 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									
<b>1. Our origination charge</b> This charge is for getting this loan for you.									
<b>2. Your credit or charge (points) for the specific interest rate chosen</b> <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 <b>reduces</b> your settlement charges. <input type="checkbox"/> You pay a charge of \$ [ ] for this interest rate of [ ] %. This charge (points) <b>increases</b> 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.									
<b>A</b>	<b>Your Adjusted Origination Charges</b>								
	\$								
Your Charges for All Other Settlement Services									
<b>3. Required services that we select</b> 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								
<b>4. Title services and lender's title insurance</b> This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.									
<b>5. Owner's title insurance</b> You may purchase an owner's title insurance policy to protect your interest in the property.									
<b>6. Required services that you can shop for</b> 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								
<b>7. Government recording charges</b> These charges are for state and local fees to record your loan and title documents.									
<b>8. Transfer taxes</b> These charges are for state and local fees on mortgages and home sales.									
<b>9. Initial deposit for your escrow account</b> 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 [ ].									
<b>10. Daily interest charges</b> 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 [ ] ).									
<b>11. Homeowner's insurance</b> 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>B</b>	<b>Your Charges for All Other Settlement Services</b>								
	\$								
<b>A + B</b>	<b>Total Estimated Settlement Charges</b>								
	\$								



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

## 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 <sup>1</sup>	%	%	%
Your initial monthly amount owed	\$	\$	\$
Change in the monthly amount owed from this GFE	No change	You will pay \$ <b>more</b> every month	You will pay \$ <b>less</b> every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be <b>reduced</b> by \$	Your settlement charges will <b>increase</b> by \$
How much your total estimated settlement charges will be	\$	\$	\$

<sup>1</sup> 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?				
<b>Total Estimated Settlement Charges</b>				

## 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.





# 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.				
<b>C. Note:</b> 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	
<b>100. Gross Amount Due from Borrower</b>	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
104.	
105.	
<b>Adjustment for items paid by seller in advance</b>	
106. City/town taxes to	
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
<b>120. Gross Amount Due from Borrower</b>	
<b>200. Amounts Paid by or in Behalf of Borrower</b>	
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.	
<b>Adjustments for items unpaid by seller</b>	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
<b>220. Total Paid by/for Borrower</b>	
<b>300. Cash at Settlement from/to Borrower</b>	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220)	( )
<b>303. Cash</b> <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

K. Summary of Seller's Transaction	
<b>400. Gross Amount Due to Seller</b>	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
<b>Adjustments for items paid by seller in advance</b>	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
<b>420. Gross Amount Due to Seller</b>	
<b>500. Reductions in Amount Due to Seller</b>	
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.	
<b>Adjustments for items unpaid by seller</b>	
510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
<b>520. Total Reduction Amount Due Seller</b>	
<b>600. Cash at Settlement to/from Seller</b>	
601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	( )
<b>603. Cash</b> <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.

<b>L. Settlement Charges</b>						
<b>700. Total Real Estate Broker Fees</b>					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.						
<b>800. Items Payable in Connection with Loan</b>						
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.						
<b>900. Items Required by Lender to Be Paid in Advance</b>						
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.						
<b>1000. Reserves Deposited with Lender</b>						
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			-\$		
<b>1100. Title Charges</b>						
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			\$		
<b>1200. Government Recording and Transfer Charges</b>						
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.						
<b>1300. Additional Settlement Charges</b>						
1301.	Required services that you can shop for			(from GFE #6)		
1302.				\$		
1303.				\$		
1304.						
1305.						
<b>1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)</b>						

