

Settlement Disclosure

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

SETTLEMENT INFORMATION

Date 12/13/2011
Agent Martha Jones
Location ABC Settlement
54321 Random Blvd, Ste 405
Somecity, AL 54321
Property 1234 Anywhere Street
Somecity, AL 54321

TRANSACTION INFORMATION

Borrower James White and Jane Johnson
456 Avenue Anywhere
Anytown, AL 12345
Seller John Wilson
123 Somewhere Dr.
Anytown, AL 12345
Sale Price \$120,000

LOAN INFORMATION

Lender Sassafras Bank
9876 Random Blvd, Ste 504
Somecity, AL 54321
Loan Type Conventional FHA
 VA _____
Loan Term 30 years
Purpose Purchase
Product Fixed Rate
File # 01234
Loan ID # 1330172608
MIC # 56789

Loan Terms		Can this amount increase after closing?
Loan Amount	\$108,000	NO
Interest Rate	4.125%	NO
Monthly Principal & Interest <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$523.42	NO
		Does the loan have these features?
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$523.42	\$523.42
Mortgage Insurance	+ 54.90	—
Estimated Taxes & Insurance <i>Amount Can Increase Over Time</i>	+ 246.68	+ 246.68
Estimated Total Monthly Payment	\$825.00	\$770.10
Information about Escrow for Taxes & Insurance <i>See Details on Page 4</i>	\$246.68 a month	<input checked="" type="checkbox"/> Escrow. Your monthly payment includes the items listed in Section F on page 2. You must pay other items separately. <input type="checkbox"/> No escrow. You must pay your taxes and insurance separately from your loan payments.

Closing Costs	
Cash to Close	\$16,331.79 Closing Costs include \$4,280.00 in Settlement Fees. See details on page 2.

Settlement Fees		Paid at Closing by Borrower	Financed in Loan Amount	Paid at Closing by Seller	Other Payments by Borrower Other
RE. Real Estate Broker Fees					
\$3,000.00 to Reliable Realty Co./ \$3,000.00 to Realty Pros LLC				\$6,000.00	
A. Origination Charges		\$2,005.00			
1 Point(s)		\$1,080.00			
Underwriting Fee		\$425.00			
Application Fee					\$200.00
Processing Fee		\$300.00			
B. Services Borrower Did Not Shop For		\$1,970.00			
Credit Report Fee	to Creditco				\$9.00
Tax Status Research Fee	to Collateral Research Inc.	\$40.00			
Flood Determination Fee	to Collateral Research Inc.	\$35.00			
Tax Monitoring Fee	to Monitoring Services Inc.	\$15.00			
Flood Monitoring Fee	to Monitoring Services Inc.	\$10.00			
Appraisal Fee	to Local Appraisal Co.				\$354.00
Document Preparation Fee	to Collateral Research Inc.	\$55.00			
Settlement Agent Fee	to ABC Settlement Co.	\$250.00			
Title – Examination	to Regional Title Co.	\$290.00			
Title – Commitment Letter	to Regional Title Co.	\$100.00			
Title – Courier Fees	to Speedy Delivery Corp.	\$32.00			
Title – Lender’s Policy	to First Patriotic Title & Guar. Co. \$108,000	\$320.00			
Title – Owner’s Policy	to First Patriotic Title & Guar. Co. \$120,000	\$460.00			
C. Services Borrower Did Shop For		\$305.00			
Survey Fee	to Surveyors Inc.	\$105.00			
Pest Inspection Fee	to Home Pest Co.	\$200.00			
Structural Inspection Fee	to Home Engineering Corp.			\$275.00	
CALCULATION					
RE + A + B + C		\$3,717.00		\$6,275.00	\$563.00
Lender Credits					
Subtotals of Settlement Fees		\$3,717.00		\$6,275.00	\$563.00
TOTAL SETTLEMENT FEES PAID BY BORROWER			\$4,280.00		
Settlement Costs					
D. Taxes and Other Government Fees		\$207.00			
Recording Fees	Deed: \$12.00 Mortgage: \$45.00	\$45.00		\$12.00	
City/County Tax/Stamps	Deed: Mortgage:				
State Tax/Stamps	Deed: Mortgage:				
Transfer Taxes					
Mortgage Tax	Deed: \$12.00 Mortgage: \$162.00	\$162.00		\$12.00	
E. Prepays		\$2,794.36			
Mortgage Insurance Premium (__ mo.)					
Homeowner’s Insurance Premium (12 mo.) to XYZ Ins. Co.		\$904.00			
Property Taxes (current period)		\$237.61			
Windstorm Insurance Premium (12 mo.) to Wind Safe Co.		\$1,430.00			
Prepaid Interest \$12.38 per day from 12/13 to 12/31		\$222.75			
F. Initial Escrow Payment at Closing		\$740.04			
Mortgage Insurance	per month for __ mo.				
Homeowner’s Insurance	\$75.33 per month for 3 mo.	\$225.99			
County Property Taxes	\$52.18 per month for 3 mo.	\$156.54			
Windstorm Insurance	\$119.17 per month for 3 mo.	\$357.51			
HOA/Condo/Co-op	per month for __ mo.				
CALCULATION					
Subtotals of Settlement Costs (D + E + F)		\$3,741.40		\$24.00	
TOTAL SETTLEMENT COSTS PAID BY BORROWER			\$3,741.40		
CALCULATING CLOSING COSTS					
G. Subtotals of Closing Costs (Settlement Fees + Settlement Costs)		\$7,458.40		\$6,299.00	\$563.00
H. TOTAL CLOSING COSTS PAID BY BORROWER			\$8,021.40		

Calculating Borrower's Cash to Close

Total Closing Costs Paid by Borrower (H)	\$8,021.40
Down Payment/Funds from Borrower	\$12,000.00
Deposit	- \$3,000.00
Cash to Borrower	- \$0
Seller Credits	- \$0
Other Credits and Adjustments	- \$126.61
Closing Costs Financed in Loan Amount (G)	- \$0
Other Payments by Borrower (G)	- \$563.00
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$16,331.79

Summary of Borrower's Transaction

I. Due from Borrower at Closing

Closing Costs Paid at Closing by Borrower (G)	\$7,458.40
Closing Costs Financed in Loan Amount (G)	
Sale Price of Property	\$120,000.00
Sale Price of any Personal Property Included in Sale	

Items Prepaid by Seller that are Due from Borrower

City/town taxes	to
County taxes	to
Assessments	to

Total **\$127,458.40**

J. Paid Already or on Behalf of Borrower at Closing

Deposit	\$3,000.00
Principal Amount of Borrower's New Loan	\$108,000.00
Existing loan(s) assumed or taken subject to	

Unpaid Items that are Due from Seller

City/town taxes	to	
County taxes	10/1/11 to 12/13/11	\$126.61
Assessments	to	

Total **\$111,126.61**

CALCULATION

Total Due from Borrower at Closing (I)	\$127,458.40
Total Paid Already or on Behalf of Borrower at Closing (J)	- \$111,126.61

Cash to Close From To Borrower **\$16,331.79**

Limits on Increases

Costs That Could Not Increase	Loan Estimate	Final	Over Limit?
A. Origination Charges	\$2,005.00	\$2,005.00	NO
D. Transfer Taxes	\$162.00	\$162.00	NO
Costs That Could Not Increase by More Than 10% in Total	Loan Estimate	Final	Over Limit?
B. Services You Did Not Shop For	\$1,820.00	\$1,970.00	NO
D. Recording Fees	\$45.00	\$45.00	
TOTAL	\$1,865.00	\$2,015.00	

Summary of Seller's Transaction

K. Due to Seller at Closing

Sale Price of Property	\$120,000.00
Sale Price of any Personal Property Included in Sale	

Items Prepaid by Seller that are Due from Borrower

City/town taxes	to
County taxes	to
Assessments	to

Total **\$120,000.00**

L. Due from Seller at Closing

Excess Deposit	
Closing Costs Paid at Closing by Seller (G)	\$6,299.00
Existing loan(s) assumed or taken subject to	
Payoff of first mortgage loan	
Payoff of second mortgage loan	

Unpaid Items that are Due from Seller

City/town taxes	to	
County taxes	10/1/11 to 12/13/11	\$126.61
Assessments	to	

Total **\$6,425.61**

CALCULATION

Total Due to Seller at Closing (K)	\$120,000.00
Total Due from Seller at Closing (L)	- \$6,425.61

Cash From To Seller **\$113,574.39**

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.

Late Payment

If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in your home.
- have the option of making monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in your home.
- do not have a negative amortization feature.

Partial Payment Policy

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

- We will not accept partial payments.

Security Interest

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

Escrow Account Information

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay your home-related costs, such as property taxes and homeowner's insurance. We estimate that these costs will total **\$2,960.16** for the first year of your loan. Without an escrow account, you would directly pay these potentially large costs in semi-annual or annual payments. At closing, you will make an initial deposit of **\$740.04** into your escrow account. After that, your regular mortgage payments will include an additional **\$246.68** that will go into your escrow account. We will take money from your account to pay these home-related costs as needed. If we fail to make payments, we may be liable for penalties and interest.

- will not have an escrow account. You do not have an escrow account because ___ you declined an account ___ we do not offer escrow accounts. The fee for not having an escrow account is \$ _____. In addition to your mortgage loan payment, you must directly pay your 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 semiannual or annual payments. If you would like an escrow account, you may contact us at _____ by _____.

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 your property taxes are not paid, 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.

Loan Calculations

Total of Payments. The amount you have paid after you have made all 360 payments as scheduled.	\$281,792.70
Finance Charge. The dollar amount the credit will cost you.	\$87,535.65
Amount Financed. The amount of credit provided to you or on your behalf.	\$105,452.25
Annual Percentage Rate (APR). This is not your interest rate. This rate expresses your costs over the loan term.	4.65%
Total Interest Percentage (TIP). This rate is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.	74.47%
Lender Cost of Funds (LCF). The cost of the funds used to make this loan. This is not a direct cost to you.	1.35%

Originator Information

Name	Friendly Mortgage Broker, Inc.
Phone	555-123-4444
Email	janedoe@frndlymtgbrkr.com
NMLS ID	767698

Originator Fees Summary

Total Fees Paid to Originator	\$2,160.00
Paid by Borrower(s)	—
Paid by Lender	\$2,160.00

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, you are only confirming that you have received this form. You don't have to complete this transaction if you have signed or received this form.

Applicant Signature/Date

Co-Applicant Signature/Date

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

Sassafras 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

If your lender forecloses on your home and the foreclosure does not cover the amount of unpaid balance on this loan:

- state law may protect you from personal liability for the unpaid balance. If you refinance or take on any additional debt on your home, you may lose this protection and be personally liable for debt remaining after the foreclosure. You may want to consult an attorney for more information.
- state law does not protect you from personal liability for the unpaid balance.

Refinance

You may not be able to refinance your loan to lower your interest rate and payments in the future with us or with another lender.

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.