

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 Mimosa 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	Years 1-7	Years 8-30
Payment Calculation		
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	\$246.68 a month	<input checked="" type="checkbox"/> Escrow. Your monthly payment includes the items listed in Section 1400 on page 3. 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 Closing Costs Summary on page 2.

Closing Costs Summary

Total Settlement Fees	\$4,280.00
Settlement Fees Financed in Loan Amount	—
Settlement Fees Paid in Cash at Closing	\$3,717.00
Settlement Fees Paid Before Closing	\$563.00
Total of Other Costs in Connection with the Loan (Settlement Costs minus Seller Credits)	\$3,614.79

Down Payment Summary

Total Down Payment	\$12,000.00
Deposit	\$3,000.00
Remaining Down Payment Due	\$9,000.00

Summary of Borrower's Transaction

100 Total Amount Due from Borrower	
101 Contract sales price	\$120,000.00
102 Personal property	
103 Total Closing Costs to borrower (line 1600)	\$7,458.40
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	
120 Total Amount Due from Borrower	\$127,458.40
200 Amount Paid by or on Behalf of Borrower	
201 Deposit or earnest money	\$3,000.00
202 Principal amount of new loan(s)	\$108,000.00
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 10/1/11 to 12/13/11	\$126.61
212 Assessments to	
213	
214	
215	
216	
217	
218	
220 Total Paid by/for Borrower	\$111,126.61
300 Cash at Settlement from/to Borrower	
301 Total amount due from borrower (line 120)	\$127,458.40
302 Total paid by/for borrower (line 220)	(\$111,126.61)
303 Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$16,331.79

Did Your Closing Costs Increase?

Some Closing Costs are subject to limits on increases.	Loan Estimate	Final
Closing Costs That Cannot Change	\$2,167.00	\$2,167.00
Closing Costs That Can Only Increase 10%	\$1,865.00	\$2,015.00
Increase Between Loan Estimate and Closing Costs	\$0 over limit	

Originator Fees Summary

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

Summary of Seller's Transaction

400 Total Amount Due to Seller	
401 Contract sales price	\$120,000.00
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	
420 Total Amount Due to Seller	\$120,000.00
500 Reductions in Amount Due to Seller	
501 Excess deposit (see instructions)	
502 Total Closing Costs to seller (line 1600)	\$6,299.00
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 10/1/11 to 12/13/11	\$126.61
512 Assessments to	
513	
514	
515	
516	
517	
518	
520 Total Reduction in Amount Due Seller	\$6,425.61
600 Cash at Settlement to/from Seller	
601 Total amount due to seller (line 420)	\$120,000.00
602 Total reduction in amount due seller (line 520)	(\$6,425.61)
603 Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$113,574.39

Closing Costs

700 Total Real Estate Broker Fees		\$120,000 @ 5.0%	\$6,000.00	Paid at Settlement		Paid Outside of Settlement	
Division of commission (line 700) as follows:				From Borrower's Funds	From Seller's Funds	Amount	Paid By/To/When
701	\$3,000.00	to Reliable Realty Co.					
702	\$3,000.00	to Realty Pros LLC					
703	Commission paid at settlement				\$6,000.00		
704							
800 Origination Charges							
801	1	Points		\$1,080.00			
802	Underwriting Fee			\$425.00			
803	Application Fee					\$200.00	Bor/Lend/Before
804	Processing Fee			\$300.00			
805	Broker Fee to Friendly Mortgage Broker Inc.					\$2,160.00	Lend/Brok/At
900 Services in Connection with Your Loan							
901	Credit Report Fee to Creditco					\$9.00	Bor/Prov/Before
902	Tax Status Research Fee to Collateral Research Inc.			\$40.00			
903	Flood Determination Fee to Collateral Research Inc.			\$35.00			
904	Tax Monitoring Fee to Monitoring Services Inc.			\$15.00			
905	Flood Monitoring Fee to Monitoring Services Inc.			\$10.00			
906	Appraisal Fee to Local Appraisal Co.					\$354.00	Bor/Affil/Before
907	Document Preparation Fee to Collateral Research Inc.			\$55.00			
908	Survey Fee to Surveyors Inc.			\$105.00			
909	Pest Inspection Fee to Home Pest Co.			\$200.00			
910	Structural Inspection Fee to Home Engineering Corp.				\$275.00		
1000 Title Charges							
1001	Settlement Agent Fee to ABC Settlement Co.			\$250.00			
1002	Title Examination to Regional Title Co.			\$290.00			
1003	Title Commitment Letter to Regional Title Co.			\$100.00			
1004	Courier Fees to Speedy Delivery Corp.			\$32.00			
1005	Lender's Title Policy to First Patriotic Title & Guar. Co.			\$320.00			
1006	Coverage: \$108,000						
1007	Owner's Title Policy to First Patriotic Title & Guar. Co.			\$460.00			
1008	Coverage: \$120,000						
1009							
1010							
1011							
1100 Total Settlement Fees		\$4,280.00 by Borrower	Paid by Borrower at Closing: \$3,717.00		Paid by Borrower Before Closing: \$563.00		
1200 Taxes and Other Government Fees							
1201	Recording Fees:	Deed \$12.00	Mortgage \$45.00	\$45.00	\$12.00		
1202	City/County Tax/Stamps:	Deed \$	Mortgage \$				
1203	State Tax/Stamps:	Deed \$	Mortgage \$				
1204	Transfer Taxes						
1205	Mortgage Tax:	Deed \$12.00	Mortgage \$162.00	\$162.00	\$12.00		
1300 Prepays							
1301	Property Taxes (current period)			\$237.61			
1302	Homeowner's Insurance Premium (12 months) to XYZ Ins. Co.			\$904.00			
1303	Mortgage Insurance Premium (months) to						
1304	Windstorm Insurance Premium (12 months) to Wind Safe Co.			\$1,430.00			
1305	Daily Interest Charges \$12.38 per day from 12/13 to 12/31			\$222.75			
1400 Initial Escrow Payment							
1401	Homeowner's Insurance \$75.33 per month for 3 mo.			\$225.99			
1402	Mortgage Insurance per month for mo.						
1403	City Property Taxes per month for mo.						
1404	County Property Taxes \$52.18 per month for 3 mo.			\$156.54			
1405	Annual Assessments						
1406	Windstorm Insurance \$119.17 per month for 3 mo.			\$357.51			
1407							
1408	Aggregate Adjustment						
1500 Total Settlement Costs		\$3,741.40 by Borrower	Paid by Borrower at Closing: \$3,741.40		Paid by Borrower Before Closing: \$0		
1600 TOTAL CLOSING COSTS (Line 1100 + Line 1500)				\$7,458.40	\$6,299.00		

Loan Disclosures

Assumption

If you sell or transfer your home to another person:

- We will allow, under certain conditions, this person to assume this loan on the original terms.
- We will not allow assumption of this loan.

Demand Feature

- Your loan has a demand feature, which permits the lender to demand early repayment of the loan. If this loan has a demand feature, you should review your note for details.
- Your loan does not have a demand feature.

Escrow Account Information

For now, your loan

will have an escrow account (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.

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.

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

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

Mimosa 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.