

# Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

## Closing Information

**Date Issued** 12/03/2012  
**Closing Date** 12/06/2012  
**Disbursement Date** 12/06/2012  
**Agent** Epsilon Title Co.  
**File #** 12-3456  
**Property** 456 Somewhere Avenue  
 Anytown, AZ 12345  
**Sale Price** \$240,000

## Transaction Information

**Borrower** John A. and Mary B.  
 123 Anywhere Street  
 Anytown, AZ 12345  
**Seller** Steve C. and Amy D.  
 123 Somewhere Drive  
 Anytown, AZ 12345  
**Lender** Ficus Bank

## Loan Information

**Loan Term** 30 years  
**Purpose** Purchase  
**Product** 5 Year Interest Only,  
 5/3 Adjustable Rate  
**Loan Type**  Conventional  FHA  
 VA  \_\_\_\_\_  
**Loan ID #** 123456789  
**MIC #** 000654321

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$216,500	<b>NO</b>
<b>Interest Rate</b>	4.375%	<b>YES</b> <ul style="list-style-type: none"> <li>Adjusts <b>every three years</b> starting in year 6</li> <li>Can go <b>as high as 8%</b> in year 9</li> <li>See <b>AIR table on page 4</b> for details</li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$789.32	<b>YES</b> <ul style="list-style-type: none"> <li>Adjusts <b>every three years</b> starting in year 6</li> <li>Can go <b>as high as \$1,664</b> in year 9</li> <li>Includes <b>only interest</b> and <b>no principal</b> until year 6</li> <li>See <b>AP table on page 4</b> for details</li> </ul>
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>	<b>NO</b>	
<b>Balloon Payment</b>	<b>NO</b>	

Projected Payments	Years 1-5	Years 6-8	Years 9-11	Years 12-30
<b>Payment Calculation</b>				
Principal & Interest	\$789.32 <i>only interest</i>	\$1,266 min \$1,582 max	\$1,266 min \$1,664 max	\$1,266 min \$1,664 max
Mortgage Insurance	+ 164.18	+ 164.18	+ 164.18	+ —
Estimated Escrow <i>Amount Can Increase Over Time</i>	+ 699.50	+ 699.50	+ 699.50	+ 699.50
<b>Estimated Total Monthly Payment</b>	<b>\$1,653.00</b>	<b>\$2,130 – \$2,446</b>	<b>\$2,130 – \$2,528</b>	<b>\$1,966 – \$2,364</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount Can Increase Over Time See Details on Page 4</i>	\$842.09 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: HOA <i>See page 4 for escrowed property costs. You must pay for other property costs separately.</i>		<b>In escrow?</b> <b>YES</b> <b>YES</b> <b>NO</b>

Cash to Close		
<b>Cash to Close</b>	\$29,826.23	Includes \$13,533.29 in Closing Costs (\$4,818.00 in Loan Costs + \$8,715.29 in Other Costs). See details on page 2.

# Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>	<b>\$2,850.00</b>				
01 % of Loan Amount (Points)					
02 Broker Fee to Friendly Mortgage Broker, Inc. by Lender					\$4,330.00
03 Desk Review Fee	\$150.00				
04 Loan Origination Fee	\$1,000.00				
05 Processing Fee	\$300.00				
06 Rate Lock Fee		\$525.00			
07 Underwriting Fee	\$800.00				
08 Verification Fee	\$75.00				
<b>B. Services Borrower Did Not Shop For</b>	<b>\$900.00</b>				
01 Appraisal Fee to Local Appraisal Co.		\$305.00			
02 Credit Report Fee to Credit Co.	\$30.00				
03 Document Preparation Fee to Collateral Research Inc.	\$55.00				
04 Flood Determination Fee to Collateral Research Inc.	\$35.00				
05 Flood Monitoring Fee to Monitoring Services Inc.	\$10.00				
06 Lender's Attorney to The Firm LLP	\$425.00				
07 Tax Monitoring Fee to Monitoring Services Inc.	\$15.00				
08 Tax Status Research Fee to Collateral Research Inc.	\$25.00				
09					
10					
<b>C. Services Borrower Did Shop For</b>	<b>\$1,068.00</b>				
01 Pest Inspection Fee to Home Pest Co.	\$125.00				
02 Survey Fee to ABC Surveys Co.	\$160.00				
03 Title Guaranty Fee to Title Ins. Guar. Assn. by Lender	\$1.00				\$1.00
04 Title – Courier Fee to Quick Delivery Co.	\$32.00				
05 Title – Lender's Policy to Regional Title Co.	\$100.00				
06 Title – Settlement Agent Fee to ABC Settlement Co.	\$425.00				
07 Title – Title Search to Regional Title Co.	\$225.00				
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$4,818.00</b>				
Loan Costs Subtotals (A + B + C)	\$3,988.00	\$830.00			
<b>Other Costs</b>					
<b>E. Taxes and Other Government Fees</b>	<b>\$152.00</b>				
01 Recording Fees Deed: \$120.00 Mortgage: \$32.00	\$152.00				
02					
<b>F. Prepays</b>	<b>\$2,543.48</b>				
01 Homeowner's Insurance Premium ( 12 mo.) to XYZ Ins. Co.	\$1,460.00				
02 Mortgage Insurance Premium ( mo.)					
03 Prepaid Interest \$26.31 per day from 3/23/12 to 3/31/12	\$210.48				
04 Property Taxes ( mo.)					
05 Windstorm Insurance Premium ( 12 mo.) to YYY Ins. Co.	\$873.00				
<b>G. Initial Escrow Payment at Closing</b>	<b>\$2,793.50</b>				
01 HOA/Condo/Co-op per month for mo.					
02 Homeowner's Insurance \$121.67 per month for 3 mo.	\$365.01				
03 Mortgage Insurance per month for mo.					
04 Property Taxes \$505.08 per month for 3 mo.	\$1,515.24				
05 Property Tax Escrow Adjustment	\$695.00				
06 Windstorm Insurance \$72.75 per month for 3 mo.	\$218.25				
07					
08 Aggregate Adjustment					
<b>H. Other</b>	<b>\$3,226.31</b>				
01 \$6,000.00 to Reliable Realty Co. / \$6,000.00 to Realty Pros LLC			\$12,000.00		
02 HOA Processing Fee to HOA Corp.	\$700.00				
03 Home Warranty to XYZ Warranty Inc.	\$260.31				
04 Inspection Fee to Inspector Home Co.				\$300.00	
05 Mobile Signing Agent to Quick Signing Co.	\$150.00				
06 Real Estate Broker Admin. Fee to Reliable Realty Co.	\$200.00				
07 Structural Inspection Fee to Home Engineering Corp.	\$325.00				
08 Title – Owner's Policy (optional) to Regional Title Co.	\$1,591.00				
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>	<b>\$8,715.29</b>				
Other Costs Subtotals (E + F + G + H)	\$8,715.29	\$0			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$13,533.29</b>				
Closing Costs Subtotals (D + I)	\$12,703.29	\$830.00	\$12,000.00	\$300.00	\$4,331.00
Lender Credits					

## Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Estimate	Final	Did this change?
Total Closing Costs (J)	\$9,120	\$13,533.29	<b>YES</b> • See <b>Total Loan Costs (D)</b> and <b>Total Other Costs (I)</b>
Closing Costs Paid Before Closing	\$0	– \$830.00	<b>YES</b> • You paid these Closing Costs <b>before closing</b>
Closing Costs Financed (Included in Loan Amount)	\$0	– \$5,500.00	<b>YES</b> • You included these closing costs in your loan amount, which <b>increased your loan amount</b>
Down Payment/Funds from Borrower	\$29,000	\$29,000.00	<b>NO</b>
Deposit	– \$5,000	– \$5,000.00	<b>NO</b>
Funds for Borrower	\$0	\$0	<b>NO</b>
Seller Credits	– \$1,000	– \$1,000.00	<b>NO</b>
Adjustments and Other Credits	\$0	– \$377.06	<b>YES</b> • See details in <b>Sections K and L</b>
<b>Cash to Close</b>	<b>\$32,120</b>	<b>\$29,826.23</b>	

## Summaries of Transactions

Use this table to see a summary of your transaction.

### BORROWER'S TRANSACTION

#### K. Due from Borrower at Closing **\$253,170.79**

01	Sale Price of Property	\$240,000.00
02	Sale Price of Any Personal Property Included in Sale	
03	Closing Costs Paid at Closing (J)	\$12,703.29
04		

#### Adjustments

05		
06		
07		

#### Adjustments for Items Paid by Seller in Advance

08	City/Town Taxes	to	
09	County Taxes	to	
10	Assessments	to	
11	HOA Dues	3/23/12 to 6/30/12	\$467.50
12			
13			
14			
15			

#### L. Paid Already by or on Behalf of Borrower at Closing **\$223,344.56**

01	Deposit	\$5,000.00
02	Borrower's Loan Amount	\$216,500.00
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	\$1,000.00

#### Other Credits

06		
07		

#### Adjustments

08		
09		
10		
11		

#### Adjustments for Items Unpaid by Seller

12	City/Town Taxes	1/1/12 to 3/23/12	\$844.56
13	County Taxes	to	
14	Assessments	to	
15			
16			
17			

### CALCULATION

Total Due from Borrower at Closing (K)	\$253,170.79
Total Paid Already by or on Behalf of Borrower at Closing (L)	– \$223,344.56

**Cash to Close**  From  To Borrower **\$29,826.23**

### SELLER'S TRANSACTION

#### M. Due to Seller at Closing **\$240,467.50**

01	Sale Price of Property	\$240,000.00
02	Sale Price of Any Personal Property Included in Sale	
03		
04		

05

06

07

08

#### Adjustments for Items Paid by Seller in Advance

09	City/Town Taxes	to	
10	County Taxes	to	
11	Assessments	to	
12	HOA Dues	3/23/12 to 6/30/12	\$467.50
13			
14			
15			
16			

#### N. Due from Seller at Closing **\$93,007.43**

01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	\$12,000.00
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	\$79,162.87
05	Payoff of Second Mortgage Loan	

06

07

08 Seller Credit \$1,000.00

09

10

11

12

13

#### Adjustments for Items Unpaid by Seller

14	City/Town Taxes	1/1/12 to 3/23/12	\$844.56
15	County Taxes	to	
16	Assessments	to	
17			
18			
19			

### CALCULATION

Total Due to Seller at Closing (M)	\$240,467.50
Total Due from Seller at Closing (N)	– \$93,007.43

**Cash**  From  To Seller **\$147,460.07**

# Additional Information About This Loan

## Loan Disclosures

### Assumption

- If you sell or transfer this property to another person, your lender
- will allow, under certain conditions, this person to assume this loan on the original terms.
  - will not allow assumption of this loan.

### Demand Feature

Your loan

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

### Late Payment

If your payment is more than 15 days late, your lender 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 this property.
- may have 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 this property.
- do not have a negative amortization feature.

### Partial Payment

Your lender will

- accept payments that are less than the full amount due (partial payments). Partial payments will be applied:

\_\_\_\_\_

- not accept partial payments.

If this loan is sold, your new lender may have a different policy.

### Security Interest

You are granting a security interest in 456 Avenue A, Anytown, AZ 12345.

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

### Escrow Account

**For now,** your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$8,394.00	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance, Mortgage Insurance, Property Taxes, Windstorm Insurance</i>
Non-Escrowed Property Costs over Year 1	\$1,711.08	Estimated total amount over year 1 for your non-escrowed property costs: <i>HOA dues</i>  You may have other property costs.
Initial Payment	\$2,793.50	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Payment	\$699.50	The amount included in your total monthly payment.

- will not have an escrow account because  you declined it  your lender does not offer them. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

### In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

## Adjustable Payment (AP) Table

Interest Only Payments?	YES for your first 60 payments
Optional Payments?	NO
Step Payments?	NO
<b>Monthly Principal and Interest Payments</b>	
First Change/Amount	\$1,266 – \$1,582 starting at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$1,664 starting at 108th payment

## Adjustable Interest Rate (AIR) Table

Index + Margin	LIBOR + 4%
Initial Interest Rate	4.375%
Minimum/Maximum Interest Rate	5%/8%
<b>Change Frequency</b>	
First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change
<b>Limits on Interest Rate Changes</b>	
First Change	3%
Subsequent Changes	3%

## Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$704,172.58
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$239,364.26
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charges.	\$212,989.52
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	5.61%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	99.01%
<b>Approximate Cost of Funds (ACF).</b> The approximate cost of the funds used to make this loan. This is not a direct cost to you.	1.22%



**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/learnmore](http://www.consumerfinance.gov/learnmore).

## Other Disclosures

### Appraisal

If you paid for a written appraisal or valuation of the property, your lender is 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 your lender at the information listed below.

### 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 your lender 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 this property and the foreclosure does not cover the amount of unpaid balance on this loan,

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

### Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

### Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

## Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
<b>Address</b>	4321 Random Blvd. Somecity, AZ 54321		789 Local Lane Sometown, AZ 12345	987 Suburb Ct. Someplace, AZ 12340	123 Commerce Pl. Somecity, AZ 12344
<b>NMLS/ License ID</b>	111111		Z765416	Z61456	Z61616
<b>Contact</b>	Joe S.		Samuel G.	Joseph C.	Sarah A.
<b>Contact NMLS/ License ID</b>	12345		P16415	P51461	PT1234
<b>Email</b>	joesmith@ ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@ epsilontitle.com
<b>Phone</b>	123-456-7890		123-555-1717	321-555-7171	987-555-4321

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Applicant Signature

Date