



# How TRID helps you Know Before You Owe

A guide to understanding the costs associated with purchasing or refinancing a home.

# TRID: Know Before You Owe

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## TRID (TILA RESPA Integrated Disclosure) and KBYO (Know Before You Owe) are one in the same.

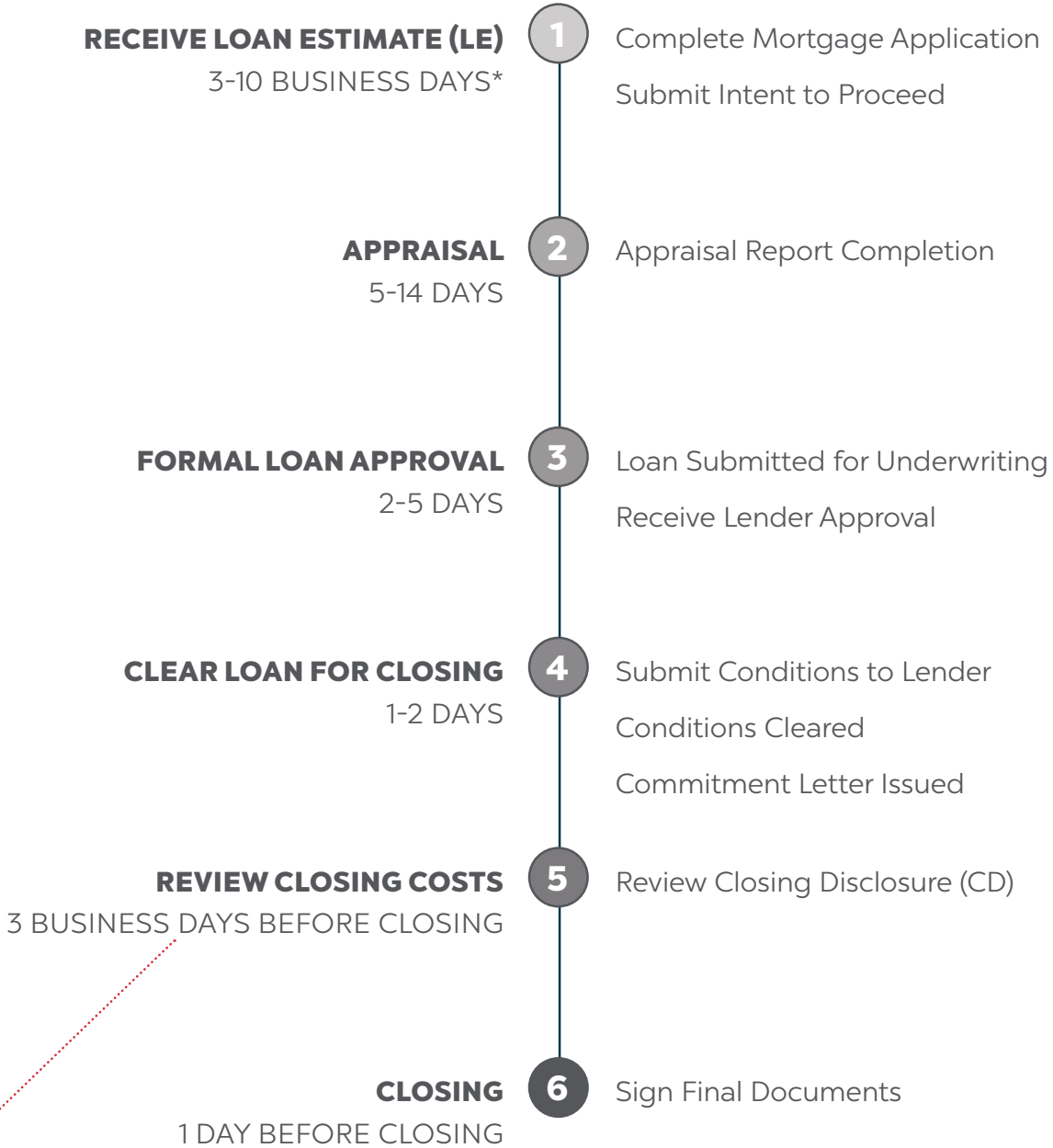
In effort to create easy-to-understand, fee-related mortgage disclosures, the Consumer Financial Protection Bureau (CFPB) is implementing TRID, or Know Before You Owe (KBYO) for all new loan applications received on or after October 3<sup>rd</sup>, 2015. Don't fret, this is not just another acronym, the new TRID disclosures will help you better understand your loan fees, loan terms and closing costs from beginning to end.

The acronym stands for **TILA RESPA Integrated Disclosures (TRID)**. TRID replaces, and combines, the Truth-in-Lending, Good Faith Estimate and Settlement Statement (you might also know it as the HUD-1) into two separate disclosures – the Loan Estimate and Closing Disclosure.

The new disclosures simplify the process so you can:

- Better understand what you're paying for.
- Shop lenders, should you choose to do so.
- Understand what is due at closing with enough time to consider your options.

# Typical TRID loan timeline



**You'll receive a Loan Estimate within 3 business day of submitting your loan application.**

Business Days will depend on your lender. For Guaranteed Rate, it's all calendar days except for Sunday and legal holidays.

Also, you must sign and submit your intent to proceed within 10 business days; otherwise, your Loan Estimate will expire.

# What is a Loan Estimate?

## The Loan Estimate (LE) replaces the Good Faith Estimate and Truth-in-Lending disclosures.

When applying for a home loan, you'll receive a full set of loan disclosures that will include the LE.

The loan estimate will include:

### Summary

You'll find information about the loan applicants (you), general loan information and the status of your rate — is it locked or not?

When you lock your rate, you can lock for 10, 25, 40, 55, 70 or 85 days; the longer the lock, the higher the rate. If you choose to wait to lock your rate, your rate is considered to be floating. If you've chosen to float your rate at the time you receive your LE, the stated rate on the LE will not be guaranteed.

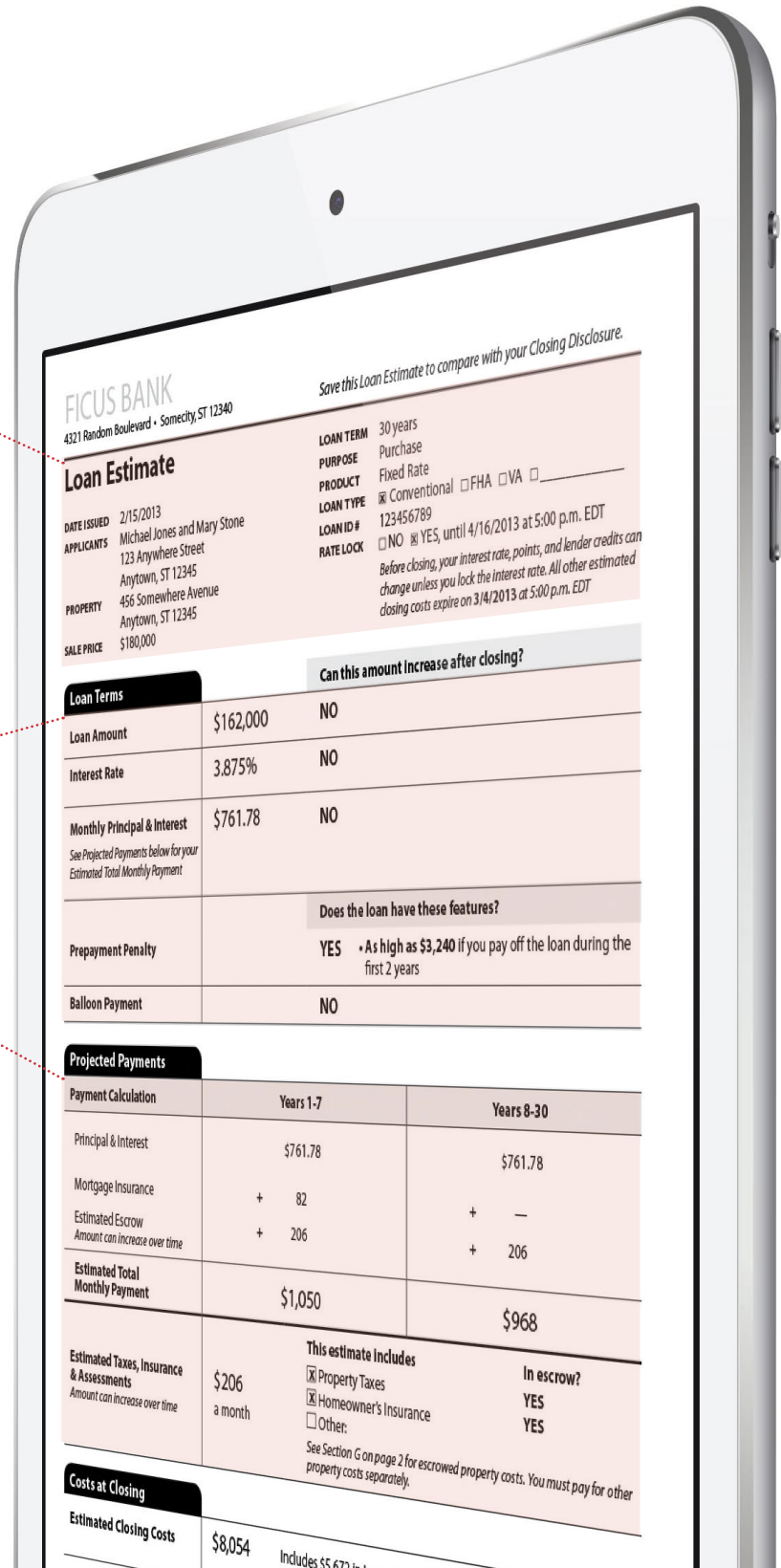
### Loan Terms

This new section will help you find the loan amount faster — it's right in the center of the document.

### Payments

You'll see the projected mortgage payments along with your monthly tax and insurance payment; should you choose to include taxes and insurance in your monthly payment (this is your escrow impound account).

Important to know, when putting down less than 20 percent, an escrow impound account is required by the lender. There are, however, exceptions to the rules and you should discuss these options with your chosen mortgage professional and why.



## Closing costs pages 2-3

You'll find an itemized list of all costs and fees associated with obtaining financing. The costs are broken into easily digestible sections so you are clear on what you owe and why.

Closing Cost Details	
<b>Loan Costs</b>	<b>Other Costs</b>
<b>A. Origination Charges</b>	<b>K. Taxes and Other Government Fees</b>
2% of Loan Amount (Points) \$1,802	Recording Fees and Other Taxes \$85
Application Fee \$405	Transfer Taxes \$85
Underwriting Fee \$1,097	
	<b>F. Prepaids</b>
	Homeowner's Insurance Premium ( 6 months) \$605
	Mortgage Insurance Premium ( months) \$605
	Prepaid Interest (\$17.44 per day for 15 days @ 3.875%) \$262
	Property Taxes ( months) \$262
<b>B. Services You Cannot Shop For</b>	<b>G. Initial Escrow Payment at Closing</b>
Appraisal Fee \$472	Homeowner's Insurance \$108.85 per month for 2 mo. \$202
Appraisal Fee \$405	Mortgage Insurance per month for mo. \$211
Credit Report Fee \$30	Property Taxes \$105.30 per month for 2 mo. \$211
Flood Determination Fee \$20	
Flood Monitoring Fee \$32	
Tax Monitoring Fee \$25	
Tax Status Research Fee \$110	
	<b>H. Other</b>
	Title - Owner's Title Policy (optional) \$1,017
	<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>
	\$2,382
<b>C. Services You Can Shop For</b>	<b>J. TOTAL CLOSING COSTS</b>
Pest Inspection Fee \$135	\$8,054
Survey Fee \$65	Escrow
Title - Insurance Binder \$700	Lender Credits \$8,054
Title - Lender's Title Policy \$535	
Title - Settlement Agent Fee \$502	
Title - Title Search \$1,261	
	<b>Calculating Cash to Close</b>
	Total Closing Costs (J)
	\$8,054
	Closing Costs Financed (Paid from your Loan Amount)
	\$0
	Down Payments/Funds from Borrower
	\$18,000
	Deposit
	-\$10,000
	Funds for Borrower
	\$0
	Seller Credits
	\$0
	Adjustments and Other Credits
	\$0
<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>Estimated Cash to Close</b>
\$5,672	\$16,054

LOAN ESTIMATE PAGE 2 OF 3 • LOAN ID # 123456789

The third and final page includes: a summary of the lender and mortgage professional information, a comparison section that will allow you to compare the current deal to other offers, a list of required disclosures and a signature block – your lender may require you to sign and date the LE.

Additional Information About This Loan	
<b>LENDER</b>	Ficus Bank
<b>NMLS / LICENSE ID</b>	
<b>LOAN OFFICER</b>	Joe Smith
<b>NMLS / LICENSE ID</b>	12345
<b>EMAIL</b>	joesmith@ficusbank.com
<b>PHONE</b>	123-456-7890
<b>MORTGAGE BROKER</b>	
<b>NMLS / LICENSE ID</b>	
<b>LOAN OFFICER</b>	
<b>NMLS / LICENSE ID</b>	
<b>EMAIL</b>	
<b>PHONE</b>	
<b>Comparisons</b>	Use these measures to compare this loan with other loans.
<b>In 5 Years</b>	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
<b>Annual Percentage Rate (APR)</b>	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
<b>Total Interest Percentage (TIP)</b>	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.
<b>Other Considerations</b>	
<b>Appraisal</b>	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
<b>Assumption</b>	If you sell or transfer this property 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 on the original terms.
<b>Homeowner's Insurance</b>	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
<b>Late Payment</b>	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
<b>Refinance</b>	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.
<b>Servicing</b>	We intend to service your loan. If so, you will make your payments to us. We will transfer servicing of your loan.
<b>Confirm Receipt</b>	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.
<b>Applicant Signature</b>	Date
<b>Co-Applicant Signature</b>	Date

LOAN ESTIMATE PAGE 3 OF 3 • LOAN ID #123456789

## Loan Estimate

**DATE ISSUED** 2/15/2013  
**APPLICANTS** Michael Jones and Mary Stone  
 123 Anywhere Street  
 Anytown, ST 12345  
**PROPERTY** 456 Somewhere Avenue  
 Anytown, ST 12345  
**SALE PRICE** \$180,000

**PURPOSE** Purchase  
**PRODUCT** Fixed Rate  
**LOAN TYPE**  Conventional  FHA  VA   
**LOAN ID #** 123456789  
**RATE LOCK**  NO  YES, until 4/16/2013 at 5:00 p.m. EDT  
 Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/14/2013 at 5:00 p.m. EDT

### Loan Terms

		Can this amount increase after closing?
<b>Loan Amount</b>	\$162,000	NO
<b>Interest Rate</b>	3.875%	NO
<b>Monthly Principal &amp; Interest</b>	\$761.78	NO
<i>See Projected Payments below for your Estimated Total Monthly Payment</i>		
<b>Prepayment Penalty</b>	YES	As high as \$3,240 if you pay off the loan during the first 2 years
<b>Balloon Payment</b>	NO	

### Projected Payments

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow	+ 206	+ 206
<i>Amount can increase over time</i>		
<b>Estimated Total Monthly Payment</b>	<b>\$1,050</b>	<b>\$968</b>

### Closing costs

Here you'll find your estimated closing costs as well as the estimated cash to close – if you need to bring cash to close.

Estimated includes  
 Property Taxes  
 Homeowner's Insurance  
 Title  
 In escrow?  
 YES  
 YES

### Costs at Closing

<b>Estimated Closing Costs</b>	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
<b>Estimated Cash to Close</b>	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789



## Timing and essential information

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The LE must be sent to you no less than three business days after you've provided the lender with the following:

1. Full name
2. Income
3. Social Security number to obtain a credit report
4. Property address of the property you wish to finance
5. Estimated value of the property you wish to finance
6. Loan amount you seek



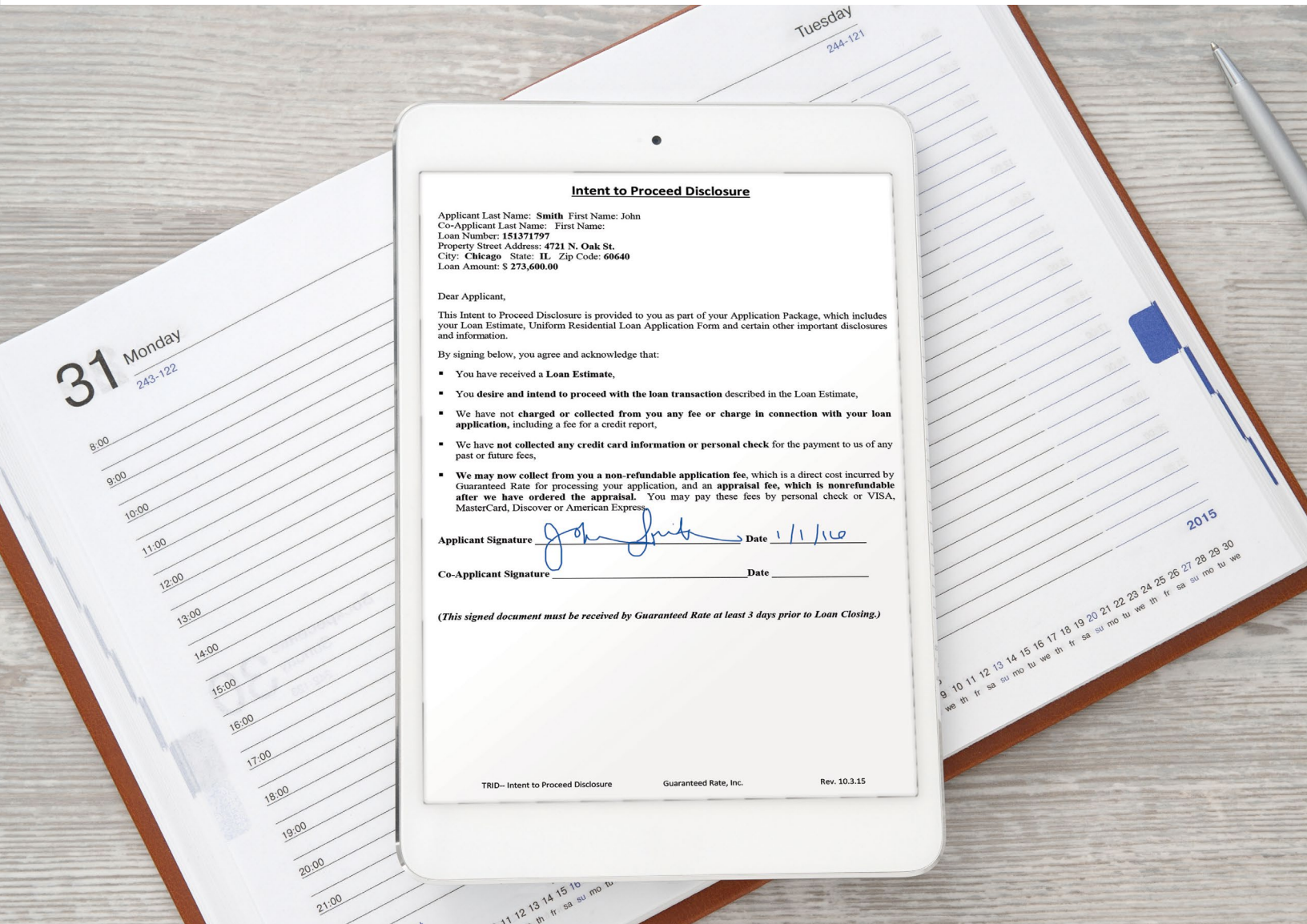
# Intent to proceed

In order to proceed with the loan process, you, the consumer, must provide your intent to proceed. This lets your mortgage professional know you intend on moving forward with the loan application. The method can be written or oral and will be determined by your lender.

At Guaranteed Rate, your intent must be submitted in writing and can be conveyed via email, U.S. mail or DocuSign. Our new Digital Mortgage allows you to digitally submit your intent to proceed, mortgage application and other needed documents using technology from Box and DocuSign.

**If after 10 days your intent to proceed has not been received by your mortgage professional, your LE will expire.**

Prior to receiving your intent to proceed your lender may not accept payment or payment information for any services.



# What is a Closing Disclosure?

The Closing Disclosure (CD) offers details about the costs and fees associated with your home financing, government taxes and other services.

The five page document itemizes all costs and fees into two categories: Loan Costs and Other Costs. Both cost categories can be found on page two of your CD.

The first page of the CD looks very similar to the LE; however, the information contained in the CD is the final loan information and should be received three business days prior to consummation (typically called "closing"). So you're clear, you cannot close until three business days after you've received the CD. In this case, business days are considered to be Monday through Saturday; excluding Federal holidays.

Your Closing Disclosure will also include:

## Page one

This offers a high-level view of your loan. You'll see information about all parties involved in the purchase, or refinance, of your home, final loan terms, monthly payments and total closing costs listed.

## Page two

You'll find an itemized list of all costs and fees associated with obtaining financing followed by other costs associated with financing. This is where you'll find both cost categories, loan costs and other costs.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Mig		
Closing Date	4/15/2013		122		
Disbursement Date	4/15/2013	Seller	32		
Settlement Agent	Epsilon Title Co.	Lender	32		
File #	12-3456		32		
Property	456 Somewhere Ave		32		
Sale Price	Anytown, ST 12345		32		
	\$180,000		32		

Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others	
		At Closing	Before Closing	At Closing	Before Closing		
<b>A. Origination Charges</b>							
01	0.25 % of Loan Amount (Points)	\$405.00					
02	Application Fee	\$300.00					
03	Underwriting Fee	\$1,097.00					
04							
05							
06							
07							
08							
09							
10							
<b>B. Services Borrower Did Not Shop For</b>							
01	Appraisal Fee						\$405.00
02	Credit Report Fee			\$29.80			
03	Flood Determination Fee	\$30.00					
04	Flood Monitoring Fee	\$31.75					
05	Tax Monitoring Fee	\$75.00					
06	Tax Status Research Fee	\$80.00					
07							
08							
09							
10							
<b>C. Services Borrower Did Shop For</b>							
01	Pest Inspection Fee	\$120.50					
02	Survey Fee	\$85.00					
03	Title - Insurance Binder	\$650.00					
04	Title - Lender's Title Insurance	\$500.00					
05	Title - Settlement Agent Fee	\$500.00					
06	Title - Title Search	\$800.00					
07							
08							
09							
10							
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>		<b>\$4,694.05</b>					
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80				
<b>Other Costs</b>							
<b>E. Taxes and Other Government Fees</b>							
01	Recording Fees	\$85.00					
02	Transfer Tax			\$950.00			
<b>F. Prepays</b>							
01	Homeowner's Insurance Premium ( 12 mo.)	\$1,209.96					
02	Mortgage Insurance Premium ( mo.)	\$279.04					
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13 )	\$631.80					
04	Property Taxes ( 6 mo.) to Any County USA	\$412.25					
05							
<b>G. Initial Escrow Payment at Closing</b>							
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66					
02	Mortgage Insurance	\$210.60					
03	Property Taxes \$105.30 per month for 2mo.	\$210.60					
04							
05							
06							
07							
08							
09							
10							
<b>H. Other</b>							
01	HOA Capital Contribution	\$500.00					
02	HOA Processing Fee	\$150.00					
03	Home Inspection Fee	\$750.00				\$750.00	
04	Home Warranty Fee				\$450.00		
05	Real Estate Commission				\$5,700.00		
06	Real Estate Commission				\$5,700.00		
07	Title - Owner's Title Insurance (optional)	\$1,000.00					
08							
09							
10							
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>		<b>\$5,018.05</b>					
Other Costs Subtotals (E + F + G + H)		\$5,018.05					
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>							
<b>Closing Costs Subtotals (D + I)</b>		<b>\$9,712.10</b>					
Closing Costs Subtotals (D + I)		\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00	
Lender Credits							



**Page three**

You'll find the total cash to close along with other fees, as it compares to the LE you were given at the start of the process.

Next is a Summary of Transactions. This is a high-level view of all costs and fees associated with the purchase or refinance; in the case of a purchase, you'll see the seller's fees and/or credits listed.

**Page four**

This page outlines additional information about the loan such as loan disclosures, information on partial payments, the property address and annual escrow estimates.

For those who choose an adjustable rate, all of the details related to your ARM will be listed. This includes adjustment periods, estimated payments after adjustments and limits on rate changes.

**Page five**

The last page of the CD lists the total loan calculations, disclosures (these are also found on the LE), contact information for those professionals involved in the purchase or refinance and finally, a signature block.

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.		
	Loan Estimate	Final	Did this change?	
Total Closing Costs (L)	\$8,054.00	\$9,712.10	YES	- See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	-\$29.80	YES	- You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO	
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO	
Deposit	-\$10,000.00	-\$10,000.00	NO	
Funds for Borrower	\$0	\$0	NO	
Seller Credits	\$0	-\$2,500.00	YES	- See Seller Credits in Section L
Adjustments and Other Credits	\$0	-\$1,035.04	YES	- See details in Sections K and L
<b>Cash to Close</b>	<b>\$16,054.00</b>	<b>\$14,147.26</b>		

BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
<b>K. Due from Borrower at Closing</b>	<b>\$189,762.30</b>	<b>M. Due to Seller at Closing</b>	<b>\$180,080.00</b>
01 Sale Price of Property	\$180,000.00	01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$9,682.30	03 Closing Costs Paid at Closing (J)	
04 Adjustments		04 Adjustments	
05		05	
06		06	
07		07	
08		08	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
09 City/Town Taxes to		09 City/Town Taxes to	
10 County Taxes to		10 County Taxes to	
11 Assessments to		11 Assessments to	
12 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
13		13	
14		14	
15		15	
16		16	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$175,615.04</b>	<b>N. Due from Seller at Closing</b>	<b>\$115,665.04</b>
01 Deposit			
02 Loan Amount			
03 Existing Loan(s) Assumed or Taken Subject to			
04			
05 Seller Credits			
06 Rebate from Epsilon Title Co.			
07			
<b>Other Credits</b>			
08			
09			
10			
11			
<b>Adjustments for Items Unpaid by Seller</b>			
12 City/Town Taxes 11/1/13 to 4/1/13			
13 County Taxes to			
14 Assessments to			
15			
16			
17			

CALCULATION	
Total Due from Borrower at Closing (K)	\$189,762.30
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$175,615.04
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$14,147.26</b>

**Additional Information About This Loan**

Loan Disclosures	
<b>Assumption</b> If you sell or transfer this property to another person, your lender <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.	
<b>Demand Feature</b> Your loan <input type="checkbox"/> has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details. <input checked="" type="checkbox"/> does not have a demand feature.	
<b>Late Payment</b> 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.	
<b>Negative Amortization (Increase in Loan Amount)</b> Under your loan terms, you <input type="checkbox"/> 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. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> do not have a negative amortization feature.	
<b>Partial Payments</b> Your lender <input checked="" type="checkbox"/> may accept payments that are less than the full amount due (partial payments) and apply them to your loan. <input type="checkbox"/> may hold them in a separate account until you pay the rest of the payment, and then apply them to your loan. <input type="checkbox"/> does not accept any partial payments. If this loan is sold, your new lender will be responsible for any unpaid partial payments.	
<b>Security Interest</b> You are granting a security interest in the property located at 456 Somewhere Ave., Anytown, CA 90210. You may lose this property if you do not satisfy other obligations for this loan.	

Escrow Account For now, your loan	
<input checked="" type="checkbox"/> 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	\$2,473.56
Non-Escrowed Property Costs over Year 1	\$1,800.00
Initial Escrow Payment	\$412.25
Monthly Escrow Payment	\$206.13
No Escrow	
Estimated Property Costs over Year 1	
Escrow Waiver Fee	

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.	\$285,803.36
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$118,830.27
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$162,000.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
<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.	69.46%

Other Disclosures	
<b>Appraisal</b> If the property was appraised for your loan, 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.	
<b>Contract Details</b> See your note and security instrument for information about: - what happens if you fail to make your payments, - what is a 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.	
<b>Liability after Foreclosure</b> If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <input checked="" type="checkbox"/> 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 have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information. <input type="checkbox"/> state law does not protect you from liability for the unpaid balance.	
<b>Refinance</b> 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.	
<b>Tax Deductions</b> 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	
<b>Name</b>	Lender: Ficus Bank; Mortgage Broker: Omega Real Estate Broker Inc.; Real Estate Broker (S): Alpha Real Estate Broker Co.; Settlement Agent: Epsilon Title Co.
<b>Address</b>	Lender: 4321 Random Blvd, Somersby, ST 12340; Mortgage Broker: 789 Local Lane, Somersby, ST 12345; Real Estate Broker (S): 987 Suburb Ct, Somersby, ST 12344; Settlement Agent: 123 Commerce Pl, Somersby, ST 12344
<b>NMLS ID</b>	
<b>ST License ID</b>	Mortgage Broker: Z765416; Real Estate Broker (S): Z61456; Settlement Agent: Z61616
<b>Contact</b>	Lender: Joe Smith; Mortgage Broker: Samuel Green; Real Estate Broker (S): Joseph Cain; Settlement Agent: Sarah Arnold
<b>Contact NMLS ID</b>	Lender: 12345; Mortgage Broker: P16415; Real Estate Broker (S): P51461; Settlement Agent: P11234
<b>Contact ST License ID</b>	
<b>Email</b>	Lender: joesmith@ficusbank.com; Mortgage Broker: sami@omegare.biz; Real Estate Broker (S): joe@alphare.biz; Settlement Agent: sarah@epsilontitle.com
<b>Phone</b>	Lender: 123-456-7890; Mortgage Broker: 123-555-1717; Real Estate Broker (S): 321-555-7171; Settlement Agent: 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 \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

# Understanding all fees and charges

## Standard fees for a purchase or refinance

If you are purchasing, there will be amounts listed in both the “Borrower-Paid” and “Seller-Paid” columns and potentially the “Paid by Others” section. If you are refinancing, there will be no amounts listed in the seller column.

Although the costs may vary from the initial LE, those fees should not change any more than the allowable tolerance limit unless a valid change of circumstance has occurred.

**Closing Cost Details**

	Borrower-Paid At Closing	Borrower-Paid Before Closing	Seller-Paid At Closing	Seller-Paid Before Closing	Paid by Others
<b>Loan Costs</b>					
<b>A. Origination Charges</b>					
01 Origination Charge		\$1,902.00			
02 Application Fee		\$25.00			
03 Underwriting Fee		\$1,007.00			
<b>B. Services Borrower Did Not Shop For</b>					
01 Appraisal Fee					
02 Credit Report Fee					
03 Flood Determination Fee					
04 Membership Fee					
05 Tax Status Affidavit Fee					
<b>C. Services Borrower Did Shop For</b>					
01 Survey Fee					
02 Title - Lender's Title Insurance					
03 Title - Settlement Agent Fee					
04 Title - Title Search					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>					
Loan Costs Subtotals (A + B + C)		\$2,954.00			
<b>Other Costs</b>					
<b>E. Taxes and Other government Fees</b>					
01 Recording Fees					
02 Transfer Tax					
<b>F. Prepaids</b>					
01 Homeowner's Insurance premium ( 12 mos.)		\$40.00			
02 Mortgage Insurance premium ( 12 mos.)		\$45.00			
03 Prepaid Interest (\$1.44 per day from 4/15/13 to 5/1/13)					
04 Property Taxes ( 6 mos) to Any County USA					
<b>G. Initial Escrow Payment at Closing</b>					
01 Homeowner's Insurance (\$100.87 per month for 2 mos)		\$201.74			
02 Mortgage Insurance (\$100.87 per month for 2 mos)		\$201.74			
03 Property Taxes					
<b>Other</b>					
01 Appropriate Adjustment					
02 Capital Contribution					
03 Processing Fee					
04 Fee					
05 Escrow					
06 Title					
07 Insurance (optional)					
08 to Epulian Title Co					
09 to HCA Ace Inc.					
10 to HCA Ace Inc.					
11 to Equinix Inc.					
12 to XYZ Lessor Inc.					
13 to Alpha Real Estate Broker					
14 to Omega Real Estate Broker					
15 to Epulian Title Co					
<b>Other-Paid</b>					
01 Appropriate Adjustment					
02 Capital Contribution					
03 Processing Fee					
04 Fee					
05 Escrow					
06 Title					
07 Insurance (optional)					
08 to Epulian Title Co					
09 to HCA Ace Inc.					
10 to HCA Ace Inc.					
11 to Equinix Inc.					
12 to XYZ Lessor Inc.					
13 to Alpha Real Estate Broker					
14 to Omega Real Estate Broker					
15 to Epulian Title Co					
<b>TOTAL</b>					
Borrower-Paid At Closing	\$2,954.00	\$2,954.00	\$405.00		
Borrower-Paid Before Closing		\$1,902.00			
Seller-Paid At Closing			\$405.00		
Seller-Paid Before Closing					
Paid by Others					
<b>TOTAL</b>					
Borrower-Paid At Closing	\$2,954.00	\$2,954.00	\$405.00		
Borrower-Paid Before Closing		\$1,902.00			
Seller-Paid At Closing			\$405.00		
Seller-Paid Before Closing					
Paid by Others					

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# Regulations

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To better understand mortgage-related fees and how they impact your loan, let's take a look at recent legislation.

## **Dodd-Frank**

The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law in 2010. The Act is designed to protect you, the consumer, by employing some of the most compelling financial regulation in decades. While the legislation casts a wide net, let's focus on the portions of the Act that impact your mortgage transaction fees.

## **Tolerance violations**

Provided there is no valid change of circumstance, Regulation X (this is part of the Act) requires lenders to reimburse you for fees which were either not disclosed or under estimated on the LE.

- There are specific estimated fees which cannot increase, specific estimated fees which cannot increase more than 10% in aggregate, and certain fees that may increase without regard to a tolerance.
- The lender must reimburse you for the difference between what was originally estimated and the actual cost within 30 days of the closing. However, violations are typically cured (paid) the day of closing.
- Once the violation is cured (paid), you are to receive an updated settlement statement (CD) which reflects the payment.

Finally, the tolerance for the fee will depend on whether it's required by the lender and whether or not you (the consumer) can shop for the service provider.

According to the CFPB, a **Change in Circumstance** is defined as:

An extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction.

- Information specific to the consumer or transaction that the creditor relied upon when providing the disclosures and that was inaccurate or subsequently changed.
- New information specific to the consumer or transaction that was not relied on when providing the disclosures.

Let's take a look at the fees and charges that are impacted by tolerance guidelines.

# Charges that cannot increase

Services that are required by the lender, for which you may not shop, have a zero tolerance.

These services include:

## Origination fee

This is a flat origination fee. The name of this fee will vary from state to state.

## Credit or charge for specific rate chosen

This is a fee you would agree to pay in exchange for a lower rate.

## Appraisal

Appraisal costs vary. Typically for values around \$500,000 the cost will range from \$250-\$500. As the value increases so does the cost of the appraisal; higher-end appraisals can range from \$420-\$2,000. Additionally, in most cases jumbo loans will require two appraisals.

## Appraisal review

An appraisal review is ordered if the actual appraisal comes into question. The review is completed by a new appraiser and the average fee is \$250 but can vary.

## Credit report

The cost of a credit report can range between \$10-\$30 per borrower.

## Flood certification

The average cost of a flood certification is between \$10-\$50.

## Transfer taxes

This type of tax varies from county to county. Some counties require these taxes for a purchase or refinance and others require the tax for only purchases. It's best to speak with your mortgage professional regarding your county's requirements.

		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>Closing Cost Details</b>						
<b>Loan Costs</b>			\$1,802.00			
<b>A. Origination Charges</b>			\$405.00			
01	0.25 % of Loan Amount (Points)		\$300.00			
02	Application Fee		\$1,097.00			
03	Underwriting Fee					
04						
05						
06						
07						
08			\$236.55			\$405.00
<b>B. Services Borrower Did Not Shop For</b>				\$29.80		
01	Appraisal Fee to John Smith Appraisers Inc.					
02	Credit Report Fee to Information Inc.		\$20.00			
03	Flood Determination Fee to Info Co.		\$31.75			
04	Flood Monitoring Fee to Info Co.		\$75.00			
05	Tax Monitoring Fee to Info Co.		\$80.00			
06	Tax Status Research Fee to Info Co.					
07						
08						
09						
10			\$2,655.50			
<b>C. Services Borrower Did Shop For</b>						
01	Pest Inspection Fee to Pests Co.		\$120.50			
02	Survey Fee to Surveys Co.		\$85.00			
03	Title - Insurance Binder to Epsilon Title Co.		\$650.00			
04	Title - Lender's Title Insurance to Epsilon Title Co.		\$500.00			
05	Title - Settlement Agent Fee to Epsilon Title Co.		\$500.00			
06	Title - Title Search to Epsilon Title Co.		\$800.00			
07						
08						
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>			\$4,694.05			
Loan Costs Subtotals (A + B + C)			\$4,664.25	\$29.80		
<b>Other Costs</b>						
<b>E. Taxes and Other Government Fees</b>			\$85.00			
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00		\$85.00			
02	Transfer Tax to Any State			\$950.00		
<b>F. Prepays</b>			\$2,120.80			
01	Homeowner's Insurance Premium (12 mo.) to Insurance Co.		\$1,209.96			
02	Mortgage Insurance Premium ( mo.)					
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)		\$279.04			
04	Property Taxes ( 6 mo.) to Any County USA		\$631.80			
05						
<b>G. Initial Escrow Payment at Closing</b>			\$412.25			
01	Homeowner's Insurance \$100.83 per month for 2 mo.		\$201.66			
02	Mortgage Insurance per month for mo.					
03	Property Taxes \$105.30 per month for 2 mo.		\$210.60			
04						
05						
06						
07						
08	Aggregate Adjustment					
<b>H. Other</b>			-0.01			
01	HOA Capital Contribution to HOA Acre Inc.		\$2,400.00			
02	HOA Processing Fee to HOA Acre Inc.		\$500.00			
03	Home Inspection Fee to Engineers Inc.		\$150.00			
04	Home Warranty Fee to XYZ Warranty Inc.		\$750.00			
05	Real Estate Commission to Alpha Real Estate Broker					\$750.00
06	Real Estate Commission to Omega Real Estate Broker				\$450.00	
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.				\$5,700.00	
08					\$5,700.00	
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>			\$1,000.00			
Other Costs Subtotals (E + F + G + H)			\$5,018.05			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>			\$5,018.05			
Closing Costs Subtotals (D + I)						
Lender Credits						



# Charges in total which cannot increase more than 10%

Fees that are required by the lender, but you can shop for will be subject to the 10 percent tolerance limit. The 10 percent limit applies only to those service providers you choose from the lender's provider list.

## Title

In order to protect the lender against lawsuits resulting from unpaid property taxes, liens, fraud, etc. title insurance is required. Title fees range from state to state and the coverage required differs for refinances and purchases. It's best to speak with your attorney and/or mortgage professional regarding what your state requires. Finally, if you are refinancing, you can shop for the best title rates so be sure and ask around.

## Recording fees

This fee is charged by government agencies when registering a real estate purchase or refinance for public records. Recording fees will vary from county to county.

## Services provided by lender's affiliate

These are service providers affiliated with Guaranteed Rate that you may opt to use. Some services that might be offered include title and insurance.

		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>Closing Cost Details</b>			\$1,802.00			
<b>Loan Costs</b>						
<b>A. Origination Charges</b>						
01	0.25 % of Loan Amount (Points)	\$405.00				
02	Application Fee	\$300.00				
03	Underwriting Fee	\$1,097.00				
04						
05						
06						
07						
08			\$236.55			\$405.00
<b>B. Services Borrower Did Not Shop For</b>						
01	Appraisal Fee to John Smith Appraisers Inc.		\$29.80			
02	Credit Report Fee to Information Inc.	\$20.00				
03	Flood Determination Fee to Info Co.	\$31.75				
04	Flood Monitoring Fee to Info Co.	\$75.00				
05	Tax Monitoring Fee to Info Co.	\$80.00				
06	Tax Status Research Fee to Info Co.					
07						
08						
09						
10			\$2,655.50			
<b>C. Services Borrower Did Shop For</b>						
01	Pest Inspection Fee to Pests Co.	\$120.50				
02	Survey Fee to Surveys Co.	\$85.00				
03	Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04	Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05	Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06	Title - Title Search to Epsilon Title Co.	\$800.00				
07						
08						
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>			\$4,694.05			
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80			
<b>Other Costs</b>						
<b>E. Taxes and Other Government Fees</b>			\$85.00			
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02	Transfer Tax to Any State			\$950.00		
<b>F. Prepays</b>			\$2,120.80			
01	Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02	Mortgage Insurance Premium ( mo.)					
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04	Property Taxes ( 6 mo.) to Any County USA	\$631.80				
05						
<b>G. Initial Escrow Payment at Closing</b>			\$412.25			
01	Homeowner's Insurance \$100.83 per month for 2 mo.					
02	Mortgage Insurance per month for mo.	\$201.66				
03	Property Taxes \$105.30 per month for 2 mo.					
04		\$210.60				
05						
06						
07						
08	Aggregate Adjustment					
<b>H. Other</b>						
01	HOA Capital Contribution		-\$0.01			
02	HOA Processing Fee to HOA Acre Inc.	\$2,400.00				
03	Home Inspection Fee to HOA Acre Inc.	\$500.00				
04	Home Warranty Fee to Engineers Inc.	\$150.00				
05	Real Estate Commission to XYZ Warranty Inc.	\$750.00				
06	Real Estate Commission to Alpha Real Estate Broker					
07	Title - Owner's Title Insurance (optional) to Omega Real Estate Broker			\$450.00	\$750.00	
08				\$5,700.00		
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>			\$1,000.00		\$5,700.00	
Other Costs Subtotals (E + F + G + H)				\$5,700.00		
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>			\$5,018.05			
Closing Costs Subtotals (D + I)			\$5,018.05			
Lender Credits						

# Charges that can increase

Certain fees may increase without a tolerance limit provided that the fee disclosed on your LE was based on the best information reasonably available to your mortgage lender at the time the CD was provided.

Those types of fees or charges include:

### Property insurance premiums

You are required to obtain home owners insurance or proof of coverage when you are refinancing a current home or purchasing a new one. Unless you obtain coverage from a Guaranteed Rate affiliated provider, the charge or fee can change.

### Prepaid interest

For any mortgage transaction, purchase or refinance, you will pay interest from the day you close to the end of the month.

### Escrows, impound, reserve or similar account

This depends on the amount of your taxes and insurance and their respective due dates.

### Required third party services

These are third party services that you are required to obtain and do not opt for any affiliated providers on the lenders list.

A. Origination Charges			
01	0.25 % of Loan Amount (Points)		\$300.00
02	Application Fee		\$1,097.00
03	Underwriting Fee		
04			
05			
06			
07			\$236.55
08			
09			
10			
B. Services Borrower Did Not Shop For			
01	Appraisal Fee	to John Smith Appraisers Inc.	\$29.80
02	Credit Report Fee	to Information Inc.	\$20.00
03	Flood Determination Fee	to Info Co.	\$31.75
04	Flood Monitoring Fee	to Info Co.	\$75.00
05	Tax Monitoring Fee	to Info Co.	\$80.00
06	Tax Status Research Fee	to Info Co.	
07			
08			
09			
10			
C. Services Borrower Did Shop For			
01	Pest Inspection Fee	to Pests Co.	\$120.50
02	Survey Fee	to Surveys Co.	\$85.00
03	Title - Insurance Binder	to Epsilon Title Co.	\$650.00
04	Title - Lender's Title Insurance	to Epsilon Title Co.	\$500.00
05	Title - Settlement Agent Fee	to Epsilon Title Co.	\$500.00
06	Title - Title Search	to Epsilon Title Co.	\$800.00
07			
08			
09			
10			
D. TOTAL LOAN COSTS (Borrower-Paid)			
			\$4,694.05
Loan Costs Subtotals (A + B + C)			\$4,664.25 \$29.80

Other Costs			
E. Taxes and Other Government Fees			
01	Recording Fees	Deed: \$40.00 Mortgage: \$45.00	\$85.00
02	Transfer Tax	to Any State	\$950.00
F. Prepays			
01	Homeowner's Insurance Premium (12 mo.)	to Insurance Co.	\$2,120.80
02	Mortgage Insurance Premium ( mo.)		\$1,209.96
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)		\$279.04
04	Property Taxes ( 6 mo.) to Any County USA		\$631.80
05			
G. Initial Escrow Payment at Closing			
01	Homeowner's Insurance \$100.83 per month for 2 mo.		\$412.25
02	Mortgage Insurance per month for mo.		\$201.66
03	Property Taxes \$105.30 per month for 2 mo.		\$210.60
04			
05			
06			
07			
08	Aggregate Adjustment		-0.01
H. Other			
01	HOA Capital Contribution	to HOA Acre Inc.	\$2,400.00
02	HOA Processing Fee	to HOA Acre Inc.	\$500.00
03	Home Inspection Fee	to Engineers Inc.	\$150.00
04	Home Warranty Fee	to XYZ Warranty Inc.	\$750.00
05	Real Estate Commission	to Alpha Real Estate Broker	
06	Real Estate Commission	to Omega Real Estate Broker	\$450.00
07	Title - Owner's Title Insurance (optional)	to Epsilon Title Co.	\$750.00
08			
I. TOTAL OTHER COSTS (Borrower-Paid)			
Other Costs Subtotals (E + F + G + H)			\$5,018.05
J. TOTAL CLOSING COSTS (Borrower-Paid)			
Closing Costs Subtotals (D + I)			\$9,712.10
Lender Credits			\$5,018.05
CLOSING DISCLOSURE			\$9,682.30 \$29.80 \$12,800.00 \$750.00 \$405.00



For more information about the new Loan Estimate and Closing Disclosure, contact your chosen mortgage professional.



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Information updated 11/20/2015.

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