

What is a Closing Disclosure Form?

A Closing Disclosure is a five-page form that provides final details about the mortgage loan you have selected. It includes the loan terms, your projected monthly payments, and how much you will pay in fees and other costs to get your mortgage (closing costs).

The lender is required to give you the Closing Disclosure at least three business days before you close on the mortgage loan. This three-day window allows you time to compare your final terms and costs to those estimated in the Loan Estimate that you previously received from the lender. The three days also gives you time to ask your lender any questions or correct any mistakes before you go to the closing table.

PAGE 1

Closing Disclosure		This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.	
Closing Information	Transaction Information Date Received: 4/15/2013 Closing Date: 4/15/2013 Disbursement Date: 4/15/2013 Settlement Agent: Equilon Title Co. File #: 12-3456 Property: 456 Somewhere Ave, Anytown, ST 12345 Sales Price: \$180,000	Borrower Michael Jones and Mary Stone 123 Anytown Street Anytown, ST 12345 Seller: Stone Cole and Any Door 321 Somewhere Drive Anytown, ST 12345 Lender: Ficus Bank	Loan Information Loan Term: 30 years Purpose: Purchase Product: Fixed Rate Loan Type: <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA Loan ID #: 123456789 MISC #: 900654321
Loan Terms	Can this amount increase after closing?		
Loan Amount	\$162,000	NO	
Interest Rate	3.875%	NO	
Monthly Principal & Interest	\$761.78	NO	
See Projected Payments below for your Estimated Total Monthly Payment			
Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years		
Balloon Payment	NO		
Projected Payments			
Payment Calculation	Years 1-7	Years 8-30	
Principal & Interest	\$761.78	\$761.78	
Mortgage Insurance	+ 82.35	+	
Estimated Escrow Amount (can increase over time)	+ 206.13	+ 206.13	
Estimated Total Monthly Payment	\$1,050.26	\$967.91	
Estimated Taxes, Insurance & Assessments	This estimate includes: <input checked="" type="checkbox"/> Property Taxes, <input checked="" type="checkbox"/> Homeowner's Insurance, <input checked="" type="checkbox"/> Other Homeowner's Association Dues. See Escrow Account on page 4 for details. You must pay for other property costs separately.		
Amount can increase over time. See page 4 for details.	\$356.13 a month	YES	NO
Costs at Closing			
Closing Costs	\$9,712.10	Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs - \$0 in Lender Credits. See page 4 for details.	
Cash to Close	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.	

CLOSING DISCLOSURE PAGE 1 OF 5 - LOAN ID # 123456789

PAGE 2

Closing Cost Details		Borrower Paid		Seller Paid		Paid by Others	
		At Closing	Before Closing	At Closing	Before Closing		
A. Origination Charges							
① Origination Fee		\$400.00					
② Application Fee		\$300.00					
③ Underwriting Fee		\$1,000.00					
④							
⑤							
⑥							
⑦							
⑧							
⑨							
⑩							
B. Services Borrower Did Not Shop For		\$234.55					
① Appraisal Fee							\$405.00
② Credit Report Fee				\$29.80			
③ Flood Determination Fee		\$20.00					
④ Flood Monitoring Fee		\$11.75					
⑤ Tax Monitoring Fee		\$75.00					
⑥ Tax Statement Research Fee		\$80.00					
⑦							
⑧							
⑨							
⑩							
C. Services Borrower Did Shop For		\$2,055.50					
① Real Inspection Fee		\$120.00					
② Survey Fee		\$85.00					
③ Title - Insurance Binder		\$600.00					
④ Title - Lender's Title Insurance		\$500.00					
⑤ Title - Settlement Agent Fee		\$200.00					
⑥ Title - Title Search		\$80.00					
⑦							
⑧							
⑨							
⑩							
D. TOTAL LOAN COSTS (Borrower Paid)		\$4,694.05					
Loan Costs Subtotal (A + B + C)		\$4,694.05	\$29.80				
Other Costs							
E. Taxes and Other Government Fees							
① Recording Fees		\$45.00					
② Mortgage		\$45.00					
③ Transfer Tax							\$900.00
④ Any State							
F. Prepaids		\$2,120.00					
① Homeowner's Insurance Premium (12 mo.)		\$1,200.00					
② Mortgage Insurance Premium (1 mo.)		\$270.00					
③ Prepaid Interest (11.74% per day from 4/15/13 to 5/1/13)		\$270.00					
④ Property Taxes (4 mos.)		\$660.00					
G. Initial Escrow Payment at Closing		\$412.23					
① Homeowner's Insurance (100.03 per month for 2 mos.)		\$200.06					
② Mortgage Insurance (per month for 2 mos.)		\$160.00					
③ Property Taxes (105.30 per month for 2 mos.)		\$412.23					
④							
⑤							
⑥							
⑦							
⑧							
⑨							
⑩							
H. Other		\$2,400.00					
① HOA Capital Contribution		\$500.00					
② HOA Processing Fee		\$100.00					
③ HOA Welcome Fee		\$750.00					\$750.00
④ Home Warranty Fee		\$400.00					
⑤ Real Estate Commission		\$5,700.00					\$5,700.00
⑥ Real Estate Commission		\$1,000.00					\$1,000.00
⑦ Title - Owner's Title Insurance (optional)							
⑧							
⑨							
⑩							
I. TOTAL OTHER COSTS (Borrower Paid)		\$5,018.05					
Other Costs Subtotal (E + F + G + H)		\$5,018.05					
J. TOTAL CLOSING COSTS (Borrower Paid)		\$9,712.10					
Closing Costs Subtotal (D + I)		\$9,712.10	\$29.80	\$12,800.00	\$700.00	\$405.00	
Lender Credits							
CLOSING DISCLOSURE PAGE 2 OF 5 - LOAN ID # 123456789							

Page 1 of the Closing Disclosure is almost identical to Page 1 of the Loan Estimate. It describes the:

- Loan terms
- Loan amount
- Interest rate
- Monthly P&I, and
- Any prepayment penalty or balloon payment

This page also provides the projected payments over the life of the loan. It also discloses to the borrower what amounts will be deposited into their impound or escrow account and provides the total estimated closing costs and cash needed to close.

Page 2 of the Closing Disclosure provides a breakdown of all the closing cost details, lists all loan costs and other costs paid by borrower, seller, and other parties.

Continued on back...



Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.	
Loan Estimate	Final	Loan Estimate	Final
Total Closing Costs	\$8,074.00	YES - Total Loan Costs (EO) and Total Other Costs (EO)	
Closing Costs Paid Before Closing	\$0	YES - You paid these Closing Costs before closing	
Points from your Loan Estimate	\$0	NO	
Interest from Escrow from your Loan Estimate	\$18,000.00	NO	
Impound	\$10,000.00	NO	
Points to Borrower	\$0	NO	
Seller Credits	\$0	YES - See Seller Credits in Section 8.	
Adjustments and Other Credits	\$0	YES - See debits in Section 8 and 9.	
Cash to Close	\$18,074.00		

Summary of Transactions		Use this table to see a summary of your transactions.	
BORROWER'S TRANSACTION TABLE		SELLER'S TRANSACTION TABLE	
A. How Much Borrower is Closing	\$18,074.00	A. How Much Seller is Closing	\$18,000.00
• Loan from Property	\$18,074.00	• Loan from Property	\$18,000.00
• Cash from any other source included in Sale	\$0.00	• Cash from any other source included in Sale	\$0.00
• Closing Costs Paid by Borrower (A)	\$0.00		
Adjustments			
• City/County Taxes	\$0.00	• City/County Taxes	\$0.00
• County Taxes	\$0.00	• County Taxes	\$0.00
• Assessments	\$0.00	• Assessments	\$0.00
• High Costs	\$0.00	• High Costs	\$0.00
B. Paid Already by or on Behalf of Borrower at Closing	\$17,614.00	B. How Much Seller is Closing	\$17,640.00
• Interest	\$17,614.00	• Cash Received	\$17,640.00
• Loan Amount	\$18,000.00	• Closing Costs Paid at Closing (B)	\$0.00
• Escrow/Impound Account or Other Subject to	\$0.00	• Escrow/Impound Account or Other Subject to	\$0.00
• Seller Credits	\$0.00	• Payment of Home Mortgage Loan	\$180,000.00
• Other Credits	\$0.00	• Payment of Escrow Mortgage Loan	\$0.00
• Adjustments	\$0.00	• Seller Credits	\$0.00
• City/County Taxes	\$0.00	• City/County Taxes	\$0.00
• County Taxes	\$0.00	• County Taxes	\$0.00
• Assessments	\$0.00	• Assessments	\$0.00
• High Costs	\$0.00	• High Costs	\$0.00
Cash to Close (B, Fees, & to Borrower)	\$14,460.00	CASH TO CLOSE	\$14,460.00

Page 3 displays a Calculating Cash to Close table similar to the table on Page 2 of the Loan Estimate. This table provides a comparison to the charges disclosed on the Loan Estimate. The rest of the page shows the summaries of the borrower and seller costs and credits.

Additional Information About This Loan	
Loan Disclosures	
Assumptions	
Default Features	
Late Payment	
Negative Amortization (Increase in Loan Amount)	
Partial Payments	
Security Interest	

Page 4 contains disclosures about other terms of the loan, including:

- Whether the loan is assumable
- If the loan has a demand feature
- May impose a late payment fee and when it may be incurred
- If the loan has a negative amortization feature
- Whether the lender will accept partial payments
- Informs the borrower the lender will have a security interest in their property.

The page also includes a table describing what charges will be impounded and how much will be collected each month. Finally, the page includes adjustable payment and interest rate tables if they are applicable to the loan.

Loan Calculations		Other Disclosures	
Total of Payments	\$281,803.36	Appraisal	
Finance Charge	\$118,890.27	Contract Details	
Amount Financed	\$162,913.09	Liability after Foreclosure	
Annual Percentage Rate (APR)	69.68%	Refinance	
Questions?		Tax Deductions	

Contact Information	
Lender	Mortgage Broker
Seller	Settlement Agent

Page 5 includes "Loan Calculations". The consumer will find:

- Total of payments over the life of the loan
- Finance charge
- Amount financed
- Annual Percentage Rate (APR)
- Total interest percentage information

Under "Other Disclosures" the consumer will find information about the:

- Appraisal (if applicable)
- Contract details
- Liability after foreclosure
- Refinance information
- Tax deductions

At the bottom of the page is the Contact Information and Signature lines. If signature lines are included, the following disclosure is used: "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" indicating a signature is intended only as a receipt of the form.

Note: You won't receive a Closing Disclosure if you're applying for a reverse mortgage. For those loans, you will receive a Good Faith Estimate, a HUD-1 Settlement Statement and a final Truth in Lending Disclosure. If you are applying for a HELOC, a manufactured housing loan that is not secured by real estate, or a loan through certain types of homebuyer assistance programs, you will not receive a HUD-1 or a Closing Disclosure, but you should receive a Truth-in-Lending disclosure, and a Good Faith Estimate.

All of these forms can seem like a lot to take in, but we've done our homework and are here to help you understand everything you need to know before you close.

