

**CFPB OVERVIEW –
WHAT EVERY ATTORNEY NEEDS TO KNOW**

LISA M. BEVILLE, *Plano*
Fidelity National Title Group

State Bar of Texas
10th ANNUAL
JOHN HUFFAKER AGRICULTURAL LAW COURSE
May 26-27, 2016
Lubbock

CHAPTER 17

LISA M. BEVILLE

FIDELITY NATIONAL TITLE GROUP
Southwest Agency Group
8750 North Central Expressway, Suite 950
Dallas, Texas 75231
(214) 695-3345
Lisa.Beville@fnf.com

Employment Experience:

4/11 to present	Attorney, VP/Agency Support Services & Regional Training Coordinator for the Fidelity National Title Group
2/09 to 4/11	Underwriting Counsel and Training Director for Old Republic National Title Insurance Company
2007 to 2008	Southwest Agency Counsel for LandAmerica Southwest Division Agency Department
2004 to 2007	Vice President and Assistant Regional Counsel for Chicago Title, Ticor Title, and Security Union Title
1999 to 2003	Vice President and Underwriting Counsel for Alamo Title Insurance/Fidelity National Title Insurance Company
1994 to 1999	Underwriting Counsel for Chicago Title, Ticor Title and Security Union Title Insurance Companies

Education:

B.B.A. in Accounting & Finance from Texas Tech University
J.D. from the University of Texas at Austin

Memberships in Professional Societies and Associations:

Member, State Bar of Texas
Member, Dallas Bar Association
Licensed as a Certified Public Accountant in the State of Texas
Texas Land Title Association

- Certified Title Insurance Professional
- 2012 Peggy Hayes Teaching Excellence Award
- Individual Member

Training/Speaking Experience:

- TLTA Land Title School and Texas Land Title Institute
- TLTA, NMLTA and OLTA Seminars and Webinars
- FNTG Agent Training Seminars in Texas, New Mexico and Oklahoma

TABLE OF CONTENTS

I. INTRODUCTION AND BACKGROUND	1
A. Terminology	1
B. Background	1
C. Which Loans are Subject to the CFPB’s New Rules and Forms?	1
II. THE LOAN ESTIMATE FORM (“LE”)	2
A. Introduction	2
B. Definition of “Loan Application”	2
C. A Brief Review of the Loan Estimate Form	2
1. Page 1	2
2. Page 2	2
3. Page 3	2
D. Disclosure of Title Insurance Premium	2
III. THE CLOSING DISCLOSURE FORM (“CD”)	3
A. Introduction	3
B. Who Prepares the CD Forms?	3
C. Delivery of the CD Form	3
1. Timing:	3
2. The “3-Day Rule”	3
3. How are “business days” defined?	3
4. How will the CD be delivered to the consumer?	4
5. When is the CD “deemed to be received?”	4
6. What does evidence of delivery look like?	4
7. Who delivers the form?	4
8. Re-disclosure Requirements	4
9. Who will make any necessary changes to the CD form?	4
D. A Brief Review of the Closing Disclosure Form	4
1. Line Number Changes	4
2. Line Terminology	4
3. Alphabetizing of Fees	4
E. A Page by Page Review of the CD Form	5
1. Page 1: Same as first page of Loan Estimate	5
2. Page 2: Closing Cost Details	5
3. Page 3	5
4. Page 4 – Additional Information About the Loan	5
5. Page 5	6
F. Additional Comments About the CDF	6
IV. THE TEXAS DISCLOSURE – FORM T-64	6
A. Whenever the TDI promulgates	6
B. Sample T-64 Form	6
V. CFPB IMPLEMENTATION ISSUES	6
A. Communication Issues Between Lender and Settlement Agent	6
B. Estimates Versus Final Fees	7
C. Fee Names	7
D. Multiple Closing Disclosures	7
E. Seller Closing Disclosures	7
F. Title Insurance Premiums	8
G. Recording Fees	8
H. Three Business Day Review Period	8
I. Delivery of Closing Disclosures to Third Parties	8
VI. CONCLUSION	8

EXHIBIT A..... 9

EXHIBIT B..... 13

EXHIBIT C..... 19

CFPB OVERVIEW – WHAT EVERY ATTORNEY NEEDS TO KNOW

For more than 30 years, federal law has required all lenders to provide two disclosure forms to consumers when they apply for a mortgage and two additional short forms before they close on the home loan. These forms were developed by different federal agencies under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA).

To help simplify matters and avoid the confusing situations consumers have often faced when purchasing or refinancing a home in the past, the Dodd-Frank Act provided for the creation of the Consumer Financial Protection Bureau (CFPB) and charged the bureau with integrating the mortgage loan disclosures under the TILA and RESPA. On November 20, 2013 the CFPB announced the completion of their new integrated mortgage disclosure forms along with their regulations (RESPA Regulation X and TILA Regulation Z) for the proper completion and timely delivery to the consumer. These regulations are known as “The Rule”.

Any residential loan originated after October 3, 2015 will be subject to the new rules and forms created by the CFPB. The Rule replaces the Good Faith Estimate (GFE) and early TILA form with the new Loan Estimate. It also replaces the HUD-1 Settlement Statement and final TILA form with the new Closing Disclosure. This paper will provide an overview of the new forms, the new process for preparing these forms, and some of the challenges lenders and title companies have faced since the Rules and forms went into effect on October 3, 2015.

I. INTRODUCTION AND BACKGROUND

A. Terminology

1. CFPB = Consumer Financial Protection Bureau
2. TRID = TILA/RESPA Integrated Disclosures
3. Creditor = Lender
4. Borrower = Consumer

B. Background

1. TILA: Truth In Lending Act (1968) – guided lender in the requirements for preparing and providing to the consumer the following documents:
 - a. Good Faith Estimate (GFE)
 - b. Initial Truth-in-Lending Disclosure (TIL)
2. RESPA: Real Estate Settlement Procedures Act of 1974 – guided title companies in the

requirements for preparing and providing the HUD-1 Settlement Statement for use in the settlement of consumer loans.

3. The Dodd-Frank Act of 2010 created the CFPB and directed the bureau to simplify and combine the mortgage disclosures required by TILA and RESPA. The CFPB’s new rules and forms:
 - a. combine (integrate) the 4 previously required disclosures; and
 - b. implement several other disclosure requirements required by the Dodd-Frank Act.

C. Which Loans are Subject to the CFPB’s New Rules and Forms?

1. The CFPB’s new rules and forms apply to most closed-end residential mortgages except:
 - a. Reverse mortgages;
 - b. HELOCs;
 - c. Mobile homes or dwellings not attached to the land;
 - d. Commercial purpose loans;
 - e. Creditors making five or fewer loans per year;
 - f. Certain no-interest second mortgage loans made for the purpose of down payment assistance, energy efficiency, property rehabilitation or foreclosure avoidance, and
 - g. Loans that are not “consumer loans.”
2. The CFPB’s new rules and forms DO apply to:
 - a. Purchase money loans;
 - b. Re-finances;
 - c. Construction Loans;
 - d. Lot loans; and
 - e. Loans secured by land covering 25 acres or more.

Note: The last three types of loans are currently exempt under RESPA, but are not exempt under the new CFPB Rules. Basically: if the loan is for personal, family or household use and will be secured by a lien on real estate, the loan is subject to the CFPB.

3. Because the new disclosure forms do not apply to all consumer loans, the GFE and HUD-1 are not dead. They will continue to be used when the closing (consummation)

involves a reverse mortgage, cash sale, “commercial” transaction, etc.

4. **Effective Date:** The new Integrated Disclosure forms must be provided by a creditor or mortgage broker that receives an application from a consumer for a closed-end credit transaction secured by real property on or after October 3, 2015.

II. THE LOAN ESTIMATE FORM (“LE”)

A. Introduction

1. This 3 page form combines the contents of the early TILA disclosure with the Good Faith Estimate (GFE) delivered pursuant to RESPA.
2. Provides a summary of key loan terms and estimates of loan and closing costs.
3. The goal is to promote comparison shopping.
4. The LE is to be provided to consumers within 3 business days after submission of a loan application.
5. A sample LE Form is attached as “Exhibit A”

B. Definition of “Loan Application”

1. RESPA previously defined an application as consisting of 7 elements, the 7th being a catch-all provision: “Any other information deemed necessary for the originator.” CFPB believes the 7th element delays the delivery of loan estimates to consumers.
2. The CFPB believed that the 7th element delayed the delivery of loan estimates to consumers.
3. As a result, the CFPB’s Final Rule defines “Application” as containing the following six (6) elements:
 - a. Borrower’s name,
 - b. Income,
 - c. Social Security Number,
 - d. Property address,
 - e. Estimated value of property, and
 - f. Mortgage loan amount.
4. The Creditor must deliver or place the Loan Estimate form in the mail no later than 3 business days after a complete application is received.
5. The Consumer is considered to have received the LE 3 business days after the LE is delivered or placed in mail.

C. A Brief Review of the Loan Estimate Form

1. Page 1
 - a. Loan terms – loan amount, interest rate, monthly P&I, prepayment penalty, balloon payment.
 - b. Projected payments.
 - c. Escrow information.
 - d. Total estimated costs
 - e. Closing costs
 - f. Cash to close
2. Page 2
 - a. Estimated settlement fees.
 - b. Cash to close, including credits, escrow and down payment.
 - c. Adjustable payment and interest rate tables.
3. Page 3
 - a. Comparisons, including APR and total amount of interest.
 - b. Other disclosures – appraisal, assumption, servicing transfer.
 - c. Borrower acknowledgment and signature (not required).

D. Disclosure of Title Insurance Premium

1. The CFPB’s Rules require OTP and LP premiums to be set out in a way that does not accurately reflect the title premiums charged in a Texas transaction. But – for now - it seems the CFPB won’t budge on this, so lenders and title companies in Texas are having to adapt to the CFPB’s requirements.
2. The problem is that the CFPB’s rules do not recognize the fact that some states, like Texas, have “simultaneous issue” (“SI”) rates for Loan policies.
3. The Rule mandates the following:
 - a. Regardless of lower, actual SI rates for Loan Policies, the premium for the LP must be shown at the full rate, as if there was no SI OTP.
 - b. If an OTP is also issued in the transaction, the rate shown for the OTP must be shown in accordance with the CFPB’s formula – which is not the actual rate charge in the transaction.
4. The Result:
 - a. Both policies’ rates are not accurate in the LE and

- b. The total title insurance cost to each party is incorrect.
- c. Therefore, an adjustment is needed on Page 3 of the CD to establish accurate cash to close.

- b. Not all lenders will make the same decision, and as a result, there will be a variety of CD preparation scenarios.
- c. Settlement agents must be adaptable and must work with their lender customers to work through this process.

III. THE CLOSING DISCLOSURE FORM (“CD”)

A. Introduction

1. The Closing Disclosure (“CD”) form is 5 pages long.
2. This form combines the contents of the final disclosure previously given to borrowers under TILA, with the Settlement Statement (HUD-1) form that was required pursuant to RESPA.
3. The CD replaces these two forms that were previously delivered by two different parties – the TILA documents that were prepared and provided by the lender and the HUD-1 that was prepared and provided by the title company.
4. The CD provides a detailed accounting of the transaction.
5. A sample CD Form is attached as “Exhibit B”

B. Who Prepares the CD Forms?

1. The Final Rule offers two options for the preparation of the Buyer’s CD form. However, under both options the lender remains legally liable for all the information contained in the CD form.
 - a. Option 1 - The lender prepares the entire form.
 - b. Option 2 - The lender and the settlement agent combine to prepare the form.
2. The title company that is closing the transaction will prepare the Seller’s CD form. In addition, the title company must provide a copy of the signed Seller CD form to the creditor after the closing takes place.
3. The CFPB holds the lender responsible for the accuracy and timeliness of the Buyer’s CD form. This is a change from the previous way of doing business, wherein the title company was responsible for the preparation and accuracy of the HUD-1 (although the HUD-1 was also approved by the lender prior to closing).
 - a. Lenders will decide what role settlement agents will play.

4. The preparation of the CD form will require more collaboration between the lender and the title company. The lender will let the title company know how they want the information necessary to complete the CD form delivered (for example, by e-mail, fax, etc.). Many creditors will require settlement agents to participate in loan and settlement technology platforms that integrate or “talk” with one another to eliminate redundant keying of information.

C. Delivery of the CD Form

1. Timing:

- a. The consumer (borrower) must receive the CD at least three (3) business days prior to closing. This will give the borrower at least 3 business days to review the CD and ask any questions prior to closing.
- b. The Seller must receive the CD no later than closing.

2. The “3-Day Rule”

- a. The consumer must receive the CD at least three (3) **business days** prior to closing.
- b. The Seller must receive the CD no later than closing.

3. How are “business days” defined?

For purposes of CD delivery, a business day is”

- a. all calendar days, except for
- b. Sundays and the following public holidays:
 - (1) New Year’s Day
 - (2) Martin Luther King, Jr.’s Birthday
 - (3) Washington’s Birthday
 - (4) Memorial Day
 - (5) Independence Day
 - (6) Labor Day
 - (7) Columbus Day
 - (8) Veterans Day
 - (9) Thanksgiving Day
 - (10) Christmas Day

4. How will the CD be delivered to the consumer?

There are several possible delivery methods:

- a. Hand delivery
- b. Courier/Express Mail
- c. Fax
- d. Electronic – must comply with E-Sign
- e. Postal Service

5. When is the CD “deemed to be received?”

- a. If the CD is delivered in person, it is considered received by the consumer at that time.
- b. If the CD is provided by any other delivery method, the “mailbox rule” applies, and the consumer is “considered to have received” the CD 3 business days after it is delivered or placed in the mail.
- c. Thus, a delivery period of 3 days precedes the 3 day waiting period, resulting in a 6 day wait prior to closing.

Note: The consumer can “shorten” the delivery period by signing to confirm receipt via “wet signature” or e-sign technology, and returning the signed CD via fax or e-mail to the lender within the 3 day waiting period.

6. What does evidence of delivery look like? The lender will decide what documentation they will require for their files.

- a. Confirm receipt line on CD form?
- b. Signature on courier/Fed Ex/UPS delivery receipt?
- c. Check box on e-mail attachment?
- d. DocuSign?

7. Who delivers the form?

- a. The creditor must retain or have available to them each completed disclosure and all documents related to such disclosures, for five years after closing (called “consummation” in the CFPB’s rules).
- b. Lenders will decide what role settlement agents will play in delivery.
- c. Not all lenders will make the same decision, and as a result, there will be a mix of delivery scenarios.
- d. Because the CFPB holds lenders responsible for the accuracy and delivery of the borrowers CD form, most lenders are deciding to deliver the CD form themselves.

8. Re-disclosure Requirements.

If the creditor makes any of the changes listed below between the time the CD form is delivered and the day of closing, the consumer must be provided a new CD form and a new three day waiting period begins:

- a. the creditor makes changes to fees on the CD that change the APR by more than 1/8 of a percent for most loans (and 1/4 of a percent for loans with irregular payments or periods); or
- b. changes the loan product; or
- c. adds a prepayment penalty to the loan.

Note: For other changes, a corrected CD form may be provided at or before closing.

9. Who will make any necessary changes to the CD form?

- a. Changes to numbers (fees and charges) contained in the initial CD may occur prior to closing, necessitating adjustments, re-printing and delivery of the corrected CD at signing.
- b. It is important to consider and decide if the party that prepared the initial CD will also make the changes for an amended CD.
- c. Settlement agents will have to ask the lender if they can make any changes to a lender-prepared CD form.

D. A Brief Review of the Closing Disclosure Form

The new CD form does not look like the old “HUD-1” form we are all used to seeing at closing. There are 3 primary differences:

1. Line Number Changes

The CD form does not retain the line numbers that were used in the HUD-1. This requires extensive recoding of documents, reports, invoices, etc. as all of these are either completely or partially based on specific line numbers.

2. Line Terminology

The description of line items on the CD form must match the description used by the lender/broker on the LE form. The CFPB feels this will allow consumers to more easily identify fees and compare the two forms.

3. Alphabetizing of Fees

- a. The description of line items on the CD form must be alphabetized within each subsection.
- b. All title fees must start with the word Title ex: Title – Settlement Fee.

- c. The CFPB felt that by alphabetizing fees, it easier for the consumer to compare the fees between the LE and CD forms.

E. A Page by Page Review of the CD Form

Note: Pages 1, 4 and 5 contain information previously included in the lender’s TILA disclosures, and Pages 2 and 3 include information previously included in the HUD-1.

1. Page 1: Same as first page of Loan Estimate.

- a. General Information
 - (1) Closing Information
 - (2) Transaction Information
 - (3) Loan Information
- b. Loan Terms table
- c. Projected Payments table
- d. Costs at Closing
 - (1) Closing Costs
 - (2) Cash to Close

2. Page 2: Closing Cost Details

- a. Page 2 of the CD form is divided into two Sections – “Loan Costs” and “Other Costs.”
- b. If the fees/charges on this page cause the page to exceed the maximum length for printing on letter-size paper, the two sections must be set out on two separate pages: Page 2a (Loan Costs) and Page 2b (Other Costs).
- c. The “name” of each fee or charge will appear on the line first, followed by the party to whom the fee or charge is paid – except in Section A, where all listed charges are paid to the Lender.
- d. The names used for the fees or charges in the CD form must match the names used to describe those same fees or charges in the LE form that the lender provided to the borrower.
- e. The fees that the lender disclosed to the borrower in the LE should be carried forward to the “Loan Costs” section of Page 2 of the CD, and the fees should match. As a result, the “misquoted” title policy premiums that the lender disclosed on the LE per the CFPB’s rules should be carried forward in the incorrect amount. Then, an adjustment to correct the amount of title insurance premium that is collected from the buyer/borrower and the seller should be set out in Page 3 of the CD.

- f. In each section, the fees and charges must appear in alphabetical order. All fees or charges for title related services must begin with the word “Title,” followed by a space, a hyphen, and another space.
- g. For each product or service, the amount of the fee or charge is placed in one or more of 5 separate columns, depending on who is paying the fee or charge (Borrower, Seller or someone else), and whether the fee or charge is paid At Closing or Before Closing.
- h. If the Seller has agreed to pay a specific fee or charge, the amount should appear in the appropriate Seller-Paid “At Closing” or “Before Closing” column, even if the fee or charge was disclosed to the borrow on the Loan Estimate form. (Example: Owner’s Title Policy Premium.)
- i. Similar to page 2 of the HUD-1.

3. Page 3

- a. Calculating Cash to Close. - This is the comparison table that compares the total costs per the CD form to the total costs per the LE form.
- b. Summaries of Transactions. - Similar to page 1 of the HUD-1.
- c. As noted in the discussion of Page 2, above, in the Adjustments section of Page 3, an “Adjustment for Title Insurance Premiums” line will need to be added to adjust for the “misquoted” title policy premiums that the lender disclosed on the LE per the CFPB’s rules and that were carried forward to Page 2. The adjustment on Page 3 will correct the amount of title insurance premium that is collected from the buyer/borrower and the seller should be set out in Page 3 of the CD.

4. Page 4 – Additional Information About the Loan

- a. Loan Disclosures
 - (1) Assumption
 - (2) Demand
 - (3) Partial Payments
 - (4) Security Interest
 - (5) Escrows
- b. ARM Info Tables
 - (1) Adjustable Payment
 - (2) Adjustable Interest Rate

5. Page 5

a. Loan Calculations

- (1) Total of Payments
- (2) Finance Charge
- (3) Amount Financed
- (4) Annual Percentage Rate
- (5) Total Interest Percentage (TIP)

b. Other Disclosures

- (1) Appraisal
- (2) Contract Details
- (3) Liability after Foreclosure Notice
- (4) Loan Acceptance Notice
- (5) Refinance Notice
- (6) Tax Deductions

c. Contact Information

d. Confirmation of Receipt

F. Additional Comments About the CDF

1. The CFPB's rules do not require a signature on the CD.
2. As a result, the Texas Department of Insurance ("TDI") and the Texas Land Title Association ("TLTA") promulgated a form that can be used as a signature page to authorize disbursements of funds as set forth on the CD.

IV. THE TEXAS DISCLOSURE – FORM T-64**A. Whenever the TDI promulgates**

a new form for use in a Texas Title Insurance Transaction, they also promulgate a Procedural Rule that informs settlement agents how and when to use the form. Here is Procedural Rule P-73:

P-73. Closing Disclosure and Texas Disclosure (Form T-64)

- a. When a settlement agent is required to use a federal Closing Disclosure form in a settlement in Texas, the settlement agent must also prepare Form T-64.
- b. On Form T-64 (See Form T-64 completed with sample data), the settlement agent must:
 1. accurately disclose the Texas title insurance premiums,
 2. separately itemize all other fees and charges paid to the settlement agent (which may have been combined on the Closing Disclosure), and

3. disclose all payments of portions of the title insurance premium or real estate commission to third parties.

c. Settlement agents must use Form T-64 with the federal Closing Disclosure, as an acknowledgement and authorization for disbursement.

d. Settlement agents may use a combined Form T-64 for signature by both buyer and seller, or may use a separate Form T-64 for each party.

e. Additional blank lines may be added to Form T-64 as needed to disclose additional items.

f. The last three paragraphs, beginning with "The Closing Disclosure was assembled" and ending with the acknowledgment paragraph, must be kept together on the same page with the signatures.

B. Sample T-64 Form

1. The T-64 will serve as a place where the title company can itemize any fees that were combined into one line in the CD form.
2. The T-64 form also provides a signature page for the buyers, sellers and escrow officer to sign to document that they have reviewed the CD and T-64 and authorize the title company to disburse accordingly.
3. A sample form T-64 is attached hereto as Exhibit "C."

V. CFPB IMPLEMENTATION ISSUES

Note: In a recent seminar for the TLTA, Janet Minke of Alliant National Title and Dawn Lewallen of Stewart Title Guaranty, presented the following summary of key "Areas of Discussion" that needed to be addressed between lenders and settlement agents who close their transactions. This summary is used with their permission.

A. Communication Issues Between Lender and Settlement Agent

1. Communication between the lender and the settlement agent is the most important element of the closing process. These two parties **MUST** be in contact frequently through the closing process.
2. The settlement agent must clarify the following with the lender as early as possible:
 - a. Who is the settlement agent's point of contact in the lender's office?

- b. Who does what in the process of preparing and delivering the CD form, and then ultimately closing and funding the transaction?
- c. How far in advance of the closing will the CD be prepared and sent to the borrower?
- d. How does the settlement agent communicate its' fees, as well as other fees and costs that should be disclosed on the CD, to the lender?
- e. Will the CD be sent to the settlement agent at the same time it is sent to the borrower? Or, will the settlement agent first see the

coordinate the names for fees to make sure they are using the same names to describe the same fees on the Borrower's and Seller's CDs.

2. One of the current "pain points" for lenders is the wide variety of names used for settlement items – and a "pain point" for settlement agents is the variety of names used by lenders, both for lender fees and for initial LE disclosure of settlement items.
3. As a result, there are several initiatives, both on the national and state levels, moving toward a uniform set of fee names for both lender fees and settlement fees.

B. Estimates Versus Final Fees

1. Lenders are expressing frustration with title-related fees changing between the LE and the initial CD that is provided to the borrower. Lenders use fee estimates to prepare the LE. But, when the actual transaction is at hand and the lender is preparing the CD, the fees they used for the LE may not be accurate.
2. Therefore, as soon as the settlement agent begins communicating with the lender, they should provide the lender a complete and accurate listing of all closing fees, to the best of the settlement agent's knowledge at that time.
3. Then, as soon as the settlement agent becomes aware of any new or revised fees, they need to let the lender know about them so the lender can test for "changed circumstances" to determine whether or not a revised CD is required, and a new 3-day notice period. Lenders don't really want to learn about the changed fees after they've already issued the CD – or worse, after the transaction has already closed.
4. It is very important for the settlement agent to work as closely as possible with the buyers, sellers and real estate agents throughout the closing process to identify all fees and charges as early as possible so those fees and charges can be communicated to the lender and properly reflected in the CD form.

C. Fee Names

1. The rule requires the names of fees to be uniform between LE and CD. Since the settlement agent doesn't generate or see the LE, it isn't possible for the settlement agent to know what the lender chose to call fees. So, as soon as the settlement agent begins communicating with the lender, they should

D. Multiple Closing Disclosures

1. Lenders report finding multiple CDs in loan files – and often, all copies have been signed by the borrower! This is a real problem for loans being sent to the secondary market, as it is difficult (or impossible) to determine which CD is the "official" version of the CD and which one was delivered to the borrower.
2. If the settlement agent is preparing a CD for the purpose of balancing their receipts and disbursements with the "official" CD prepared by the lender for delivery to the borrower, the settlement agent CD should never be printed – OR, it should always be printed with some sort of watermark or stamp that says "Draft," "Proof," "Preliminary," etc., to clearly show that it is not the "official" CD. This unofficial CD should never be given to the borrower or anyone else, and should not be signed by anyone. And it should not be sent to the lender!
3. NOTE: There is no such thing as an "initial CD" and a "final CD" in the regulations. The first CD sent to the consumer is presumed to be "final" unless it is found to be inaccurate – in which case a revised CD is issued. There is a concern in the secondary market about lenders treating the "initial" CD as nothing more than another estimate.

E. Seller Closing Disclosures

1. If the Seller's transaction is not fully disclosed on a combined CD, the settlement agent is required to prepare an Alternate CD for the Seller.
2. If an Alternate CD for Seller is used in the transaction, the regulations require the settlement agent to prepare it, deliver it to the seller at or before closing, and deliver a copy to the lender. Because this is required by the

regulations, no permission from the seller is needed.

3. A problem exists when the lender shows some, but not all, of the seller-paid fees on the CD delivered to the borrower – unless the Seller’s portion of the Summary page (page 3) is left blank. If the Summary page is not blank, the borrower receives a false disclosure as to the seller’s proceeds.
4. If lenders want to show some fees as seller paid, they should either show all the seller’s fees, debits and credits, or they should omit seller information on Page 3. Alternately, seller fees are shown on the seller CD.

F. Title Insurance Premiums

1. The CFPB regulations give instructions about disclosing simultaneous-issue owner and loan policy premiums. However, in a webinar presented by the CFPB, three methods of handling this disclosure were discussed. As a result, not all lenders are disclosing title premiums the same way.
2. The settlement agent should provide the lender with the full rate for an owner’s policy, and the full rate for a loan policy – as well as providing information as to who has agreed to pay for each policy. It’s up to the lender to decide which disclosure method to use.
3. The settlement agent has the responsibility to make sure each party paid the correct premium dollars for the policy he/she agreed to purchase – but not to argue with the lender about the method of disclosure.
4. The regulations do not give instructions regarding title insurance endorsements, so it’s up to the lender to decide whether to itemize each endorsement on the CD or to collect a lump sum for the loan policy endorsements and another lump sum for the owner’s policy endorsements.
5. It is not a best practice to lump endorsement premium in with the policy premium. Disclosure of the policy premiums is confusing enough without adding to the confusion.

G. Recording Fees

Proper calculation and collection of recording fees continues to be a hot topic. Settlement agents should provide a formula for calculating recording fees on the fee estimate sheet given to lenders to assist them with preparation of the LE, rather than trying to guess on the fee sheet about the possible number of pages to be recorded.

H. Three Business Day Review Period

1. It is up to the lender to determine the earliest day the borrower may close the transaction.
2. It is NOT up to the settlement agent to determine whether the lender calculated the three-business-day review period properly.

I. Delivery of Closing Disclosures to Third Parties

1. Because the issue of privacy has been raised during this transition into “Know Before You Owe,” (although privacy is in the Gramm-Leach-Bliley Act and not in TILA or RESPA), it is a good business practice to require written authorization from both the buyer and the seller before delivering a CD or other settlement statement to a third party (someone other than the lender).
2. Some lenders have said that if they do not specifically prohibit sharing the CD with others, it is a settlement agent decision about whether to share the CD and who to share it with. The settlement agent must carefully read the lender’s written instructions to see if the lender has specific guidance as to delivery of the CD to the buyer/borrower.
3. Some settlement agents have begun preparing and delivering an alternate form of settlement statement, rather than worrying about lender permission to deliver the CD to real estate agents. CAUTION: If the settlement agent has to do additional data entry in order to prepare and print these alternate forms, they should be very careful to assure that all the fees/charges/debits/credits match those same numbers in the Closing Disclosure exactly.

VI. CONCLUSION

As lenders and settlement agents gain more experience in preparing, delivering, and using the new TRID forms in closing real estate transactions, some of the issues discussed above will be resolved. However, it’s just as likely that more issues will be uncovered. So stay tuned!! My hope is that this paper has provided you with an introduction to and basic understanding of the new rules and forms so you can help your clients understand the forms and address any questions or concerns they have prior to the consummation of the loan.

FICUS BANK

EXHIBIT A

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

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

LOAN TERM 30 years
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 3/4/2013 at 5:00 p.m. EDT

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	Does the loan have these features? 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	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
		In escrow? YES YES

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

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

Additional Information About This Loan

LENDER Ficus Bank
NMLS/___ LICENSE ID
LOAN OFFICER Joe Smith
NMLS/___ LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/___ LICENSE ID
LOAN OFFICER
NMLS/___ LICENSE ID
EMAIL
PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

- Appraisal** 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.
- Assumption** 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.
 will not allow assumption of this loan on the original terms.
- Homeowner's Insurance** This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
- 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.
- 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.
- Servicing** We intend
 to service your loan. If so, you will make your payments to us.
 to transfer servicing of your loan.

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

EXHIBIT B

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 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
 Anytown, ST 12345
Sale Price \$180,000

Transaction Information

Borrower Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
Seller Steve Cole and Amy Doe
 321 Somewhere Drive
 Anytown, ST 12345
Lender Ficus Bank

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional FHA
 VA _____
Loan ID # 123456789
MIC # 000654321

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

Projected Payments	Years 1-7	Years 8-30
Payment Calculation		
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	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 <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>
		In escrow? YES 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. <i>See page 2 for details.</i>
Cash to Close	\$14,147.26 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
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					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
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					
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	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$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					
G. Initial Escrow Payment at Closing	\$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	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00	
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title – Owner’s Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

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 (J)	\$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
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION**K. Due from Borrower at Closing \$189,762.30**

01	Sale Price of Property	\$180,000.00
02	Sale Price of Any Personal Property Included in Sale	
03	Closing Costs Paid at Closing (J)	\$9,682.30
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	4/15/13 to 4/30/13	\$80.00
12			
13			
14			
15			

L. Paid Already by or on Behalf of Borrower at Closing \$175,615.04

01	Deposit	\$10,000.00
02	Loan Amount	\$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to	
04		

05	Seller Credit	\$2,500.00
----	---------------	------------

Other Credits

06	Rebate from Epsilon Title Co.	\$750.00
07		

Adjustments

08		
09		
10		
11		

Adjustments for Items Unpaid by Seller

12	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
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

Cash to Close **From** **To Borrower** **\$14,147.26****SELLER'S TRANSACTION****M. Due to Seller at Closing \$180,080.00**

01	Sale Price of Property	\$180,000.00
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	4/15/13 to 4/30/13	\$80.00
13			
14			
15			
16			

N. Due from Seller at Closing \$115,665.04

01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	\$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	\$100,000.00
05	Payoff of Second Mortgage Loan	
06		

08	Seller Credit	\$2,500.00
09		
10		
11		
12		
13		

Adjustments for Items Unpaid by Seller

14	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
15	County Taxes	to	
16	Assessments	to	
17			
18			
19			

CALCULATION

Total Due to Seller at Closing (M)	\$180,080.00
Total Due from Seller at Closing (N)	– \$115,665.04

Cash **From** **To Seller** **\$64,414.96**

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 on the original terms.

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 Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any 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 Somewhere Ave., Anytown, ST 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	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner's Association Dues</i> You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. 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.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures**Appraisal**

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.

Contract Details

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.

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 have to pay any debt remaining even after 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
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@ epsilontitle.com
Phone	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

Co-Applicant Signature

Date

EXHIBIT C

Texas Disclosure

Form T-64 (Completed with sample data)

This form provides additional disclosures and acknowledgements required in Texas. It is used with the federal Closing Disclosure form.

Closing Information		Transaction Information	
Closing Disclosure Issued Date:	October 15, 2015	Property:	456 Somewhere Ave. Anytown, ST 12345
Closing Date:	October 19, 1025	Borrower(s):	Michael Jones and Mary Ann Jones
GF #:	14-3456	Address(es):	123 Anywhere Street Anytown, ST 12345
Sales Price:	\$180,000	Seller(s):	Steve Cole and Amy Cole
Loan Amount:	\$162,000	Address(es):	321 Somewhere Ave. Anytown, ST 12345

Lender and Settlement Agent			
Lender:	Ficus Bank	Settlement Agent:	Best Title Agent
Address:	4321 Random Blvd. Somecity, ST 12340	Address:	123 Commerce Pl. Somecity, ST 12340

Title Insurance Premiums			
<p>If you are buying both an owner's policy and a loan policy, the title insurance premiums on this form might be different than the premiums on the Closing Disclosure. The owner's policy premium listed on the Closing Disclosure will probably be lower than on this form, and the loan policy premium will probably be higher. If you add the two policies' premiums on the Closing Disclosure together, however, the total should be the same as the total of the two premiums on this form.</p> <p>The premiums are different on the two forms because the Closing Disclosure is governed by federal law, while this form is governed by Texas law. The owner's policy and loan policy premiums are set by the Texas commissioner of insurance. When you buy both an owner's policy and a loan policy in the same transaction, you are charged the full premium for the owner's policy but receive a discount on the loan policy premium. Federal and Texas law differ on where the discount is shown. Texas law requires the discount to be reflected in the loan policy premium, while federal law requires the discount to be reflected in the owner's policy premium.</p>			
Title Agent:	Best Title Agent	Owner's Policy Premium	\$ 1,318.00
		Loan Policy Premium	\$ 100.00
Underwriter:	Amazing Title Insurance Company	Endorsements	\$ 190.90
		Other	\$
		TOTAL	\$ 1,608.90
Of this total amount: \$ <u>241.33</u> (or <u> </u> %) will be paid to the Underwriter; the Title Agent will retain \$ <u>820.54</u> (or <u> </u> %) and the remainder of the premium will be paid to other parties as follows:			
Amount (\$ or %)	To Whom	For Services	
\$547.03	County Title Agent	Title Evidence and Examination	

Fees Paid to Settlement Agent			
Fees Paid to Settlement Agent on the Closing Disclosure include:			
Escrow Fee	\$400.00	Wire Transfer Fee	\$20.00
Courier Fee	\$40.00	Tax Certificates	\$30.00
Document Copies	\$10.00		

Texas Disclosure

Form T-64 (Completed with sample data)

This form provides additional disclosures and acknowledgements required in Texas. It is used with the federal Closing Disclosure form.

Real Estate Commission Disbursement	
<i>Portions of the Real Estate Commissions disclosed on the Closing Disclosure will be disbursed to:</i>	
Referral Fee	Abacus Realtors
Franchise Fee	World market
Marketing Fee	Signs and More

Other Disclosures			
<i>Although not required, this section may be used to disclose individual recording charges included on Line 01 of Section E of the Closing Disclosure, or to disclose a breakdown of other charges that were combined on the Closing Disclosure:</i>			
Document Name	Recording Fee	Document Name	Recording Fee
Deed	\$20.00	Deed of Trust	\$72.00
Releases (2)	\$40.00	Power of Attorney	\$40.00
Closing Disclosure Charge Name		Included in Closing Disclosure Charge	
Title – Loan Policy Endorsements		T-17, T-19, T-36, T-30, Tax Exception – add “not yet due” language	
Title – Owner’s Policy Endorsements		Amendment of Area and Boundary Exception	

The Closing Disclosure was assembled from the best information available from other sources. The Settlement Agent cannot guarantee the accuracy of that information.

Tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others, or are estimates for current year. If there is any change for the current year, all necessary adjustments must be made directly between Seller and Borrower, if applicable.

I (We) acknowledge receiving this Texas Disclosure and the Closing Disclosure. I (We) authorize the Settlement Agent to make the expenditures and disbursements on the Closing Disclosure and I (we) approve those payments. If I am (we are) the Borrower(s), I (we) acknowledge receiving the Loan Funds, if applicable, in the amount on the Closing Disclosure.

Borrower: Michael Jones

Borrower: Mary Ann Jones

Seller: Steve Cole

Seller: Amy Cole

Settlement Agent:
 Best Title Agent

By: _____
Escrow Officer