



Are you ready for October 3, 2015?

Integrated Mortgage Disclosures Basics for Real Estate Professionals

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What to Expect



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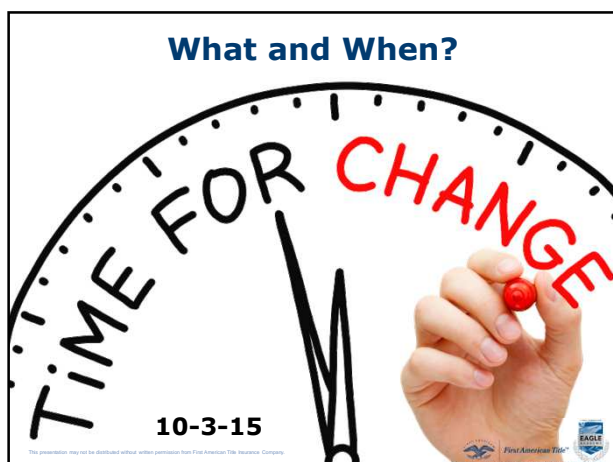
What, When, Why, How & Who?

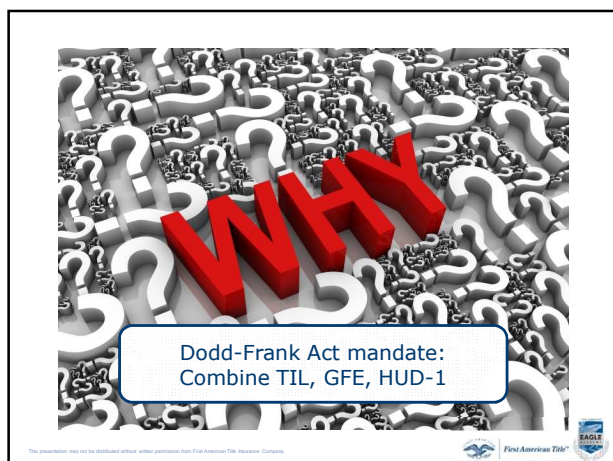
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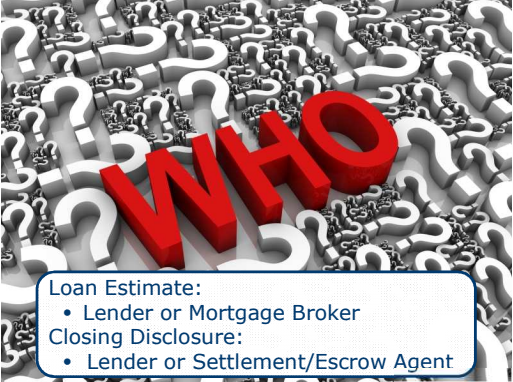


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Loan Estimate:

- Lender or Mortgage Broker

Closing Disclosure:

- Lender or Settlement/Escrow Agent

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Penalties

- \$5,000 per day for failure to follow the laws or regulations
- \$25,000 per day for gross negligence
- \$1,000,000 per day for intentional violations

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The Impact

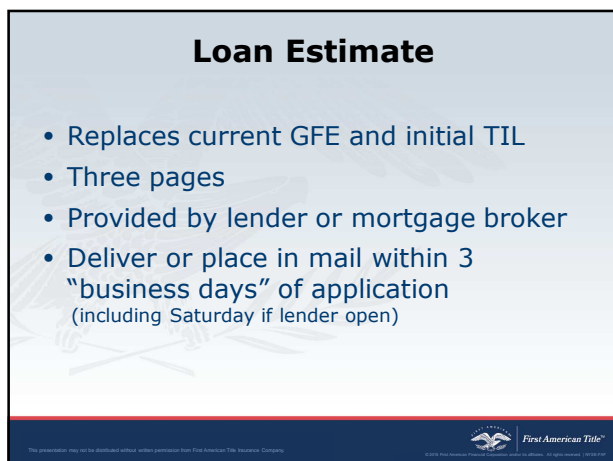


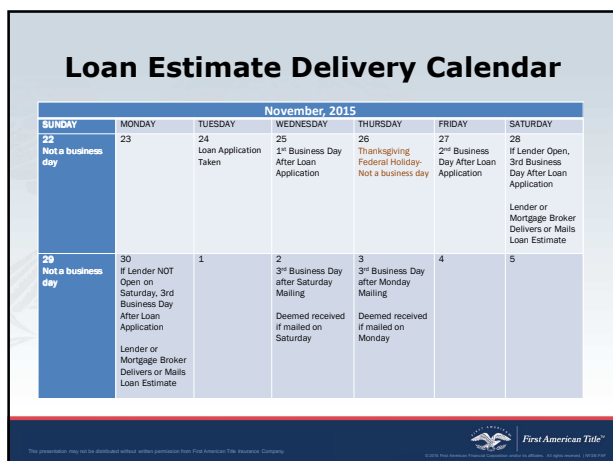
- 3 business day review
- Different forms
- Contact information and license number on form
- Clients may receive multiple
 - Loan Estimates
 - Closing Disclosures

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Loan Estimate
§ 1026.37(a)-(c)

Loan Terms
Can this amount increase after closing?

Projected Payments
Payment Calculation

Estimated Total Monthly Payment

Estimated Taxes, Insurance & Assessments

Loan Estimate
Page 1
§ 1026.37(a)-(c)

(a) General Information

(b) Loan Terms

(c) Projected Payments

Loan Estimate Page 1 (cont.)
§ 1026.37(d)-(e)

Costs at Closing

Estimated Closing Costs

Estimated Cash to Close

Website reference

(d) Costs at Closing

(e) Website reference

Loan Estimate
Page 2
§ 1026.37(f)-(j)

Closing Cost Details

Loan Costs

Other Costs

Calculating Cash to Close

Adjustable Payment (AP) Table

Adjustable Interest Rate (AIR) Table

Loan Estimate
Page 2
§ 1026.37(f)-(j)

(f) Loan Costs

(g) Other Costs

(h) Calculating Cash to Close

(i) Adjustable Payment (AP) Table*

(j) Adjustable Interest Rate (AIR) Table*

Additional Information About This Loan

COMPANION **1** Use these resources to compare this loan with other loans.

Loan Amount	\$56,582	Total you will have paid to principal, interest, mortgage insurance, and loan costs.
to 5 Years	\$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 **(m)**

Assumption
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 loan based on your own cost.

Assumption
If you sell or transfer the property to another person, we will allow, under certain conditions, this person to assume the loan on the original terms. We 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 1% 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 you will make your payments to us, to transfer servicing of your loan.

Confirm Receipt **(n)**
By signing this disclosure, you are 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 _____

LOAN ESTIMATE PAGE 3 OF 3

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Loan Estimate

Page 3

\$ 1026.37(k)-(n)

(k) Contact Information

(l) Comparisons

(m) Other Considerations

(n) Signature Statement

- Signatures not required
- Different statements required depending on whether signature line is or is not included.

Closing Disclosure

- Replaces current HUD-1 and final TIL
- Five pages
- Provided by Lender or Settlement/Escrow Agent
- Delivered 3 business days before consummation

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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	4/1/2016	Transaction Information	Loan Information
Closing Date	4/1/2016	Borrower	Michael Jones and Mary Jones
Settlement Date	4/1/2016	Address	123 Highway Street
Settlement Agent	Settlement Title Co.	Property	One Oak and Any One
Property	100 Main Street	Loan Type	Conventional
Loan Price	\$100,000	Loan ID#	123456789

Loan Terms **(b)**

Loan Amount	\$162,000	Can this amount increase after closing?	NO
Interest Rate	3.875%	NO	
Monthly Principal & Interest	\$761.78	NO	

Does the loan have these features?

Prepayment Penalty YES **As high as \$3,240 if you pay off the loan during the first 2 years**

Ballon Payment NO

Projected Payments **(c)**

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+	+
Estimated Escrow	+	+
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments **(d)**

Estimated Taxes, Insurance & Assessments	\$356.13	This estimate includes:	Is escrowed?
		(1) Property Taxes	YES
		(2) Homeowner's Association Dues	YES
		(3) Other Homeowner's Association Dues	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 1 for details.
Cash to Close	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 1 for details.

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Closing Disclosure

Page 1

(a) General Information

(b) Loan Terms

(c) Projected Payments

(d) Costs at Closing

Closing Disclosure Page 2

Closing Cost Details				
Loan Costs	Borrower Paid	Seller Paid	Paid to Others	
A. Origination Charges	At Closing	At Closing	At Closing	
1. Origination Fee	\$1,500.00			
2. Application Fee	0.00			
3. Processing Fee	0.00			
4. Underwriting Fee	0.00			
5. Credit Report Fee	0.00			
6. Flood Certification Fee	0.00			
7. Survey Fee	0.00			
8. Title Insurance Fee	0.00			
9. Escrow Fee	0.00			
10. Recording Fee	0.00			
11. Notary Fee	0.00			
12. Other Fees	0.00			
B. Services Borrower Did Not Shop For				
1. Prepaid Interest	0.00			
2. Prepaid Property Taxes	0.00			
3. Prepaid Homeowner's Insurance	0.00			
4. Other Prepaids	0.00			
C. Services Borrower Did Shop For				
1. Discounted Points	0.00			
2. Discounted Closing Costs	0.00			
3. Discounted Other Fees	0.00			
4. Discounted Other Costs	0.00			
D. Total Loan Costs	\$1,500.00			

(f) Loan Costs

- A. Origination Charges
- B. Services Borrower Did Not Shop For
- C. Services Borrower Did Shop For
- D. Total Loan Costs

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Closing Disclosure Page 2 (cont.)

Other Costs				
Other Costs	Borrower Paid	Seller Paid	Paid to Others	
F. Prepaids	At Closing	At Closing	At Closing	
1. Prepaid Interest	\$1,500.00			
2. Prepaid Property Taxes	0.00			
3. Prepaid Homeowner's Insurance	0.00			
4. Other Prepaids	0.00			
G. Total Prepaid at Closing	\$1,500.00			
H. Other				
1. HOA Capital Contribution	0.00			
2. Real Estate Commission	0.00			
3. Title - Owners title	0.00			
4. Other	0.00			
I. Total Other Costs	\$0.00			
J. TOTAL CLOSING COSTS (Borrower Paid)	\$1,500.00			
K. TOTAL CLOSING COSTS (Seller Paid)		\$0.00		
L. TOTAL CLOSING COSTS (Paid to Others)			\$0.00	

(g) Other Costs

- F. Prepaids:
 - 01. Homeowner's Ins. Premium
 - 02. Mortgage Ins. Premium
 - 03. Prepaid Interest
 - 04. Property Taxes
- H. Other:
 - 01. HOA Capital Contribution
 - 05. Real Estate Commission
 - 06. Real Estate Commission
 - 07. Title - Owners title

(h) Total Closing Costs

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Closing Disclosure Page 3

(i) Calculating Cash to Close

- Tolerance amounts shown here

(j) Summary of borrower's transaction

(k) Summary of seller's transaction

- Itemizations in I and J are like page 1 of today's HUD-1 Settlement Statement

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Closing Disclosure Page 4

(l) Loan Disclosures

(m) Adjustable Payment (AP) Table*

(n) Adjustable Interest Rate (AIR) Table*

* Tables are only included if applicable

Closing Disclosure Page 5

(o) Loan Calculations

(p) Other Disclosures

(q) Questions Notice

Closing Disclosure Page 5 (cont.)

(r) Contact Information

(s) Signature Statement

Additional Model Forms & Variations

- Forms differ based on:
 - Sale vs. loan only
 - Split forms for:
 - Borrower's transaction
 - Seller's transaction
 - Alternative "Calculating Cash to Close" table
 - Etc.

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Three Business Day Requirement

Closing Disclosure

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Three Day Advance Disclosure

- Closing Disclosure received 3 business days before "consummation" (closing)
 - Includes Saturday whether lender is open or not¹
- Changes requiring new 3 business day waiting period²
 - Change to APR (Clarified by CFPB as Increase)
 - Loan product changed
 - Prepayment penalty added

¹12 CFR § 1026.2(a)(6) 2nd sentence

²12 CFR § 1026.19(f)(2)(ii)

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Three Day Advance Disclosure (con't)

- If not provided in person (i.e. mailed), add 3 business days for presumed receipt¹
- Consumer may not waive 3 day waiting period except for "Bona Fide Personal Financial Emergency"²

¹12 CFR § 1026.19(f)(1)(iii)
²12 CFR § 1026.19(f)(1)(iv)



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Hand Delivery:

Clarification

November, 2015						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 Not a business day	2 Closing Disclosure Personally Delivered	3 2 Business Days Prior to Consummation	4 1 Business Days Prior to Consummation	5 Consummation	6	7
	3 Business Days Prior to Consummation					

Mail Delivery:

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
23 Not a business day	24	25 Closing Disclosure Mailed	26 Thanksgiving Federal Holiday- Not a business day	27 1 st Business Day After Mailing	28 2 nd Business Day After Mailing	
29 Not a business day	30 3 rd Business Day After Mailing Presumed Receipt	1 2 Business Days Prior to Consummation	2 1 Business Day Prior to Consummation	3 Consummation	4	5
	3 Business Days Prior to Consummation					



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Questions



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