



INTRODUCTION

For more than 3 decades, lenders have been required to provide 2 different disclosure forms to consumers applying for a mortgage loan. Two different Federal agencies developed these forms separately, under two Federal statutes:

the **Truth in Lending Act** (TILA) and the **Real Estate Settlement Procedures Act** of 1974 (RESPA). The lack of common oversight, and the inconsistent language in the disclosures, resulted in confusion by many consumers.

To address this concern, the Dodd-Frank Wall Street Reform and Consumer Protection Act charged the Consumer Financial Protection Bureau (CFPB) with integrating the TILA and RESPA disclosures. The result is the new **LOAN ESTIMATE** form, which replaces the initial TIL and GFE, and which must be *delivered or placed in the mail* within 3 business days of application, and the new **CLOSING DISCLOSURE**, which replaces the final TIL and HUD-1 Settlement Statement, which must be *received* by the consumer no later than 3 business days prior to consummation.

COVERAGE OF TILA-RESPA INTEGRATED MORTGAGE DISCLOSURES

- Applies to Closed-end Consumer Mortgage Loans Secured by Real Property, including 25-acre Loans, Vacant-land Loans, and Construction-only Loans
- Does Not Apply to: Reverse Mortgages; HELOCS; Federally Related Mortgage Loans Extended by a Person Not a Creditor as defined in Regulation Z; Personal Property Loans, Chattel-dwelling Loans – e.g., Loans on Mobile Homes or other Dwellings Not Attached to Real Property; and Transactions Satisfying Criteria Associated with Certain Housing Assistance Loan Programs for Low- and Moderate-income Persons (§ 1026.3(h) of Regulation Z)

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- Applies to Closed-end Consumer Mortgage Loans Secured by Real Property, including 25-acre Loans, Vacant-land Loans, and Construction-only Loans

Applies to **1st lien** as well as **subordinate lien** closed-end loans.

Property does **NOT** need to be the **consumer's primary residence** (Includes second homes or vacation homes)

Does Not Apply to:

Reverse Mortgages;

HELOCS;

Mortgage Loans Extended by a **Person who is Not a Creditor** as defined in Regulation Z (5 or less loans per year);

Chattel-dwelling Loans – e.g., Loans on Mobile Homes or other Dwellings Not Attached to Real Property;

Certain **no-interest loans secured by subordinate liens** made for the purpose of downpayment or similar home buyer assistance, property rehabilitation, energy efficiency, or foreclosure avoidance or prevention

EFFECTIVE DATE

Applications taken
on or after

~~August 1, 2015~~

~~October 1, 2015~~

October 3, 2015

LOAN ESTIMATE

FICUS BANK
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 <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
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	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments
Amount can increase over time

\$206
a month

This estimate includes

☒ Property Taxes

☒ Homeowner's Insurance

☐ Other:

See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.

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. See page 2 for details.
Estimated Cash to Close	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.


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

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

Loan Estimate – 3 page document

Page 1 is divided into 4 sections

1. General Information
2. Loan Terms
3. Projected Payments
4. Costs at Closing

		4321 Random Boulevard • Somecity, ST 12340		<i>Save this Loan Estimate to compare with your Closing Disclosure.</i>	
Loan Estimate					
DATE ISSUED	2/15/2013	LOAN TERM	30 years		
APPLICANTS	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345	PURPOSE	Purchase		
PROPERTY	456 Somewhere Avenue Anytown, ST 12345	PRODUCT	5 Year Interest Only, 5/3 Adjustable Rate		
SALE PRICE	\$240,000	LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____		
		LOAN ID #	123456789		
		RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 4/16/2013 at 5:00 p.m. EDT		
		<i>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</i>			
<div style="text-align: right;">6</div>					

I. GENERAL INFORMATION

Name and Address of the creditor – Upper left next to “Save this Loan Estimate”

- If multiple creditors – use only the name of creditor completing the LE.
- If **Mortgage Broker** is completing the LE, use name and address of **Creditor**, if known. If not known, *leave blank*.
- A *logo or slogan* may be used *along with the creditor’s name*, so long as it does not exceed the space provided.

Date Issued – The date the Loan Estimate is mailed or delivered.

Applicants – include *name and mailing address* of each applicant. May use additional page *at the end of the form* to list more applicants (Comment 37(a)(5)-1).

Property – Must have property address *including zip code*. If the address is unavailable (i.e. vacant lot) you may insert alternate information, such as Lot number **AND zip code**. The disclosure of *multiple zip codes* is permitted if the consumer is investigating home purchase opportunities in multiple zip codes. (Comment 37(a)(6)-1).

Sale Price – Must use the term “**Sale Price**” on transactions involving a seller. May use an estimated value of the property if the sales price is not yet known. For transactions without a seller, replace “**Sale Price**” with “**Prop. Value**”. (1026.37(a)(7) and comment 37(a)(7)-1). **Property** is not spelled out.

Purpose - 4 options – *Purchase, Refinance, Construction or Home Equity* (catch all). *Refinance* may include cash back to the consumer. *Construction* is only used for *initial construction* of a dwelling on the property, not renovation loans. (comment 37(a)(9)(ii) and (iii)). *Home Equity* is used as the “catchall” for loans that do not fit in any other category (i.e. *no existing lien* on the property being refinanced or *renovation loan*.) This rule applies whether the loan is secured by a *first or subordinate* lien (Comment 37(a)(9)-1(iv).

Product – 3 options for Product- (*Adjustable, Step or Fixed*). **Disclose Features prior to Product**.

Examples –

-an adjustable rate loan (*which has an Interest Only feature for the first 5 years*) with an introductory rate that is fixed for 5 years and then adjusts every 3 years, beginning in year 6 is disclosed as “**5 Year Interest Only, 5/3 Adjustable Rate**”.

- If the *Loan Product* contains introductory or adjustment periods of **24 months or more which do NOT equal a whole number of years**, disclose in **whole years** followed by decimal for remaining months rounded to **2 places**.
- *Example* – a loan with a 31 month introductory period that adjusts every year thereafter would be disclosed as a “**2.58/1 Adjustable Rate**”.

If the *Loan Product* contains introductory or adjustment periods of **LESS THAN 24 months which do NOT equal a whole number of years**, disclose in **months**.

- *Example* – A loan product with an introductory period of 18 months that adjusts every 18 months, starting on the 19th month would be disclosed as “**18 mo./18 mo.**”

Adjustable Rate.” (Comment 37(a)(10) -3(i) and (ii)).

Loan ID# - Creditor's ID number, not broker's. If broker does not know the Creditor's loan ID, leave blank. (CFPB 10/1 webinar page 8 citing comment 37(a)(12)-1).

Rate Lock – Use *date, time and time zone* for rate lock. *Standard Time v. Daylight Savings Time* – (i.e. 5:00 p.m. EDT). All other estimated closing costs must be available for **10 business days** (General Definition) after LE is delivered or placed in mail.

GENERAL INFORMATION – WITHOUT A SELLER

FICUS BANK
4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED2/15/2013
APPLICANTSMichael Jones and Mary Stone
123 Anywhere Street
Anytown, ST 12345
PROPERTY123 Anywhere Street
Anytown, ST 12345
EST. PROP. VALUE\$180,000

LOAN TERM30 years
PURPOSERefinance
PRODUCTFixed 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

Here’s an example of the General Information section of a Loan Estimate for a loan transaction Not involving a Seller

- “Sale Price” is replaced with “Est. Prop. Value”

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FIXED RATE WITH PREPAYMENT PENALTY		
Loan Terms		Can this amount increase after closing?
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$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
Balloon Payment		NO

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LOAN TERMS

5 Elements – *Loan Amount, Interest Rate, Principal & Interest Payment, Prepayment Penalty and Balloon Payment.*

“Can this amount increase after closing?” – Must answer yes or no. If “Yes” additional information is required.

1. Fixed Rate with Prepayment Penalty

Loan amount - truncated at decimal point – not \$162,000.00

Interest rate - which is *not* a whole number carried to 2 or 3 decimal places, as needed (1026.37(o)(4)(ii)).

Prepayment Penalty – Must disclose the maximum amount of the prepayment penalty and the date on which the penalty will no longer be imposed (Comment 37(b)(4).

Defined as a charged imposed for paying all or part of the transaction’s principal before the date on which it is due, *other than a waived, bon-fide third party charge that the*

creditor imposes if the consumer prepays all of the transaction's principal sooner than 36 months after consummation.

5 YEAR INTEREST ONLY, 5/3 ARM		
Loan Terms		Can this amount increase after closing?
Loan Amount	\$211,000	NO
Interest Rate	4%	YES <ul style="list-style-type: none"> • Adjusts every 3 years starting in year 6 • Can go as high as 12% in year 15 • See AIR Table on page 2 for details
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$703.33	YES <ul style="list-style-type: none"> • Adjusts every 3 years starting in year 6 • Can go as high as \$2,068 in year 15 • Includes only interest and no principal until year 6 • See AP Table on page 2 for details
		Does the loan have these features?
Prepayment Penalty		NO
Balloon Payment		NO

1. 5 Year Interest Only, 5/3 ARM

- Where the interest rate *that will apply at consummation* is **not known** at the time the LE is delivered, use the **fully-indexed rate** (index plus margin at consummation). If that is ***unknown*** at the time of delivering the LE, use the ***fully-indexed rate in effect at the time the LE is delivered***. (Comment 37(b)-1).
- Where *initial interest rate* is calculated using a different formula than for *subsequent rate adjustments*, disclose *initial interest rate* because it is known at consummation.
- Creditor may replace “Monthly” with “Biweekly” or “Quarterly” depending on loan terms.

Interest Rate Section – Creditor must provide (1026.37(b)(6)(ii)):

- The frequency of interest rate adjustments
- The date when the interest rate may first adjust
- The maximum interest

- The first date when the interest rate can reach the maximum interest rate
- Reference to the AIR table on page 2.

Dates required to be disclosed in this section shall be disclosed as the ***Year*** in which the event occurs (1026.37(b)(8)(i))

Where the ***interest rate*** changes, the **AIR (Adjustable Interest Rate) Table** must be added to page 2 of the LE.

Monthly Principal & Interest Section – Creditor must provide (1026.37(b)(8)(ii)):

- The frequency of payment adjustments
- The date the first adjustment occurs
- The maximum possible ***payment*** amount
- The earliest when the maximum amount can be reached
- Any interest only period and the date when that feature ends
- Reference to the AP table on page 2.

Dates required to be disclosed in this section shall be disclosed as the ***Year*** in which the event occurs (1026.37(b)(8)(ii))

Where the ***monthly principal and interest*** payment changes, the **AP (Adjustable Payment) Table** must be added to page 2 of LE.

5 YR NEG AMORT., 1/1 ARM

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$171,000	YES	<ul style="list-style-type: none"> • Can go as high as \$176,032 • Can increase until year 6
Interest Rate	2%	YES	<ul style="list-style-type: none"> • Adjusts every year starting in year 2 • Can go as high as 7% in year 10 • See AIR table on page 2 for details
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$632.05	YES	<ul style="list-style-type: none"> • Adjusts every year starting in year 6 • Can go as high as \$1,227 in year 10 • Includes only interest and no principal until year 6 • See AP table on page 2 for details.
		Does the loan have these features?	
Prepayment Penalty		NO	
Balloon Payment		NO	

BALLOON PAYMENT

Loan Terms		Can this amount increase after closing?
Loan Amount	\$171,000	NO
Interest Rate	4.375%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$853.78	NO
		Does the loan have these features?
Prepayment Penalty		NO
Balloon Payment		YES • You will have to pay \$149,263 at the end of year 7

FIXED RATE WITH MI

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

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I. PROJECTED PAYMENTS

- Up to **4 columns** allowed based on the Loan Terms
- **3 reasons** to add additional columns
- Change to the Principal and Interest Payment
- Balloon Payment
- Termination of MI

Principal and Interest - *Initial* Payment is **NOT** rounded because the actual amount is known. *All other adjustments are rounded if actual amount is not known at consummation.* When adding an unrounded and rounded number together, the sum is rounded to the nearest whole dollar.

The *minimum and maximum range* of payments (rounded) must be shown in the year that the payment will adjust.

Mortgage Insurance – Includes any mortgage guarantee that provides coverage similar to mortgage insurance (i.e. VA or USDA guarantees). Even if consumer may cancel earlier, show date that creditor must automatically terminate MI. Show as “0” if not required. Show as “-“ for termination.

Estimated Escrow - Show as “0” if not required. Show as “-“ for termination.

Estimated Total Payment – Show as a range of payments for periods in which the amount cannot be calculated at consummation. This amount is rounded if *any* of its component amounts is rounded.

Estimated Taxes, Insurance & Assessments –

- Must be completed even if the creditor is not requiring an escrow account.
- *Flood Insurance, credit life, accident, health, loss of income and debt cancellation coverage* premiums are included in the *Homeowner’s Insurance* (1026.4(b)(7)(8)(10), 1026.37(c)(4)).

5 YEAR INTEREST ONLY, 5/3 ARM

Projected Payments				
Payment Calculation	Years 1-5	Years 6-8	Years 9-11	Years 12-30
Principal & Interest	\$703.33 <i>only interest</i>	\$1,028 min \$1,359 max	\$1,028 min \$1,604 max	\$1,028 min \$2,068 max
Mortgage Insurance	+ 109	+ 109	+ 109	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 0	+ 0	+ 0	+ 0
Estimated Total Monthly Payment	\$812	\$1,137–\$1,468	\$1,137–\$1,713	\$1,028–\$2,068
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$533 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? NO NO		

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5 Year Interest Only, 5/3 ARM

All 4 columns are used

COSTS AT CLOSING

PURCHASE

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.

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789

ALTERNATIVE (WITHOUT A SELLER)

Costs at Closing

Estimated Closing Costs	\$5,099	Includes \$3,521 in Loan Costs + \$2,078 in Other Costs – \$500 in Lender Credits. <i>See page 2 for details.</i>
Estimated Cash to Close	\$24,901	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower

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

LOAN ESTIMATE

PAGE 1 OF 3 • LOAN ID # 123456789

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I. Costs at Closing -

Purchase and Alternate (without a Seller) Tables

Closing Cost Details	
Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097
B. Services You Cannot Shop For	
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110
C. Services You Can Shop For	
Pest Inspection Fee	\$135
Survey Fee	\$65
Title - Insurance Binder	\$700
Title - Lender's Title Policy	\$535
Title - Settlement Agent Fee	\$502
Title - Title Search	\$1,261
D. TOTAL LOAN COSTS (A + B + C)	\$5,472
Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	
F. Prepaids	\$867
Homeowner's Insurance Premium (6 - months)	\$605
Mortgage Insurance Premium (- months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (- months)	
G. Initial Escrow Payment at Closing	\$413
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211
H. Other	\$1,817
Title - Owner's Title Policy (optional)	\$1,817
I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
J. TOTAL CLOSING COSTS	\$8,854
Tax + Lender Credits	\$8,854
Calculating Cash to Close	
Total Closing Costs (J)	\$8,854
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	-\$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,854

LOAN ESTIMATE PAGE 2 OF 3 - LOAN ID # 123456789

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THE LOAN ESTIMATE – Closing Cost Details -Page 2

Overview –

- No more GFE Blocks
- Creditors may now *itemize* fees as much or as little as they wish
- Only certain lines are **hard coded**
- Remainder of the form is meant to be “Dynamic” and easily changed to fit a particular loan
- Fees must be listed *alphabetically*

Loan Costs –

- Origination Charges
- Services for which consumer *may not* shop
- Services for which the consumer *may* shop

Other Costs –

- Taxes and government fees
- Prepays
- Other

Section Subtotals

Calculating Cash to Close

Adjustable Payment (AP and Adjustable Interest Rate (AIR) Tables, if necessary

Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

Loan Costs

A. Origination Charges –

- **Points** field is *hard coded* on the form. Must disclose the *% of the loan amount and dollar amount* of the points. If no points are charged, leave the field blank. Do not use N/A.
- Only amounts used to reduce the interest rate are considered “**Points**”.
- If the creditor charges an origination fee that is a percentage of the loan amount, but is not a point paid to reduce the interest rate, the creditor may NOT identify it as a point to preserve tax deductibility for the consumer. Creditor may offer a zero or lower point option, and if the consumer chooses to pay for discount points in an amount *greater than* any *Loan-Level Price Adjustment* to obtain a lower rate, creditor may disclose this amount as *discount points*. (CFPB 10/1/14 webinar, page 15).
- *Loan Level Price Adjustments* (LLPA’s) which are passed on to the consumer and compensation paid *directly by the consumer to the broker* must be separately itemized as Origination Charges. (Comment 37(f)(1)-5).
- Remaining charges (in addition to points) may be itemized up to *13 individual items*.

- ***Lender credits for premium rates*** are Not included in “Loan Costs” section. They should be disclosed in ***Section J*** “Total Closing Costs” **in the aggregate, and not itemized**.

B. Services You Cannot Shop For		\$672
Appraisal Fee		\$405
Credit Report Fee		\$30
Flood Determination Fee		\$20
Flood Monitoring Fee		\$32
Tax Monitoring Fee		\$75
Tax Status Research Fee		\$110

B. Services You Cannot Shop For – Items for which the consumer *may not shop and will pay for at settlement*. Creditor must describe each service in *alphabetical* order (but does not need to name the service provider).

Up to **13** services may be separately itemized. May aggregate beyond 13.

Examples: Appraisal fee, Appraisal management company fee, Credit report fee, Flood determination fee, Government funding fee (i.e. VA or USDA guarantee fee, or any other fee paid to a government entity as part of a governmental loan program), Homeowners' association certification fee, ***Lender's attorney fee****, Third-party subordination fee, Title fees if consumer may not shop, Up-front Mortgage Insurance fee. (*see page 32 of *Guide to Completing LE and CD*).

C. Services You Can Shop For		\$3,198
Pest Inspection Fee		\$135
Survey Fee		\$65
Title – Insurance Binder		\$700
Title – Lender’s Title Policy		\$535
Title – Settlement Agent Fee		\$502
Title – Title Search		\$1,261

C. Services You Can Shop For - Items (provided by persons *other than the creditor or mortgage broker*) for which the consumer *may shop and will pay for at settlement*. Creditor must describe each service in *alphabetical* order (but does **not** need to name the service provider).

Up to **14** services may be itemized. *If there are more than 14, disclose the total amount of items that exceed 13 with the label “Additional Charges”*. An addendum may be added to the Loan Estimate to disclose the additional items.

Examples: Pest inspection fee, Survey fee, Title insurance.

*All title insurance related services **MUST** begin with the word “Title” at the beginning of the item.*

New Method for calculating Lender’s Title Insurance Premium (Comment 37(f)(2)-4).

- The amount disclosed for the lender's title insurance policy pursuant to 1026.37(f)(2) (*services for which the consumer may not shop*) or 1026.37(f)(3) (*services for which the consumer may shop*) is the amount of premium **without** any adjustment that might be made for the simultaneous purchase of an owner's title insurance policy.

Example: Assume a purchase transaction for \$400,000.00 with a \$300,000.00 loan. The promulgated premium for the owner's policy is \$2,537.00. The simultaneous premium for the loan policy (under rate rule R-5) is \$100.00. The promulgated premium for a \$300,000.00 loan policy with no R-5 credit is \$1,983.00.

Under the 2010 RESPA Rule – Block 4 of the GFE would disclose a \$100.00 charge for the loan policy, and Block 5 of the GFE would disclose a \$2,537.00 charge for the owner's policy.

Under the 2015 Integrated Disclosure Rule – The Loan Estimate would disclose (under "Loan Costs" category B or C) a \$1,983.00 premium for the loan policy and would disclose the owner's policy premium (under "Other Costs" category H) as \$654.00 ($\$2,537.00 + \$100.00 - \$1,983.00$).

Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

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E. Taxes and Other Government Fees

- Maximum of 2 items permitted (which are hard-coded).
- Recording fees and other taxes is the sum of all recording fees and taxes except for transfer taxes.

Transfer Taxes – Consumer-paid only. Seller paid transfer taxes need not be disclosed.
Leave blank if no Transfer Taxes. Do not use N/A

G. Initial Escrow Payment at Closing			\$413
Homeowner's Insurance	\$100.83 per month for 2 mo.		\$202
Mortgage Insurance	per month for mo.		
Property Taxes	\$105.30 per month for 2 mo.		\$211

G. Initial Escrow Payment at Closing

- Items that consumer will be expected to place into reserve or escrow at consummation to be applied to recurring, periodic payments.
- Maximum of 8 items permitted. First 3 are hard coded.
- Actual amounts used for per-month amounts, then rounded for total.
- **Examples:** Homeowner's insurance, Mortgage Insurance, and Property taxes.

H. Other	\$1,017
Title – Owner's Title Policy (optional)	\$1,017

H. Other

- Items that the consumer is likely to pay in connection with the transaction or has contracted with a person *other than the creditor or loan originator* to pay at closing, of which the creditor is aware at the time the *Loan Estimate* is issued.
- Maximum of 5 items permitted.
- **Examples** - Owner's title insurance, Credit life insurance, Debt cancellation coverage, Warranties for home appliances and systems, HOA transfer fees, Property inspection fees, and Real estate broker commission agree to be paid by consumer.
- Items which are Not required by the *creditor* must include the description (**optional**) at the end of the label.

CALCULATING CASH TO CLOSE

PURCHASE

Calculating Cash to Close	
Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	- \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054

ALTERNATIVE

Calculating Cash to Close	
Loan Amount	\$150,000
Total Closing Costs (J)	- \$5,099
Estimated Total Payoffs and Payments	- \$120,000
Estimated Cash to Close <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	\$24,901
Estimated Closing Costs Financed (Paid from your Loan Amount)	\$5,099

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Calculating Cash to Close

Purchase and Alternative Tables are shown here.

Closing Costs Financed = Loan Amount – third party payoffs up to the amount of Closing Costs paid by consumer at closing. (this amount does not include amounts Closing Costs paid by consumer prior to closing. Any lender credits are subtracted from this amount.)

- Third party payoffs may include any debt being paid off by consumer at closing, not just debt required to be paid off by creditor.
- On a Purchase transaction, Closing Cost Financed will be **\$0** *unless the Loan Amount exceeds the Purchase Price.*

5 YEAR INTEREST ONLY, 5/3 ARM

Adjustable Payment (AP) Table		Adjustable Interest Rate (AIR) Table	
Interest Only Payments?	YES for your first 60 payments	Index + Margin	MTA + 4%
Optional Payments?	NO	Initial Interest Rate	4%
Step Payments?	NO	Minimum/Maximum Interest Rate	3.25%/12%
Seasonal Payments?	NO	Change Frequency	
Monthly Principal and Interest Payments		First Change	Beginning of 61st month
First Change/Amount	\$1,028 – \$1,359 at 61st payment	Subsequent Changes	Every 36th month after first change
Subsequent Changes	Every three years	Limits on Interest Rate Changes	
Maximum Payment	\$2,068 starting at 169th payment	First Change	2%
		Subsequent Changes	2%

LOAN ESTIMATE

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Adjustable Rate and Payment Tables

- Only appear when loan contains Adjustable Rate or Adjustable Payment features. They may Not be included on the Loan Estimate and left blank, crossed through or marked N/A if the loan does not contains these features.
- Adjustable Payment (AP) Table is used when P&I payments may change after consummation, but **NOT** because of *interest rate*. (i.e. interest only payments convert to P&I payments). **CFPB** advised in its 10.1.14 webinar that AP table *may* be used to show termination of MI, **BUT** sample Loan Estimate for a refinance with terminating MI (Form H-24(D)) does **Not** include the AP Table.

The **AP** and **AIR** Tables shown on this slide are for an adjustable rate loan with an introductory rate of 4% and interest only payments for the first 5 years, which then converts to P&I payments with rates based on the MONTHLY TREASURY AVERAGE INDEX adjusting every 3 years

Additional Information About This Loan

LENDER
NMLS __ LICENSE ID
LOAN OFFICER
NMLS __ LICENSE ID
EMAIL
PHONE

Ficus Bank
Joe Smith
12345
joesmith@ficusbank.com
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 \$15,773	Total you will have paid in principal, interest, mortgage insurance, and loan costs. 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 _____

LOAN ESTIMATE

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THE LOAN ESTIMATE – Additional Information About this Loan -Page 3

Additional Information About This Loan

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

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Contact Information –

- Disclose the **Name and NMLS/-- License ID** number for the CREDITOR, MORTGAGE BROKER AND ANY INDIVIDUAL LOAN OFFICERS OF BOTH.
- Also disclose the email and/or phone number of the *individual loan officer who is the primary contact for the consumer.*

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.

Comparisons -

- The total the consumer will have paid in ***Principal, Interest, Mortgage Insurance and Loan Costs (from page 2 of LE) in 5 years.***
- Separate disclosure of amount of ***Principal paid off in 5 years.***
- **Annual Percentage Rate** – moved to last page because studies determined that this figure was not considered useful by consumers. APR disclosed up to 3 decimals. If 7.25%, disclose as 7.250%. (1026.37(o)(4)(ii)). If whole number, do not show decimals. 7% , not 7.0%.
- **Total Interest Paid (TIP)** – New disclosure. Total amount of interest paid over the loan term as a percentage of the loan amount. TIP is rounded to 2 or 3 decimals, as necessary, not 3 like APR. If 7.25%, disclose as 7.25%, not 7.250%. ((1026.37(o)(4)(ii)) and CFPB 10.1.14 webinar page 24).

PURCHASE WITH SIGNATURE BLOCK

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	<p>If you sell or transfer this property to another person, we</p> <p><input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms.</p> <p><input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.</p>
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 <i>monthly principal and interest payment</i> .
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	<p>We intend</p> <p><input type="checkbox"/> to service your loan. If so, you will make your payments to us.</p> <p><input checked="" type="checkbox"/> to transfer servicing of your loan.</p>
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
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Other Considerations – Purchase with Signature Block

- **Appraisal Notice** - Satisfies ECOA notice requirement (1026.37(m)(1)).
- **Assumption**
- **Homeowner's Insurance**
- **Late Payment**
- **Refinance**
- **Servicing**

REFINANCE WITHOUT SIGNATURE BLOCK

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 <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.
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.
Loan Acceptance	You do not have to accept this loan because you have received this form or signed a loan application.
Liability after Foreclosure	Taking this loan could end any state law protection you may currently have against liability for unpaid debt if your lender forecloses on your home. If you lose this protection, you may have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
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 <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

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Other Considerations - Refinance without Signature Block

- **Liability After Foreclosure** – (only included on LE for Refinances)
- **Signature Lines are optional** – If not used, Must insert **Loan Acceptance Notice** – **“You do not have to accept this loan because you have received this form or signed a loan application”.**

RESOURCES

CFPB's Guide to the Loan Estimate and Closing Disclosure forms

Annotated forms for the TILA-RESPA Integrated Disclosure

<http://www.consumerfinance.gov/regulatory-implementation/tila-respa/>

Black, Mann & Graham's KBYO compliance page

<http://www.bmandg.com/KBYO>