

# Settlement Disclosure Form

This form is a statement of final loan terms and actual settlement costs.

## SETTLEMENT INFORMATION

**Date** 11/9/2011  
**Agent** Martha Jones  
**Location** ABC Settlement  
54321 Random Blvd, Ste 405  
Somecity, IA 54321  
**Property** 1234 Anywhere Street  
Somecity, IA 54321

## TRANSACTION INFORMATION

**Borrower** James White and Jane Johnson  
456 Avenue Anywhere  
Anytown, IA 12345  
**Seller** John Wilson  
123 Somewhere Dr.  
Anytown, IA 12345

## LOAN INFORMATION

**Lender** Ironwood Bank  
9876 Random Blvd, Ste 504  
Somecity, IA 54321  
**Loan Type**  Conventional  FHA  
 VA  \_\_\_\_\_  
**Loan Term** 30 years  
**Purpose** Purchase  
**Product** 5/1 Adjustable Rate  
**File No.** 2222222222  
**Loan No.** 2222222222  
**MIC No.** 2222222222

## Loan Terms

		Can this amount increase after closing?	
<b>Loan Amount</b>	\$121,000	<b>NO</b>	
<b>Interest Rate</b>	2.875% for 5 years	<b>YES</b>	<ul style="list-style-type: none"> <li>• Adjusts <b>every year</b> starting in year 6</li> <li>• Can go <b>as high as 8%</b> in year 9</li> <li>• See <b>AIR table on page 4</b></li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$502.03	<b>YES</b>	<ul style="list-style-type: none"> <li>• Adjusts <b>every year</b> starting in year 6</li> <li>• Can go <b>as high as \$822</b> in year 9</li> </ul>
		Does the loan have these features?	
<b>Prepayment Penalty</b>		<b>NO</b>	
<b>Balloon Payment</b>		<b>NO</b>	

## Projected Payments

Payment Calculation	Years 1-5	Year 6	Year 7	Years 8-30
Principal & Interest	\$502.03	\$597 min \$683 max	\$597 min \$748 max	\$597 min \$822 max
Mortgage Insurance	+ 61.51	+ 62	+ —	—
Estimated Taxes & Insurance <i>Amount Can Increase Over Time</i>	+ 430.30	+ 430	+ 430	+ 430
<b>Estimated Total Monthly Payment</b>	<b>\$993.84</b>	<b>\$1,089–\$1,175</b>	<b>\$1,027–\$1,178</b>	<b>\$1,027–\$1,252</b>
<b>Escrow Information for Taxes &amp; Insurance</b>	\$430.30 a month	<input checked="" type="checkbox"/> Escrow. Your monthly payment includes your taxes and insurance. <input type="checkbox"/> No escrow. You must pay your taxes and insurance separately from your loan payments.		

## Closing Costs

<b>Cash to Close</b>	\$17,371.44	\$4,842.00 in Settlement Fees. See Closing Cost Summary on page 5.
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LOAN NO. 2222222222  
CREDITOR Ironwood Bank  
NMLS ID 989897

LOAN OFFICER Joe Smith  
NMLS ID 767698

EMAIL joesmith@ironwoodbank.com  
PHONE 555-123-4444

### Summary of Borrower's Transaction

#### 100 Total Amount Due from Borrower

101 Contract sales price	\$135,000.00
102 Personal property	
103 Total Closing Costs charged to borrower (line 1400)	\$8,410.28
104	
105	

#### Adjustment for items paid by seller in advance

106 City/town taxes	to
107 County taxes	to
108 Assessments	to
109	
110	
111	
112	

120 Total Amount Due from Borrower \$143,410.28

#### 200 Amount Paid by or on Behalf of Borrower

201 Deposit or earnest money	\$4,000.00
202 Principal amount of new loan(s)	\$121,000.00
203 Existing loan(s) assumed or taken subject to	
204	
205	
206	
207	
208	
209	

#### Adjustments for items unpaid by seller

210 City/town taxes	to
211 County taxes	7/1/11 to 11/9/11
212 Assessments	to
213	
214	
215	
216	
217	
218	
219	

220 Total Paid by/for Borrower \$126,038.84

#### 300 Cash at Settlement from/to Borrower

301 Total amount due from borrower (line 120)	\$143,410.28
302 Total paid by/for borrower (line 220)	(\$126,038.84)
303 Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$17,371.44

### Summary of Seller's Transaction

#### 400 Total Amount Due to Seller

401 Contract sales price	\$135,000.00
402 Personal property	
403	
404	
405	

#### Adjustment for items paid by seller in advance

406 City/town taxes	to
407 County taxes	to
408 Assessments	to
409	
410	
411	
412	

420 Total Amount Due to Seller \$135,000.00

#### 500 Reductions in Amount Due to Seller

501 Excess deposit (see instructions)	
502 Total Closing Costs to seller (line 1400)	\$9,241.00
503 Existing loan(s) assumed or taken subject to	
504 Payoff of first mortgage loan	
505 Payoff of second mortgage loan	
506	
507	
508	
509	

#### Adjustments for items unpaid by seller

510 City/town taxes	to
511 County taxes	7/1/11 to 11/9/11
512 Assessments	to
513	
514	
515	
516	
517	
518	
519	

520 Total Reduction in Amount Due Seller \$10,279.84

#### 600 Cash at Settlement to/from Seller

601 Total amount due to seller (line 420)	\$135,000.00
602 Total reduction in amount due seller (line 520)	(\$10,279.84)
603 Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$124,720.16

## Closing Costs

700 Total Real Estate Broker Fees \$8,750.00			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement	Paid Outside of Closing See details on page 4
Division of commission (line 700) as follows:					
701 \$4,375.00	to Reliable Realty Co.				
702 \$4,375.00	to Realty Pros LLC				
703 Commission paid at settlement				\$8,750.00	
704					
800 Origination Charges					
801 1% Points			\$1,210.00		
802 Underwriting Fee			\$800.00		
803 Processing Fee			\$200.00		
804 Verification Fee			\$300.00		
805 Broker Fee	to Friendly Mortgage Broker Inc.				\$2,420.00
900 Services in Connection with Your Loan					
901 Credit Report Fee	to Creditco				\$12.00
902 Tax Status Research Fee	to Collateral Research Inc.		\$55.00		
903 Flood Determination Fee	to Collateral Research Inc.		\$25.00		
904 Tax Monitoring Fee	to Monitoring Services Inc.		\$35.00		
905 Flood Monitoring Fee	to Monitoring Services Inc.		\$40.00		
906 Appraisal Fee	to Local Appraisal Co.				\$675.00
907 Document Preparation Fee	to Collateral Research Inc.		\$125.00		
908 Survey Fee	to Surveyors Inc.		\$105.00		
909 Pest Inspection Fee	to Home Pest Co.		\$200.00		
910 Borrower's Attorney	to Tyler & Brady LLP		\$400.00		
1000 Title Charges					
1001 Settlement or closing fee	to ABC Settlement Co.		\$350.00		
1002 Abstract or title search	to Regional Title Co.			\$275.00	
1003 Title examination	to Regional Title Co.		\$200.00		
1004 Title insurance binder	to				
1005 Document preparation	to				
1006 Notary fees	to				
1007 Attorney's fees	to				
1008 Title insurance	to Treasurer State of Iowa		\$110.00		
1009 Lender's coverage	\$121,000				
1010 Owner's coverage	\$135,000				
1011					
1012					
1100 Taxes and Other Government Fees					
1101 Recording Fees: Deed \$27.00	Mortgage \$92.00		\$119.00		
1102 City/county tax/stamps: Deed \$	Mortgage \$				
1103 State tax/stamps: Deed \$	Mortgage \$				
1104 Transfer Taxes				\$216.00	
1105					
1200 Prepaids					
1201 Property Taxes ( 0 months)					
1202 Homeowner's Insurance Premium ( 12 months) to XYZ Ins. Co.			\$596.00		
1203 Mortgage Insurance Premium ( 0 months) to					
1204 Flood Insurance Premium ( 12 months) to Natl. Flood Co.			\$1,695.00		
1205 Daily Interest Charges from 11/9 to 11/30 @ \$9.66 per day			\$202.86		
1300 Initial Escrow Payment					
1301 Homeowner's Insurance	\$49.67 per month for 3 mo.		\$149.01		
1302 Mortgage Insurance	\$ per month for 0 mo.				
1303 Property Taxes	\$239.38 per month for 7 mo.		\$1,675.66		
1304 Flood Insurance	\$141.25 per month for 3 mo.		\$423.75		
1305					
1306					
1307					
1308 Aggregate Adjustment			(\$606.00)		
1400 Total Closing Costs (enter on lines 103 and 502)			\$8,410.28	\$9,241.00	\$3,107.00

## Paid Outside of Closing

<b>Lines</b>	<b>Charge</b>	<b>Recipient</b>	<b>Amount</b>	<b>Paid By</b>	<b>Paid To</b>	<b>When</b>
901	Credit Report Fee	Creditco	\$12.00	Borrower	Provider	Before
906	Appraisal Fee	Local Appraisal Co.	\$675.00	Borrower	Affiliate	Before
805	Broker Fee	Friendly Mortgage Broker, Inc.	\$2,420.00	Lender	Broker	Closing

## Limits on Increases

Use this information to compare your Loan Estimate with your final Closing Costs.

## **Adjustable Interest Rate (AIR) Table**

Index + Margin	LIBOR + 4%
Initial Interest Rate	2.875%
Minimum/Maximum Interest Rate	4.5% / 8%
<b>Limits on Interest Rate Changes</b>	
First Change	3%
Subsequent Changes	1%
<b>Change Frequency</b>	
First Change	Beginning of 61st month
Subsequent Changes	Every 12th month after first change

## Loan Disclosures

### Assumption

If you sell or transfer your home to another person:

- We will allow, under certain conditions, this person to assume this loan on the original terms.  
 We will not allow assumption of this loan.

### Demand Feature

- Your loan has a demand feature, which permits the lender to demand early repayment of the loan. If this loan has a demand feature, you should review your note for details.  
 Your loan does not have a demand feature.

### Escrow Account Information

#### For now, your loan

- will have an escrow account to pay your home-related costs, such as property taxes and homeowner's insurance. We estimate that these costs will total **\$5,163.60** for the first year of your loan. Without an escrow account, you would pay these potentially large costs directly in semi-annual or annual payments. At closing, you will make an initial deposit of **\$1,642.42** into your escrow account. After that, your regular mortgage payments will include an additional **\$430.30** that will go into your escrow account. We will take money from your account to pay these home-related costs as needed.  
 will not have an escrow account. The fee for not having an escrow account is \$\_\_\_\_\_. In addition to your mortgage loan payment, you are personally responsible for directly paying your home-related costs, such as property taxes and homeowner's insurance. We estimate that these costs will total \$\_\_\_\_\_ for the first year of your loan. You must pay these costs in potentially large semi-annual or annual payments.

#### In the future,

If you have an escrow account, or if one is added later, the amount of your escrow payment may change. In addition, you may be permitted to cancel your escrow account, but if you do so, you will be responsible for directly paying these home-related costs unless you create a new escrow account.

If you do not have an escrow account and fail to pay your property taxes, your state or local government may (1) impose fines and penalties

or (2) place a tax lien on your home. In addition, if you fail to pay any of your home-related costs, we may  
• add the amounts to your loan balance,  
• add an escrow account to your loan, or  
• require you to pay for insurance on your home that we buy on your behalf, which likely would be more expensive and provide fewer benefits than what you could obtain on your own.

### 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.

### Negative Amortization

Under your loan terms, you

- are scheduled to make monthly payments that are less than 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 your home.  
 have the option of making monthly payments that are less than 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 your home.  
 do not have a negative amortization feature.

### Partial Payment Policy

- We will accept partial payments. We will apply partial payments:

- We will not accept partial payments.

### Security Interest

You are granting us a security interest in 1234 Anywhere St., Somecity, IA 54321. You may lose your home if you do not make your payments or satisfy other obligations for this loan.

## Loan Calculations

Calculations	
<b>Total of Payments.</b> The amount you have paid after you have made all 360 payments as scheduled.	\$370,204.01
<b>Finance Charge.</b> The dollar amount the credit will cost you.	\$97,118.87
<b>Amount Financed.</b> The amount of credit provided to you or on your behalf.	\$118,177.14
<b>Annual Percentage Rate (APR).</b> This is not your interest rate. This rate expresses your costs over the loan term.	4.44%
<b>Total Interest Percentage (TIP).</b> This rate is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.	74.3%
<b>Lender Cost of Funds (LCF).</b> The cost of the funds used to make this loan. This is not a cost to you.	1.04%

Closing Costs Summary	
<b>Total Settlement Fees</b> (See total of Sections 800, 900, and 1000 on page 3.)	\$4,842.00
Settlement Fees Financed in the Loan Amount	\$0
Settlement Fees Paid in Cash	\$4,842.00
<b>Total of Other Costs in Connection with the Loan</b>	\$3,216.44

Originator Fees Summary	
<b>Total Fees Paid to Originator</b>	\$2,420.00
Fees Paid by Borrower(s) to Originator	\$0
Fees Paid by Lender to Originator	\$2,420.00

## Other Disclosures

### Appraisal Copy

If you paid for a written appraisal or valuation of the property, we are 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:

Joe Smith

Ironwood Bank

555-123-4444

### Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- other ways you can default on the loan,
- situations in which we can require early repayment of the loan, and
- the rules for making payments before they are due.

### Liability after Foreclosure

In the state where your home is located, if your lender forecloses on your home and the foreclosure does not cover the amount of principal remaining on this loan:

You will not be personally liable for the unpaid principal. If you refinance or take on any additional debt on your home, you may lose this protection (if any) and be personally liable for debt remaining after the foreclosure. You may want to consult an attorney for more information.

You will be personally liable for the unpaid principal.

### Refinance

We do not guarantee that you will be able to refinance your loan to lower your interest rate and payments.

### Tax Deductions

If you borrow more than your home is worth, the interest on the loan amount above the home's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

## Questions

If you have questions about the loan terms and costs on this form, contact your lender. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov](http://www.consumerfinance.gov).

## Confirm Receipt

By signing below, 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 or applied for this loan.

Applicant Signature/Date

Co-Applicant Signature/Date