

Settlement Disclosure Form

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

SETTLEMENT INFORMATION		TRANSACTION INFORMATION		LOAN INFORMATION	
Date	11/9/2011	Borrower	James White and Jane Johnson	Lender	Hornbeam Bank
Agent	Martha Jones		456 Avenue Anywhere		9876 Random Blvd, Ste 504
Location	ABC Settlement		Anytown, IA 12345		Somecity, IA 54321
	54321 Random Blvd, Ste 405	Seller	John Wilson	Loan Type	☒ Conventional ☐ FHA
	Somecity, IA 54321		123 Somewhere Dr.	☐ VA ☐	
Property	1234 Anywhere Street		Anytown, IA 12345	Loan Term	30 years
	Somecity, IA 54321			Purpose	Purchase
				Product	5/1 Adjustable Rate
				File No.	1111111111
				Loan No.	1111111111
				MIC No.	1111111111

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$121,000	NO	
Interest Rate	2.875% for 5 years	YES	- Adjusts every year starting in year 6 - Can go as high as 8% in year 9 - See AIR table on page 4
Monthly Principal & Interest <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$502.03	YES	- Adjusts every year starting in year 6 - Can go as high as \$822 in year 9
		Does the loan have these features?	
Prepayment Penalty		NO	
Balloon Payment		NO	

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
Estimated Total Monthly Payment	\$993.84	\$1,089–\$1,175	\$1,027–\$1,178	\$1,027–\$1,252
Escrow Information for Taxes & Insurance	\$430.30 a month ☒ Escrow. Your monthly payment includes your taxes and insurance. ☐ No escrow. You must pay your taxes and insurance separately from your loan payments.			

Closing Costs	
Cash to Close	\$17,371.44 \$4,842.00 in Settlement Fees. See Closing Cost Summary on page 5.

LOAN NO. 111111111
CREDITOR Hornbeam Bank
NMLS ID 989897

LOAN OFFICER Joe Smith
NMLS ID 767698

EMAIL joesmith@hornbeambank.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	\$1,038.84
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 ☒ From ☐ 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	\$1,038.84
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 ☒ To ☐ From Seller	\$124,720.16

Closing Costs

700	Total Real Estate Broker Fees	\$8,750.00	Paid at Settlement		Paid Outside of Closing			
Division of commission (line 700) as follows:			From Borrower's Funds	From Seller's Funds	Amount	Paid by	Paid to	When
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	Lender	Broker	Closing
900	Services in Connection with Your Loan							
901	Credit Report Fee	to Creditco			\$12.00	Borrower	Provider	Before
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	Borrower	Affiliate	Before
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	Prepays							
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			

Limits on Increases

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

[illegible]

Adjustable Interest Rate (AIR) Table

Index + Margin	LIBOR + 4%
Initial Interest Rate	2.875%
Minimum/Maximum Interest Rate	4.5% / 8%
Limits on Interest Rate Changes	
First Change	3%
Subsequent Changes	1%
Change Frequency	
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 ☒ will not allow, under certain conditions, this person to assume this loan on the original terms.

Demand Feature

Your loan ☐ does ☒ does not have 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.

Escrow Account Information

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.

For now, 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.

In the future, the amount of this 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.

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.

Partial Payment Policy

We ☐ will ☒ will not accept partial payments. We will apply 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 on time or satisfy other obligations for this loan.

Loan Calculations

Closing Costs Summary

The total amount of Settlement Fees is **\$4,842.00**. (See total of sections 800, 900, and 1000 on page 3.) Of this amount, **\$0** will be financed and **\$4,842.00** will be paid in cash. The total of other costs in connection with the loan are **\$3,216.44**.

Lender Cost of Funds (LCF)

The cost of funds used to make this loan is **1.04%**. This is not a cost to you.

Originator Fees Summary

The total amount of fees paid to the Originator is **\$2,420.00**. Of this amount, **\$0** will be paid by the Borrower(s) and **\$2,420.00** will be paid by the Lender.

Total Interest Percentage (TIP)

This rate of **74.3%** is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Total Payments

If the market rate did not change and you made all of your payments as scheduled, you would make **360** payments totaling **\$370,204.01** (including estimated escrow). Of this amount, **\$97,118.87** would go to interest and settlement charges. This amount and your amount financed of **\$118,177.14** are used to calculate your Annual Percentage Rate (APR) of **4.44%**.

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

Hornbeam 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 ☐ 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.

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.

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