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?
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 *See Projected Payments Below for Your Total Monthly Payment*	$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 *Amount Can Increase Over Time*	+ 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.	2222222222	**LOAN OFFICER**	Joe Smith	**EMAIL**	joesmith@ironwoodbank.com
CREDITOR	Ironwood Bank	**NMLS ID**	767698	**PHONE**	555-123-4444
NMLS ID	989897				

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

			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement	Paid Outside of Closing See details on page 4
700	**Total Real Estate Broker Fees** $8,750.00				
	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

Lines	Charge	Recipient	Amount	Paid By	Paid To	When
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.

Lines	These Charges Cannot Increase	Loan Estimate	Final
800s	Origination Charges	$2,510.00	$2,510.00
1104	Transfer Taxes		
Lines	**These Combined Charges Cannot Increase by More Than 10%**	**Loan Estimate**	**Final**
901	Credit Report Fee	$12.00	$12.00
902	Tax Status Research Fee	$55.00	$55.00
903	Flood Determination Fee	$25.00	$25.00
904	Tax Monitoring Fee	$35.00	$35.00
905	Flood Monitoring Fee	$40.00	$40.00
906	Appraisal Fee	$675.00	$675.00
907	Document Preparation	$125.00	$125.00
1001	Settlement or Closing fee	$300.00	$350.00
1003	Title Examination	$103.50	$200.00
1008	Lender's Title Insurance	$110.00	$110.00
1101	Recording Fees	$114.00	$119.00
	TOTAL	$1,594.50	$1,746.00
	Increase Between Loan Estimate and Final Closing Costs	9.5%	
		$0 over limit	

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 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:

____

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

Closing Costs Summary	
Total Settlement Fees *(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
Total of Other Costs in Connection with the Loan	$3,216.44

Originator Fees Summary	
Total Fees Paid to Originator	$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.

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