

DECEMBER 31, 2013

# Annotated forms for TILA- RESPA Integrated Disclosure

## Closing Disclosure



This annotated form is intended to provide a starting point for analysis of the relevant regulatory text. For complete and definitive requirements, please refer to the rule and its Official Interpretations. This annotated form does not represent legal interpretation, guidance, or advice of the Bureau. This document does not bind the Bureau and does not create any rights, benefits, or defenses, substantive or procedural, which are enforceable by any party in any manner.

**12 CFR 1026.38**

**Closing Disclosure (a)(1)**

*This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate. (a)(2)*

<b>Closing Information</b> Date Issued Closing Date Disbursement Date Settlement Agent (a)(3) File # Property Sale Price	<b>Transaction Information</b> Borrower  Seller (a)(4)  Lender	<b>Loan Information</b> Loan Term Purpose Product (a)(5)  Loan Type <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____ Loan ID # MIC #
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Loan Terms	Can this amount increase after closing?
<b>Loan Amount</b>	
<b>Interest Rate</b>	
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	(b)
	Does the loan have these features?
<b>Prepayment Penalty</b>	
<b>Balloon Payment</b>	

Projected Payments											
Payment Calculation											
Principal & Interest Mortgage Insurance Estimated Escrow <i>Amount can increase over time</i>	(c)										
<b>Estimated Total Monthly Payment</b>											
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i> <i>See page 4 for details</i>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>This estimate includes</b></td> <td style="width: 50%;"><b>In escrow?</b></td> </tr> <tr> <td><input type="checkbox"/> Property Taxes</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Homeowner's Insurance</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> <tr> <td colspan="2"><i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i></td> </tr> </table>	<b>This estimate includes</b>	<b>In escrow?</b>	<input type="checkbox"/> Property Taxes		<input type="checkbox"/> Homeowner's Insurance		<input type="checkbox"/> Other:		<i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	
<b>This estimate includes</b>	<b>In escrow?</b>										
<input type="checkbox"/> Property Taxes											
<input type="checkbox"/> Homeowner's Insurance											
<input type="checkbox"/> Other:											
<i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>											

Costs at Closing	(d)(1)
<b>Closing Costs</b>	Includes _____ in Loan Costs + _____ in Other Costs - _____ in Lender Credits. <i>See page 2 for details.</i>
<b>Cash to Close</b>	Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

## Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>					
01 % of Loan Amount (Points)					
02					
03					
04		(f)(1)			
05					
06					
07					
08					
<b>B. Services Borrower Did Not Shop For</b>					
01					
02					
03					
04					
05		(f)(2)			
06					
07					
08					
09					
10					
<b>C. Services Borrower Did Shop For</b>					
01					
02					
03					
04		(f)(3)			
05					
06					
07					
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>					
Loan Costs Subtotals (A + B + C)		(f)(4)			
		(f)(5)			
<b>Other Costs</b>					
<b>E. Taxes and Other Government Fees</b>					
01 Recording Fees Deed: Mortgage:		(g)(1)			
02					
<b>F. Prepays</b>					
01 Homeowner's Insurance Premium ( mo.)					
02 Mortgage Insurance Premium ( mo.)					
03 Prepaid Interest ( per day from to )		(g)(2)			
04 Property Taxes ( mo.)					
05					
<b>G. Initial Escrow Payment at Closing</b>					
01 Homeowner's Insurance per month for mo.					
02 Mortgage Insurance per month for mo.					
03 Property Taxes per month for mo.		(g)(3)			
04					
05					
06					
07					
08 Aggregate Adjustment					
<b>H. Other</b>					
01					
02					
03					
04		(g)(4)			
05					
06					
07					
08					
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>					
Other Costs Subtotals (E + F + G + H)		(g)(5)			
		(g)(6)			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>					
Closing Costs Subtotals (D + I)		(h)(1)			
Lender Credits		(h)(2)			
		(h)(3)			

**Calculating Cash to Close**

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)		(j)(1)	
Closing Costs Paid Before Closing		(j)(2)	
Closing Costs Financed (Paid from your Loan Amount)		(j)(3)	
Down Payment/Funds from Borrower		(j)(4)	
Deposit		(j)(5)	
Funds for Borrower		(j)(6)	
Seller Credits		(j)(7)	
Adjustments and Other Credits		(j)(8)	
<b>Cash to Close</b>		(j)(9)	

**Summaries of Transactions**

Use this table to see a summary of your transaction.

**BORROWER'S TRANSACTION**

<b>K. Due from Borrower at Closing</b>		
01	Sale Price of Property	
02	Sale Price of Any Personal Property Included in Sale	
03	Closing Costs Paid at Closing (J)	
04		
<b>Adjustments</b>		
05		
06		(j)(1)
07		
<b>Adjustments for Items Paid by Seller in Advance</b>		
08	City/Town Taxes to	
09	County Taxes to	
10	Assessments to	
11		
12		
13		
14		
15		
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>		
01	Deposit	
02	Loan Amount	
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	
<b>Other Credits</b>		
06		
07		
<b>Adjustments</b>		
08		(j)(2)
09		
10		
11		
<b>Adjustments for Items Unpaid by Seller</b>		
12	City/Town Taxes to	
13	County Taxes to	
14	Assessments to	
15		
16		
17		
<b>CALCULATION</b>		
Total Due from Borrower at Closing (K)		(j)(3)
Total Paid Already by or on Behalf of Borrower at Closing (L)		
<b>Cash to Close</b> <input type="checkbox"/> From <input type="checkbox"/> To Borrower		

**SELLER'S TRANSACTION**

<b>M. Due to Seller at Closing</b>		
01	Sale Price of Property	
02	Sale Price of Any Personal Property Included in Sale	
03		
04		
05		
06		
07		(k)(1)
08		
<b>Adjustments for Items Paid by Seller in Advance</b>		
09	City/Town Taxes to	
10	County Taxes to	
11	Assessments to	
12		
13		
14		
15		
16		
<b>N. Due from Seller at Closing</b>		
01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	
05	Payoff of Second Mortgage Loan	
06		
07		
08	Seller Credit	
09		
10		(k)(2)
11		
12		
13		
<b>Adjustments for Items Unpaid by Seller</b>		
14	City/Town Taxes to	
15	County Taxes to	
16	Assessments to	
17		
18		
19		
<b>CALCULATION</b>		
Total Due to Seller at Closing (M)		(k)(3)
Total Due from Seller at Closing (N)		
<b>Cash</b> <input type="checkbox"/> From <input type="checkbox"/> To Seller		

## Additional Information About This Loan

### Loan Disclosures

#### Assumption (l)(1)

If you sell or transfer this property to another person, your lender

- 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.

#### Demand Feature (l)(2)

Your loan

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

#### Late Payment (l)(3)

If your payment is more than \_\_\_\_ days late, your lender will charge a late fee of \_\_\_\_\_.

#### Negative Amortization (Increase in Loan Amount) (l)(4)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of 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 this property.
- may have monthly payments that do not pay all of 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 this property.
- do not have a negative amortization feature.

#### Partial Payments (l)(5)

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

#### Security Interest (l)(6)

You are granting a security interest in \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

#### Escrow Account (l)(7)

**For now, your loan**

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your escrowed property costs:
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs:  You may have other property costs.
Initial Escrow Payment		A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment		The amount included in your total monthly payment.

- will not have an escrow account because  you declined it  your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

#### No Escrow

Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

#### In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

### Adjustable Payment (AP) Table


Interest Only Payments?		
Optional Payments?		
Step Payments?		
Seasonal Payments?		(m)
<b>Monthly Principal and Interest Payments</b>		
First Change/Amount		
Subsequent Changes		
Maximum Payment		

### Adjustable Interest Rate (AIR) Table

Index + Margin		
Initial Interest Rate		
Minimum/Maximum Interest Rate		
<b>Change Frequency</b>		
First Change		(n)
Subsequent Changes		
<b>Limits on Interest Rate Changes</b>		
First Change		
Subsequent Changes		

Loan Calculations	
<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	(o)(1)
<b>Finance Charge.</b> The dollar amount the loan will cost you.	(o)(2)
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	(o)(3)
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	(o)(4)
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	(o)(5)

Other Disclosures
<b>Appraisal (p)(1)</b> If the property was appraised for your loan, your lender is 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 your lender at the information listed below.
<b>Contract Details (p)(2)</b> See your note and security instrument for information about <ul style="list-style-type: none"> <li>• what happens if you fail to make your payments,</li> <li>• what is a default on the loan,</li> <li>• situations in which your lender can require early repayment of the loan, and</li> <li>• the rules for making payments before they are due.</li> </ul>
<b>Liability after Foreclosure (p)(3)</b> If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <ul style="list-style-type: none"> <li><input type="checkbox"/> state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.</li> <li><input type="checkbox"/> state law does not protect you from liability for the unpaid balance.</li> </ul>
<b>Refinance (p)(4)</b> 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.
<b>Tax Deductions (p)(5)</b> If you borrow more than this property is worth, the interest on the loan amount above this property'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 (q)(1) loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing) (q)(2)

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>			(r)(1)		
<b>Address</b>			(r)(2)		
<b>NMLS ID</b>			(r)(3)		
<b>License ID</b>			(r)(4)		
<b>Contact</b>			(r)(5)		
<b>Contact NMLS ID</b>			(r)(6)		
<b>Contact License ID</b>			(r)(7)		
<b>Email</b>					
<b>Phone</b>					

**Confirm Receipt** (s)

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.

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Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

# Resources

Where can I find a copy of the rule on Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act and the Truth In Lending Act and get more information about it?

You will find the 2013 Integrated Disclosures Rule on the Bureau's website at <http://www.consumerfinance.gov/regulations/integrated-mortgage-disclosures-under-the-real-estate-settlement-procedures-act-regulation-x-and-the-truth-in-lending-act-regulation-z/>.

In addition to a complete copy of the January 2013 final rule, that web page also contains:

- The preamble, which explains why the Bureau issued the rule; the legal authority and reasoning behind the rule; responses to comments; and analysis of the benefits, costs, and impacts of the rule
- Official Interpretations of the rule
- Other implementation support materials

Useful resources related to regulatory implementation are also available at <http://www.consumerfinance.gov/regulatory-implementation/>.

To subscribe to email updates about Bureau regulations and when additional implementation resources become available, please submit your email address within the "Email updates about mortgage rule implementation" box [here](#).