

Lawyers Title

A Guide to the New HUD-1

To access the full documentation from RESPA, please go to http://www.hud.gov/offices/hsg/ramh/res/resp_a_hm.cfm



A. Settlement Statement (HUD-1)

OMB Approval No. 2502-0265

| B. Type of Loan | | | | | | | |
|---|--|--|------------------------------|-----------------|------------------------------------|------------------------------|--|
| 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> RHS | 3. <input type="checkbox"/> Conv. Unins. | 6. File Number: | 7. Loan Number: | 8. Mortgage Insurance Case Number: | | |
| 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> Conv. Ins. | | | | | | |
| C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. | | | | | | | |
| D. Name & Address of Borrower: | | | E. Name & Address of Seller: | | | F. Name & Address of Lender: | |
| G. Property Location: | | | H. Settlement Agent: | | | I. Settlement Date: | |
| | | | Place of Settlement: | | | | |

| J. Summary of Borrower's Transaction | | | | K. Summary of Seller's Transaction | | | |
|---|-------------------------------|--------------------------------------|-----|--|-----------------------------|--------------------------------------|-----|
| 100. Gross Amount Due from Borrower | | | | 400. Gross Amount Due to Seller | | | |
| 101. Contract sales price | | | | 401. Contract sales price | | | |
| 102. Personal property | | | | 402. Personal property | | | |
| 103. Settlement charges to borrower (line 1400) | | | | 403. | | | |
| 104. | | | | 404. | | | |
| 105. | | | | 405. | | | |
| Adjustment for items paid by seller in advance | | | | Adjustments for items paid by seller in advance | | | |
| 106. City/town taxes | to | | | 406. City/town taxes | to | | |
| 107. County taxes | to | | | 407. County taxes | to | | |
| 108. Assessments | to | | | 408. Assessments | to | | |
| 109. | | | | 409. | | | |
| 110. | | | | 410. | | | |
| 111. | | | | 411. | | | |
| 112. | | | | 412. | | | |
| 120. Gross Amount Due from Borrower | | | | 420. Gross Amount Due to Seller | | | |
| 200. Amounts Paid by or in Behalf of Borrower | | | | 500. Reductions in Amount Due to Seller | | | |
| 201. Deposit or earnest money | | | | 501. Excess deposit (see instructions) | | | |
| 202. Principal amount of new loan(s) | | | | 502. Settlement charges to seller (line 1400) | | | |
| 203. Existing loan(s) taken subject to | | | | 503. Existing loan(s) taken subject to | | | |
| 204. | | | | 504. Payoff of first mortgage loan | | | |
| 205. | | | | 505. Payoff of second mortgage loan | | | |
| 206. | | | | 506. | | | |
| 207. | | | | 507. | | | |
| 208. | | | | 508. | | | |
| 209. | | | | 509. | | | |
| Adjustments for items unpaid by seller | | | | Adjustments for items unpaid by seller | | | |
| 210. City/town taxes | to | | | 510. City/town taxes | to | | |
| 211. County taxes | to | | | 511. County taxes | to | | |
| 212. Assessments | to | | | 512. Assessments | to | | |
| 213. | | | | 513. | | | |
| 214. | | | | 514. | | | |
| 215. | | | | 515. | | | |
| 216. | | | | 516. | | | |
| 217. | | | | 517. | | | |
| 218. | | | | 518. | | | |
| 219. | | | | 519. | | | |
| 220. Total Paid by/for Seller | | | | 520. Total Reduction Amount Due Seller | | | |
| 300. Cash at Settlement from/to Borrower | | | | 600. Cash at Settlement to/from Seller | | | |
| 301. Gross amount due from borrower (line 120) | | | | 601. Gross amount due to seller (line 420) | | | |
| 302. Less amounts paid by/for borrower (line 220) | | () | () | 602. Less reductions in amount due seller (line 520) | | () | () |
| 303. Cash | <input type="checkbox"/> From | <input type="checkbox"/> To Borrower | | 603. Cash | <input type="checkbox"/> To | <input type="checkbox"/> From Seller | |

104 & 105:

These lines are for additional items owed by the borrower that are not on the GFE and items paid by the seller prior to settlement and being reimbursed to the seller from the borrower at settlement.

200 Series:

If the seller is paying any of the buyers closing costs the charges must show on page two as a charge to the buyer with an offsetting credit here from the sellers.

500 Series:

The owner's title insurance must show as a charge to the borrower on page 2 of the HUD with a credit back from the seller here (as long as the sellers are still paying for it).

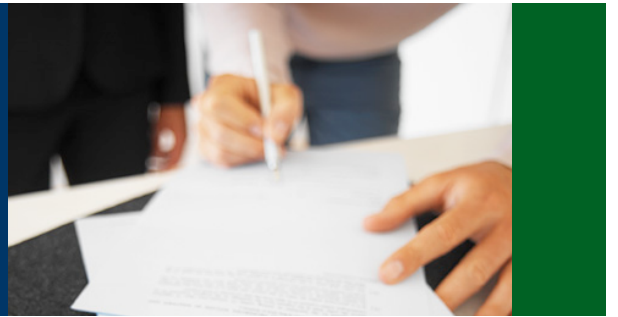
The Public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.



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~Continued



| L. Settlement Charges | | | | | | | |
|--|-------------|-----|-------------|---------------|----------------|--|--|
| 700. Total Real Estate Broker Fees | | | | | | | |
| Division of commission (line 700) as follows: | | | | | | | |
| 701. \$ | | to | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
| 702. \$ | | to | | | | | |
| 703. Commission paid at settlement | | | | | | | |
| 704. | | | | | | | |
| 800. Items Payable in Connection with Loan | | | | | | | |
| 801. Our origination charge | | \$ | | (from GFE #1) | | | |
| 802. Your credit charge (points) for the specific interest rate | | | | (from GFE #2) | | | |
| 803. Your additional origination charges | | | | (from GFE #4) | | | |
| 804. Appraisal fees | | | | (from GFE #3) | | | |
| 805. Credit report to lender | | | | (from GFE #3) | | | |
| 806. Tax service to lender | | | | (from GFE #3) | | | |
| 807. Flood certification | | | | (from GFE #3) | | | |
| 808. | | | | | | | |
| 900. Items Required by Lender to Be Paid in Advance | | | | | | | |
| 901. Daily interest charges from | | to | @ \$ | /day | (from GFE #10) | | |
| 902. Mortgage insurance premium | | for | months to | | (from GFE #3) | | |
| 903. Homeowner's insurance | | for | years to | | (from GFE #11) | | |
| 904. | | | | | | | |
| 1000. Reserves Deposited with Lender | | | | | | | |
| 1001. Initial deposit for your escrow account | | | | | (from GFE #9) | | |
| 1002. Homeowner's insurance | months @ \$ | | per month | \$ | | | |
| 1003. Mortgage insurance | months @ \$ | | per month | \$ | | | |
| 1004. Property taxes | months @ \$ | | per month | \$ | | | |
| 1005. | months @ \$ | | per month | \$ | | | |
| 1006. | months @ \$ | | per month | \$ | | | |
| 1007. Aggregate adjustment | | | | -\$ | | | |
| 1100. Title Charges | | | | | | | |
| 1101. Title service and lender's title insurance | | | | | (from GFE #4) | | |
| 1102. Settlement or closing fee | | | | | | | |
| 1103. Owner's title insurance | | | | | (from GFE #5) | | |
| 1104. Lender's title insurance | | | | | | | |
| 1105. Lender's title policy limit \$ | | | | | | | |
| 1106. Owner's title policy limit \$ | | | | | | | |
| 1107. Agent's portion of the total title insurance premium | | | \$ | | | | |
| 1108. Underwriter's portion of the total title insurance premium | | | \$ | | | | |
| 1200. Government Recording and Transfer Charges | | | | | | | |
| 1201. Government recording charges | | | | | (from GFE #7) | | |
| 1202. Deed \$ | Mortgage \$ | | Releases \$ | | | | |
| 1203. Transfer taxes | | | | | (from GFE #8) | | |
| 1204. City/County tax/stamps | Deed \$ | | Mortgage \$ | | | | |
| 1205. State tax/stamps | Deed \$ | | Mortgage \$ | | | | |
| 1206. | | | | | | | |
| 1300. Additional Settlement Charges | | | | | | | |
| 1301. Required services that you can shop for | | | | | (from GFE #6) | | |
| 1302. | | | \$ | | | | |
| 1303. | | | \$ | | | | |
| 1304. | | | | | | | |
| 1305. | | | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | | | | |

701 - 703: The commission box no longer has percentages, instead it indicates actual fees. The total amount of commission to each real estate broker or agent must be shown on lines 701 and 702. The amount of the commissions disbursed at settlement must be shown on line 703.

801: This line includes all charges received by a loan originator, except for any additional charge ("points") for the interest rate chosen on the loan. The amount on line 801 also includes all amounts received for any service, including administrative and processing services, performed by or on behalf of the lender or any mortgage broker.

802: Yield Spread Premiums, if there are any, are now a credit to the borrower with a total of line 801 and 802 showing on line 803.

1000 Series: The impound accounts now will roll up into one total with the breakdown shown outside the column.

1101: All of the Borrower's title and escrow fees are now rolled up into line 1101 with the exception of the owner's title insurance which is shown as a charge to the borrower on line 1103.

1107: Reflects the title issuing agent's portion of the title premiums & endorsements.

1108: Reflects the title underwriter's portion of title premiums & endorsements.

1300 Series: Will be used for anything that was in Box #6 on the GFE.

1103: Buyer will be charged for the owner's policy to conform with Box #5 on the GFE, but if the contract calls for the seller to pay for the owners policy a credit/debit will be shown in the 200 series. Remember, some bank owned or FannieMae contracts will have the buyer purchasing the owners policy.

Previous editions are obsolete



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| Charges That Cannot Increase | | HUD-1 Line Number |
|--|--|-------------------|
| Our origination charge | | # 801 |
| Your credit or charge (points) for the specific interest rate chosen | | # 802 |
| Your adjusted origination charges | | # 803 |
| Transfer taxes | | #1203 |

| Good Faith Estimate | HUD-1 |
|---------------------|-------|
| | |
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| | |

Category 1:
This section will compare the GFE to the HUD figures. Changes in Category 1 **CAN NOT** increase at closing.

| Charges That in Total Cannot Increase More Than 10% | | HUD-1 Line Number |
|---|--|-------------------|
| Government recording charges | | # 1201 |
| | | # |
| | | # |
| | | # |
| | | # |
| | | # |
| | | # |
| | | # |

| Good Faith Estimate | HUD-1 |
|---------------------|-------|
| | |
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| | |
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| | |
| | |
| | |
| | |

Category 2:
Changes in Category 2 **CAN NOT** increase in total by more than 10% at closing.

| | | |
|---|----|---|
| Total | | |
| Increase between GFE and HUD-1 Charges | | |
| \$ | or | % |

| Charges That Can Change | | HUD-1 Line Number |
|---|---------------|-------------------|
| Initial deposit for your escrow account | | #1001 |
| Daily interest charges | # 901 \$ /day | |
| Homeowner's insurance | # 903 | |
| | | # |
| | | # |
| | | # |

| Good Faith Estimate | HUD-1 |
|---------------------|-------|
| | |
| | |
| | |
| | |
| | |
| | |

Category 3:
Changes in Category 3 **CAN** increase or decrease at closing.

Loan Terms

| | |
|---|--|
| Your initial loan amount is | \$ _____ |
| Your loan term is | _____ years |
| Your initial interest rate is | _____ % |
| Your initial monthly amount owed for principal, interest, and any mortgage insurance is | \$ _____ includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance |
| Can your interest rate rise? | <input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every _____ after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | <input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ _____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | <input type="checkbox"/> No. <input type="checkbox"/> Yes, the first increase can be on _____ and the monthly amount owed can rise to \$ _____. The maximum it can ever rise to is \$ _____. |
| Does your loan have a prepayment penalty? | <input type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____. |
| Does your loan have a balloon payment? | <input type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years on _____. |
| Total monthly amount owed including escrow account payments | <input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ _____ that results in a total initial monthly amount owed of \$ _____. This includes principal, interest, any mortgage insurance and any items checked below: <input type="checkbox"/> Property taxes <input type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ |

Loan Terms:
Loan terms are disclosed to consumers in a simplified format in this section.

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

Additional notes on the new HUD-1 and Good Faith Estimate:

- New HUD-1 Settlement Statement**
- When a borrower is using a second loan to help finance the purchase of a home, each loan must have a separate GFE and a separate HUD-1. The principle amount of the second loan must be listed outside the borrower's column with a brief explanation on Line 204-209 of the HUD-1 for the primary loan. If the net proceeds of the second loan are less than the principal amount, the net proceeds may be listed on the same line in the borrower's column.

- New Good Faith Estimate (GFE)**
- The lender must provide the new standardized GFE within three days of receiving an application.
 - Settlement service estimates must remain available for a minimum of 10 business days.
 - The initial interest rate must be made available until a specified date.
 - Until locked, the initial interest rate may float.