

# TRID

## TILA RESPA Integrated Disclosures

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June 10, 2015

Navigating the Closing Disclosure

# Closing Disclosure Breakdown

- The HUD-1 and Final TIL combined = the Closing Disclosure (“CD”)  
[http://files.consumerfinance.gov/f/201403\\_cfpb\\_closing-disclosure\\_cover-H25A.pdf](http://files.consumerfinance.gov/f/201403_cfpb_closing-disclosure_cover-H25A.pdf)
- Remember, if you use the alternative Loan Estimate then you must use the alternative Closing Disclosure. They are a married pair; they are!
- The borrower must **receive** the closing disclosure three business days prior to consummation.
  - In transactions which are not rescindable, the CD may be provided to any borrower with primary liability.
  - For rescindable transactions, all individuals with ownership interest are required to receive the CD in advance of consummation.
- Borrower and seller information may be deleted from the version of the other party. Forms exist to not show the other parties’ fee information.

# Closing Disclosure – Page 1

## Closing Disclosure

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

### Closing Information

**Date Issued** 4/15/2013  
**Closing Date** 4/15/2013  
**Disbursement Date** 4/15/2013  
**Settlement Agent** Epsilon Title Co.  
**File #** 12-3456  
**Property** 456 Somewhere Ave  
Anytown, ST 12345  
**Sale Price** \$180,000

### Transaction Information

**Borrower** Michael Jones and Mary Stone  
123 Anywhere Street  
Anytown, ST 12345  
**Seller** Steve Cole and Amy Doe  
321 Somewhere Drive  
Anytown, ST 12345  
**Lender** Ficus Bank

### Loan Information

**Loan Term** 30 years  
**Purpose** Purchase  
**Product** Fixed Rate  
**Loan Type**  Conventional  FHA  
 VA  \_\_\_\_\_  
**Loan ID #** 123456789  
**MIC #** 000654321

- Closing Date = Date of Consummation.
- Disbursement Date = Date loan funds are paid. Should match Summaries of Transactions.
- Settlement Agent = Settlement Company; does not require the individual settlement agent.
- File # = any identifier. Can contain any alpha-numeric characters.
- Property = Address. May also include a list of personal property securing the transaction.
- Sale Price = Contract Sales Price.
  - Refinance can state “Appraised Prop. Value”
  - Refinance without an appraisal can state “Estimated Prop. Value”
- MIC # = Mortgage Insurance Case #

# Closing Disclosure – Page 1

<b>Loan Terms</b>		<b>Can this amount increase after closing?</b>
<b>Loan Amount</b>	\$162,000	<b>NO</b>
<b>Interest Rate</b>	3.875%	<b>NO</b>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	<b>NO</b>
		<b>Does the loan have these features?</b>
<b>Prepayment Penalty</b>		<b>YES</b> • As high as \$3,240 if you pay off the loan during the first 2 years
<b>Balloon Payment</b>		<b>NO</b>

- Works exactly like the Loan Terms section of the Loan Estimate.
- Loan Amount must be disclosed as an exact number. A whole number must be disclosed without cents.
- Interest rate is required to be disclosed as an exact number and a whole number must be disclosed truncated at the decimal point (i.e. 4%, not 4.000%).
- The answers must still be bold, capitalized as “YES” or “NO”.
- Bullets must appear with an explanation if the answer is “YES”.

# Closing Disclosure – Page 1

<b>Projected Payments</b>			
<b>Payment Calculation</b>	<b>Years 1-7</b>		<b>Years 8-30</b>
Principal & Interest		\$761.78	\$761.78
Mortgage Insurance	+	82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>		<b>\$1,050.26</b>	<b>\$967.91</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i> <i>See page 4 for details</i>	\$356.13 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues  <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	<b>In escrow?</b> <b>YES</b> <b>YES</b> <b>NO</b>

- Same requirements here as with the Loan Estimate.
- The terms “Estimated” here are not an accident. This is the form as required.
- The Estimated Escrow Payment is a bit different from the Loan Estimate. It is calculated through an escrow account analysis as required in RESPA.

# Closing Disclosure – Page 1

Costs at Closing	
<b>Closing Costs</b>	<b>\$9,712.10</b> Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
<b>Cash to Close</b>	<b>\$14,147.26</b> Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

- Again, same as the Loan Estimate.
- Does not contain the word “estimated” as these should be the actual costs.

# Closing Disclosure – Page 2

## 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>	<b>\$1,802.00</b>				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
<b>B. Services Borrower Did Not Shop For</b>	<b>\$236.55</b>				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
<b>C. Services Borrower Did Shop For</b>	<b>\$2,655.50</b>				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title – Lender’s Title Insurance to Epsilon Title Co.	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title – Title Search to Epsilon Title Co.	\$800.00				
07					
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$4,694.05</b>				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			

- Categorized like the LE
- You may borrow lines from another section.
- When all lines are filled, a second page may be added.
- Broken out between Borrower-Paid, Seller-Paid, and Paid by Others.
- Shopping sections now say “Did Shop For” or “Did Not Shop For” rather than “May” and “May Not”.
- Origination charges **does** include lender-paid broker comp.
- Lender-paid broker comp will be listed in the Paid by Others column and will list the name of the LO.

# Closing Disclosure – Page 2

## 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>	<b>\$1,802.00</b>				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Lender Paid Broker Compensation					\$800.00
04 Underwriting Fee	\$1,097.00				
05					
06					
07					

- Example of loan costs with Lender Paid Broker Compensation.
- Section A on the Loan Estimate will not show Lender Paid Broker Compensation.

**Remember, Section A is held to a 0% tolerance!**



# Closing Disclosure – Page 2

## 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>	<b>\$1,802.00</b>				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
<b>B. Services Borrower Did Not Shop For</b>	<b>\$236.55</b>				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
<b>C. Services Borrower Did Shop For</b>	<b>\$2,655.50</b>				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title – Lender’s Title Insurance to Epsilon Title Co.	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title – Title Search to Epsilon Title Co.	\$800.00				
07					
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$4,694.05</b>				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			

- Services the borrower could not shop for go in Section B.
- If the borrower chose a provider from the Written List of Service Providers, the fee also goes in Section B.
- The name of the entity ultimately receiving the payment is listed.
- Title fees must be preceded by “Title – ”

**Remember, Section B is held to a 0% tolerance and 10% tolerance.**

**0% = Not allowed to shop or affiliate fee**

**10% = Chosen from Written List of Service Providers**

# Closing Disclosure – Page 2

## Other Costs

E. Taxes and Other Government Fees		\$85.00			
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00			
02	Transfer Tax to Any State			\$950.00	
F. Prepays		\$2,120.80			
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	\$1,209.96			
02	Mortgage Insurance Premium ( mo.)				
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13 )	\$279.04			
04	Property Taxes ( 6 mo.) to Any County USA	\$631.80			
05					
G. Initial Escrow Payment at Closing		\$412.25			
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66			
02	Mortgage Insurance per month for mo.				
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60			
04					
05					
06					
07					
08	Aggregate Adjustment	- 0.01			
H. Other		\$2,400.00			
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00			
02	HOA Processing Fee to HOA Acre Inc.	\$150.00			
03	Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00	
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00	
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00	
07	Title – Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00			
08					
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05			
Other Costs Subtotals (E + F + G + H)		\$5,018.05			

- Recording fees are one line broken between Deed and Mortgage.
- Transfer taxes may be itemized by state or local law. Name of government entity assessing the tax must be listed.
- Recording fees may not be itemized like the taxes.
- Prepays must contain the name of the person ultimately receiving the payment or government entity imposing the tax.

# Closing Disclosure – Page 2

## Other Costs

E. Taxes and Other Government Fees		\$85.00			
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00			
02	Transfer Tax to Any State			\$950.00	
F. Prepays		\$2,120.80			
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	\$1,209.96			
02	Mortgage Insurance Premium ( mo.)				
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13 )	\$279.04			
04	Property Taxes ( 6 mo.) to Any County USA	\$631.80			
05					
G. Initial Escrow Payment at Closing		\$412.25			
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66			
02	Mortgage Insurance per month for mo.				
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60			
04					
05					
06					
07					
08	Aggregate Adjustment	- 0.01			
H. Other		\$2,400.00			
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00			
02	HOA Processing Fee to HOA Acre Inc.	\$150.00			
03	Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00	
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00	
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00	
07	Title – Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00			
08					
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05			
Other Costs Subtotals (E + F + G + H)		\$5,018.05			

- Itemization of amounts expected to be paid into escrow or reserve.
- Itemization of escrow must show monthly payment amount and number of months collected at closing.
- Escrow itemization includes:
  - Property Taxes,
  - Homeowner's and similar insurance,
  - Mortgage Insurance,
  - Homeowner's Association Dues, and
  - Other periodic charges.

# Closing Disclosure – Page 2

## Other Costs

E. Taxes and Other Government Fees		\$85.00			
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00			
02	Transfer Tax to Any State			\$950.00	
F. Prepays		\$2,120.80			
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	\$1,209.96			
02	Mortgage Insurance Premium ( mo.)				
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13 )	\$279.04			
04	Property Taxes ( 6 mo.) to Any County USA	\$631.80			
05					
G. Initial Escrow Payment at Closing		\$412.25			
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66			
02	Mortgage Insurance per month for mo.				
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60			
04					
05					
06					
07					
08	Aggregate Adjustment	- 0.01			
H. Other		\$2,400.00			
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00			
02	HOA Processing Fee to HOA Acre Inc.	\$150.00			
03	Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00	
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00	
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00	
07	Title – Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00			
08					
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05			
Other Costs Subtotals (E + F + G + H)		\$5,018.05			

- Other includes fees for services required by the consumer, seller, or other party in the transaction.
- Other fees must contain the name of the person ultimately receiving the payment.
- Title fees must be preceded by “Title – ”
- “(Optional)” must appear at the end of any fee for premiums not required by the creditor but paid by the borrower for
  - Separate insurance
  - Warranty
  - Guarantee
  - Or event-coverage products

## Closing Disclosure – Page 2

<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$9,712.10</b>				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

- Closing costs subtotals should contain a total of each column.
- “J. Total Closing Costs (Borrower-Paid)” is only that....borrower paid.
- Lender Credit for specific fees will go in the “Paid by Others” column.
- General Lender Credits go here under Total Closing Costs.

<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$5,977.57</b>	
Closing Costs Subtotals (D + I)	\$5,822.57	\$655.00
Lender Credits (Includes \$200 credit for increase in Closing Costs above legal limit)	– \$500.00	

- If a variance threshold is exceeded (0% or 10% bucket), the Lender Credit will look like the above.

## Closing Disclosure – Page 3

<b>Calculating Cash to Close</b>		<b>Use this table to see what has changed from your Loan Estimate.</b>	
	<b>Loan Estimate</b>	<b>Final</b>	<b>Did this change?</b>
Total Closing Costs (J)	\$8,054.00	\$9,712.10	<b>YES</b> • See <b>Total Loan Costs (D)</b> and <b>Total Other Costs (I)</b>
Closing Costs Paid Before Closing	\$0	– \$29.80	<b>YES</b> • You paid these Closing Costs <b>before closing</b>
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	<b>NO</b>
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	<b>NO</b>
Deposit	– \$10,000.00	– \$10,000.00	<b>NO</b>
Funds for Borrower	\$0	\$0	<b>NO</b>
Seller Credits	\$0	– \$2,500.00	<b>YES</b> • See Seller Credits in <b>Section L</b>
Adjustments and Other Credits	\$0	– \$1,035.04	<b>YES</b> • See details in <b>Sections K and L</b>
<b>Cash to Close</b>	<b>\$16,054.00</b>	<b>\$14,147.26</b>	

- Provides a comparison from the LE to the Final
- Changes must say “**YES**” or “**NO**”. Any “**YES**” must provide an explanation of the difference. Many changes require a reference to the Section of the change.
- LE column fees are required to be rounded.

# Closing Disclosure – Page 5

## 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.	\$285,803.36
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$118,830.27
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$162,000.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
<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.	69.46%

- This is the new “fed box”.
- Total Payments is for the entire term of the loan rather than the first 5 year as shown in the LE.
- Finance charge is the same as today.
- Total Interest Percentage is calculated the same as the TIP on the LE.



**Questions?** If you have questions about the 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)

# Closing Disclosure – Page 5

<b>Contact Information</b>					
	<b>Lender</b>	<b>Mortgage Broker</b>	<b>Real Estate Broker (B)</b>	<b>Real Estate Broker (S)</b>	<b>Settlement Agent</b>
<b>Name</b>	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
<b>Address</b>	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
<b>NMLS ID</b>					
<b>ST License ID</b>			Z765416	Z61456	Z61616
<b>Contact</b>	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
<b>Contact NMLS ID</b>	12345				
<b>Contact ST License ID</b>			P16415	P51461	PT1234
<b>Email</b>	joesmith@ ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@ epsilontitle.com
<b>Phone</b>	123-456-7890		123-555-1717	321-555-7171	987-555-4321

- Phone numbers should be direct lines.
- Leave the column blank if the person is not involved in the transaction.
- May omit a column not applicable to accommodate an additional person.



# Closing Disclosure – Page 5

## Confirm Receipt

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.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

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

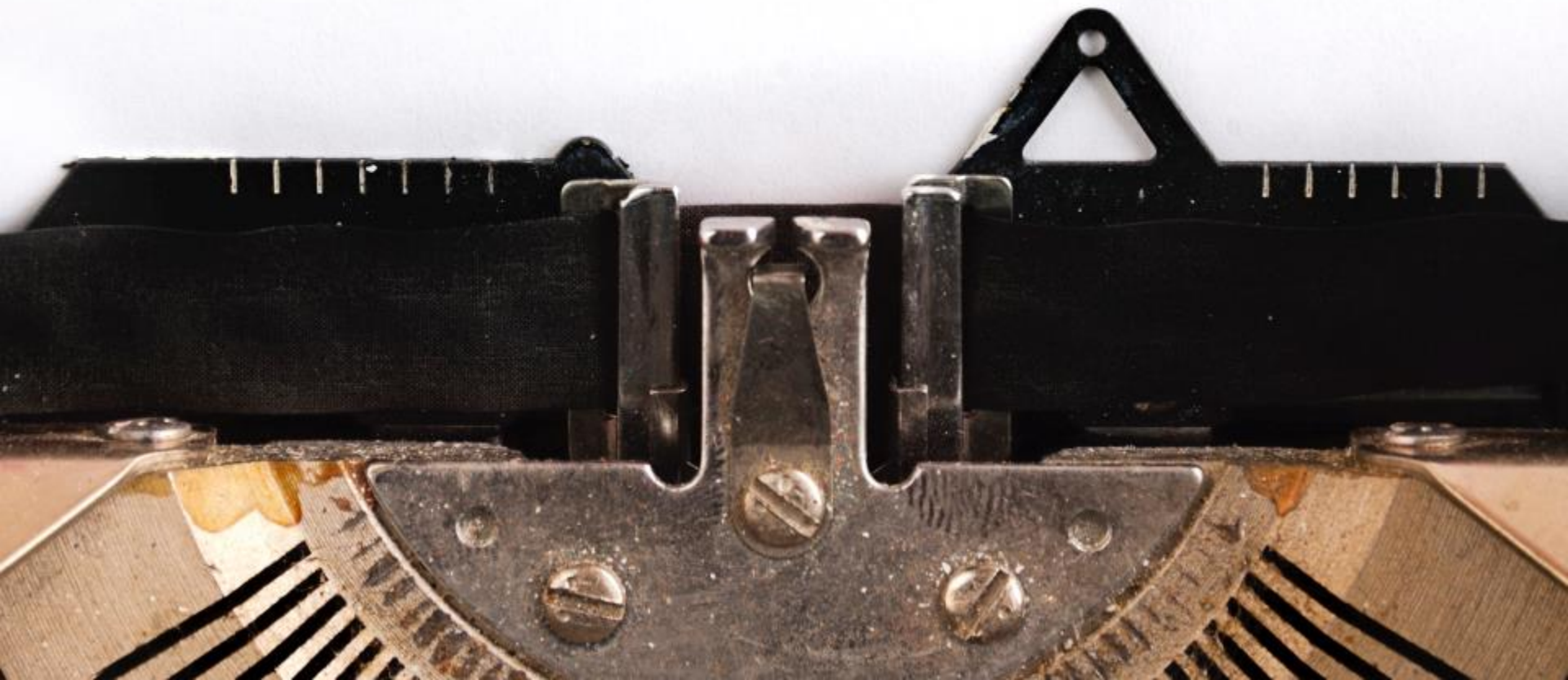
\_\_\_\_\_  
Date

- The signature to confirm receipt is optional and is not required to be on the form.
- If the optional signature line is not included, the following statement must be present:
  - “You do not have to accept this loan because you have received this form or signed a loan application.”

## Other CD Items to Consider/Note

- Unlike the current HUD-1, the CD does not list fees by a line number.
- Fee names must be consistent between the LE and the CD.
- Fees must be in alphabetical order. Hard-coded lines are the exception to this rule.
- Another reminder: The borrower must receive the CD at least three business days prior to closing.
  - Providing it too early could cause the inability to re-set the tolerance threshold for change of circumstances.
- Corrected CDs require a new 3 business day waiting period if
  - the APR is inaccurate (.125% for regular trans and .25% for irregular trans)
  - the loan product information on the CD changes
  - a prepayment penalty is added
- Revised CD must be provided Post-Consummation if any fees paid by the borrower change during the 30-day period after consummation.
- CD cannot be shared with the Real Estate Agent or seller. Only borrower can share the CD with other parties.

ANY QUESTIONS?





Experience Extraordinary

This is not meant to be legal advice.

Please seek legal counsel as you implement TRID.



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