

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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L. Settlement Charges						Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Real Estate Broker Fees							
Division of commission (line 700) as follows:							
701. \$		to					
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 report charge (points) for the specific item			(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

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

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.