

A Guide to the New HUD-1 Settlement Statement

Continued . . .

Section 1:

This section compares the GFE to the HUD figures. Changes **CAN NOT** increase at closing in this section.

Section 2:

Changes **CAN NOT** increase by more than 10% at closing in this section.

Section 3:

Changes **CAN** increase or decrease in this section at closing.

Loan Terms:

In this section, loan terms are disclosed in a simplified format for consumers.

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase			
Our origination charge	# 801		
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803		
Transfer taxes	# 1203		
Charges That in Total Cannot Increase More Than 10%			
Government recording charges	# 1201		
	#		
	#		
	#		
	#		
	#		
	#		
Total			
Increase between GFE and HUD-1 Charges		\$	or %
Charges That Can Change			
Initial deposit for your escrow account	# 1001		
Daily interest charges	# 901		
Homeowner's insurance	# 903		
	#		
	#		
	#		
	#		

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

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

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The HUD-1 statement is also known as the closing statement or settlement sheet and is required by the Department of Housing and Urban Development (HUD). It's a document that provides an itemized listing of the funds that are paid at closing when the transaction falls under RESPA. Items that appear on the statement include real estate commissions, loan fees, and initial escrow (impound) amounts. Each type of expense goes on a specific numbered line on the sheet. The totals at the bottom of the HUD-1 statement define the seller's net proceeds or amounts due and the buyer's net payment or refund at closing.

Lines 104 & 105:

These 2 lines list additional items owed by the borrower that are not on the GFE (Good Faith Estimate), and items paid by the seller prior to settlement and being reimbursed to the seller from the borrower at settlement.

Section 200:

If the seller is paying any of the buyers closing costs the charges must show on page 2 as a charge to the buyer with an offsetting credit here from the seller.

Section 500:

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

A Guide to the New HUD-1 Settlement Statement

OMB Approval No. 2502-0265

A. Settlement Statement (HUD-1)

B. Type of Loan

1. FHA 2. RHS 3. Conv. Unins. 6. File Number: 7. Loan Number: 8. Mortgage Insurance Case Number:
4. VA 5. 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

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
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. Gross Amount Due from Borrower	
200. Amount Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220)	
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	
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. Gross Amount Due to Seller	
500. Reductions in Amount Due to seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) 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 to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	
602. Less reductions in amounts due seller (line 520)	
603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	

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

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Continued . . .



Lines 701- 703:

The commission box now shows actual fees instead of percentages. The total amount of commission to each real estate broker or agent must be shown in lines 701 and 702. The amount of the commissions disbursed at settlement must be shown on line 703.

Line 801:

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

Line 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.

Section 1000:

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 shown on line 1101, with the exception of the owner’s title insurance, which is shown as a charge to the borrower on line 1103.

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 or charge (points) for the specific interest rate chosen	\$	(from GFE #2)		
803	Your adjusted origination charges		(from GFE #A)		
804	Appraisal fee to		(from GFE #3)		
805	Credit report to		(from GFE #3)		
806	Tax service to		(from GFE #3)		
807	Flood certification to		(from GFE #3)		
808					
809					
810					
811					
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 services 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 to		\$		
1108	Underwriter's portion of the total title insurance premium to		\$		
1109					
1110					
1111					
1200. Government Recording and Transfer Charges					
1201	Government recording charges		(from GFE #7)		
1202	Deed \$	Mortgage \$	Release \$		
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)					



1103:

The buyer will be charged for the owner’s title policy to conform with Box #5 on the GFE, but if the contract calls for the seller to pay for the owners title policy, a credit/debit will be shown in the 200 series. Be aware, some bank-owned or FannieMae contracts require the buyer to purchase the owner’s title policy

1107:

Shows the issuing title agent’s portion of the title premiums and endorsements.

1108:

Shows the title underwriter’s portion of title premiums and endorsements.

Section 1300:

This section will be used for anything that was in Box #6 on the Good Faith Estimate.

