

Understanding your estimated settlement charges

Your Loan Details										
1. Our service charge These charges are for the services we provide when we get and process this loan for you.										
2. Your credit or charge for the specific interest rate chosen (points) <ul style="list-style-type: none"> • The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above.) • You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. • You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.) 										
A Your Adjusted Origination Charges		\$ _____								
Your Charges for All Other Settlement Services										
3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Service</th> <th style="width: 40%;">Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Service	Charge								
Service	Charge									
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.										
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Service</th> <th style="width: 40%;">Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Service	Charge								
Service	Charge									
6. Government recording and transfer charges This includes state and local charges on mortgages and home sales.										
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.										
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ _____ per day for _____ days (if your closing date is ____/____/____).										
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.										
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.										
B Your Charges for All Other Settlement Services		\$ _____								
A + B Total Estimated Settlement Charges		\$ _____								



Important Information and Instructions

Shopping for a loan offer

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the table on page 4 to compare all the offers you receive.

Understanding which charges can change at settlement

The GFE estimates your settlement charges. At your settlement, you will receive a HUD-1. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies your lender suggests.

The list below shows you how much the estimated charges on this GFE can change at your closing.

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none"> • Our service charge • Your charge or credit for the specific interest rate chosen (after you lock in your interest rate) • Government recording and transfer charges 	<ul style="list-style-type: none"> • Required services that we select • Title services and lender's title insurance (if we select them or you use providers identified by us) • Required services that you can shop for (if you use providers identified by us) • Optional owner's title insurance (if you use providers identified by us) 	<ul style="list-style-type: none"> • Required services that you can shop for (if you do not use providers identified by us) • Title services and lender's title insurance (if you do not use providers identified by us) • Reserves or escrow • Daily interest rate charges • Homeowner's insurance • Optional owner's title insurance (if you do not use providers identified by us)

Looking at trade-offs

In this GFE, we offered you a particular interest rate and estimated settlement charges. But, you could choose other loans to get a lower interest rate or lower settlement charges.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement charges**.
- If you want to choose a loan with **lower settlement charges**, then you will have a **higher interest rate**.

The table below shows how the loan for this GFE compares to two other options. If you decide you want to make one of these trade-offs, you must ask us for a new GFE.

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement charges
Your loan amount	\$	\$	\$
Your interest rate	%	%	%
How much your monthly payment will be	\$	\$	\$
How much more or less in monthly payments from this GFE	No Change	You will pay \$ less every month	You will pay \$ more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement charges by \$	Your higher interest rate will lower your settlement charges by \$
How much your total estimated settlement charges will be	\$	\$	\$

If this loan offer is for an adjustable rate loan, the comparisons in the table are for the initial interest rate before any adjustments are made.



Your financial responsibilities as a homeowner

In addition to your monthly amount owed for principal, interest, and mortgage insurance, you may need to pay other required annual charges to keep your property. We must provide an estimate for annual property taxes along with homeowner's, flood, and other required property protection insurance, but we are not required to provide estimates for the other charges. You may have to identify the other charges and ask for additional estimates from others.

Different sources might use different techniques to estimate these charges, but the actual charges will be the same in the end. Therefore, do not use these estimates to compare settlement charges from different loan originators.

Annual property taxes	
Annual homeowner's insurance	
Annual flood insurance	
Annual homeowners association/condominium fees.	
Other	
Total Other Annual Charges	

Applying for this loan

If you decide you would like to apply for this loan, contact us at [redacted]. You must pay a fee of \$ [redacted]. This fee will be subtracted from your settlement charges.

Getting more information

The type of loan you choose can affect your current and future monthly payments. You can ask us for more information about loan types. You can also look at several government publications: HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and consumer information publications of the Federal Reserve Board.

Using the shopping chart

Use this chart to compare Good Faith Estimates (GFEs) from different loan originators. Fill in the information by using a different column for each GFE you receive.

By comparing loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4
Loan Originator Name				
Initial Loan Balance				
Loan Term				
Initial Interest Rate				
Initial Monthly Amount Owed				
Rate Lock Period				
Can Interest Rate Rise?				
Can Loan Balance Rise?				
Can Monthly Amount Owed Rise?				
Prepayment Penalty?				
Balloon Payment?				
Total Estimated Settlement Charges ▶				

If your loan is sold in the future

Lenders can receive additional fees by selling your loan at some future date after settlement. Once you have obtained your loan at settlement, however, your loan terms, adjusted origination charges, and total settlement charges cannot change. After settlement, any fees lenders receive in the future cannot change the loan you received or the charges you paid at settlement.

