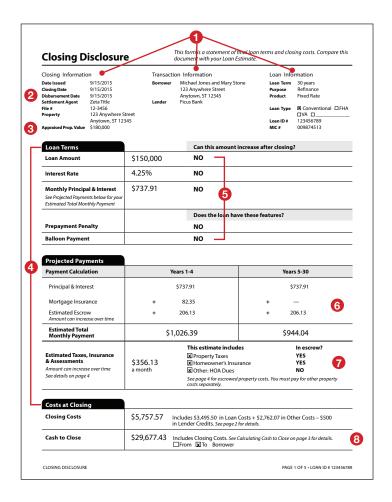
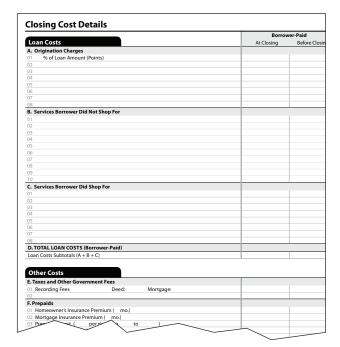
GETTING TO KNOW THE NEW CLOSING DISCLOSURE By Bill Anderson and Steven Bastian

OMING IN AUGUST OF THIS YEAR, Notary signing agents will begin to see the Consumer Financial Protection Bureau's new Closing Disclosure form in loan document packages. The Closing Disclosure replaces the final Truth in Lending (TIL) Disclosure and HUD-1 Settlement Statement, and must be provided to borrowers three days before consummation or closing of their transaction. Versions of the Closing Disclosure will vary depending upon the type of transaction. Home equity lines of credit and reverse mortgages will continue to use the HUD-1 form. Here is an overview of the new Closing Disclosure.

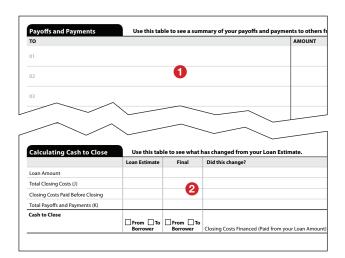


- 1 Every Closing Disclosure has the essential "Closing," "Transaction" and "Loan" details at the top of page 1.
- 2 The Disbursement Date for each loan appears on the Closing Disclosure.
- 3 Refinance loans will read "Appraised Property Value"; purchase transactions, "Sale Price."
- 4 "Loan Terms," "Projected Payments" and "Costs at Closing" present information previously found on the TIL and HUD-1.
- **5** Loan Terms and "Yes" and "No" answers previously found on the HUD-1, page 3.
- **6** Projected payments previously found on the TIL.
- **7** Property taxes and other charges previously found on the HUD-1, page 3.
- **3** Cash to Close previously found on the HUD-1 line 303.

For more details visit
The National Notary digital edition at
nationalnotary.org/knowledgecenter/news/the-national-notary.

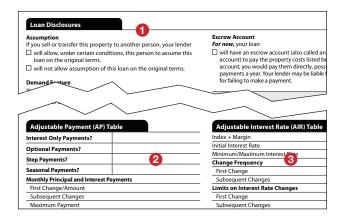


Page 2 of the Closing Disclosure is a complete redesign of the itemization of closing costs for the loan formerly presented on the HUD-1. Closing costs are grouped in new categories with new line numbers. The total of closing costs at the bottom of page 2 is carried forward and appears at the bottom of page 1.

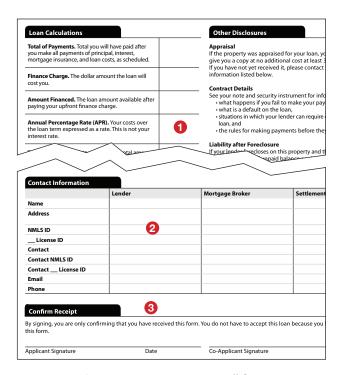


This version of **page 3** is for a transaction without a seller, such as a refinance typically handled by NSAs.

- 1 The "Payoffs and Payments" section itemizes the payoffs of old loans with the proceeds of the loan amount.
- 2 The "Calculating Cash to Close" section allows borrowers to compare figures from the Loan Estimate to see what has changed. The bottom-line amount is carried forward to page 1.



- 1 This version of **page 4** presents disclosures about the loan previously found on the TIL.
- 2 The "Adjustable Payments Table" will appear for certain loans.
- 3 The "Adjustable Interest Rate Table" will appear for loans that have an adjustable interest rate. The table will not appear for fixed-rate loans.



Page 5 sections may not appear on all forms.

- 1 The "Loan Calculations" has the Annual Percentage Rate (APR) previously found on the TIL and adds a new "Total Interest Percentage."
- 2 The lender's, mortgage and real estate broker's and settlement agent's contact information.
- 3 The "Confirm Receipt" with borrower's signature is optional. If it does not appear, a separate "Loan Acceptance" disclosure must appear. ■