

**Integrated Disclosure
Vocabulary List**

Term	Definition as of 8/1/2015
Adjustments and Other Credits	<p>Included in this is the total amount of all items in the Loan Costs and Other Costs tables that are <u>paid by persons other than the loan originator, creditor, consumer, or seller</u>, together with any other amounts that are required to be <u>paid by the consumer</u> at closing pursuant to the contract of sale (if any), disclosed as a negative number. Examples of items that are paid by persons other than the loan originator, creditor, consumer, or seller include:</p> <ul style="list-style-type: none"> - Gifts from family members, and - Credits from a developer or home builder to be applied to items in the Loan Costs and Other Costs table. Adjustments and Other Credits includes funds provided to the consumer from the proceeds of subordinate financing, local or State housing assistance grants, or other similar sources. Examples of amounts to be paid by the consumer at closing pursuant to the contract of sale include: -Charges for personal property to be acquired by the consumer -Pro-rations for property taxes, and -Pro-rations for homeowner’s association dues. <p>Adjustment and Other Credits is reduced by the amount of any such additional charges.</p>
Application (triggering RESPA and TILA early disclosures)	<p>Borrower's name, monthly income, social security number, the property address, an estimate of the property's value, loan amount</p> <p style="text-align: center;"><i>Only</i></p> <p style="text-align: center;"><i>The 7th optional item has been eliminated.</i></p> <p style="text-align: center;"><i>Borrower's name, monthly income, social security number, the property address, an estimate of the property's value, loan amount and any other information deemed necessary by the lender in accordance with the lender's established procedures for receiving loan applications (provided it is not verification)</i></p>
APR Fees	Suggested new term to reference what were previously referred to as Prepaid Finance Charges
Balloon Payment	A payment that is more than two times a regular periodic payment and includes the payment or payments under a transaction that requires only one or two payments during the loan term.

	Also included are single payment transactions that do not have scheduled periodic payments.
Business Days	<p>There are 2 types of business days:</p> <p>-General Rule – A day on which the Lender’s offices are open to the public for carrying on substantially all of its business functions in all situations other than when the Specific Rule is used. This is the definition for “business days” unless “Specific Business Days” is stated</p> <p>-Specific Rule – All calendar days except Sundays and legal public holidays (RofR)</p>
Changed Circumstance	<p>Examples:</p> <p>-Revisions to the credit terms or the settlement are requested by the consumer;</p> <p>-The interest rate was not locked when the Loan Estimate was provided, and locking the rate causes the points or lender credits disclosed on the Loan Estimate to change (§ 1026.19(e)(3)(iv)(D));</p> <p>-The consumer indicates an intent to proceed with the transaction more than 10 business days after the Loan Estimate was originally provided; or</p> <p>- The loan is a new construction loan, and settlement is delayed by more than 60 calendar days, if the original Loan Estimate states clearly and conspicuously that at any time prior to 60 calendar days before consummation, the creditor may issue revised disclosures.</p>
Closing Costs Financed	<p>The result of subtracting the estimated total amount of payments to third parties (and payoffs and payments) not otherwise disclosed in the Loan Costs and Other Costs tables from the Loan Amount disclosed on page 1 of the Loan Estimate.</p> <p>If the result of the calculation is a positive number, this is that amount, disclosed as a negative number, but only to the extent that it does not exceed the amount of Lender Credits.</p> <p>If the result of the calculation is zero or negative, then this is \$0.</p> <p>Loan Amount -Payments to Third Parties, Payoffs and Payments <u>-Total Closing Costs</u></p>

	=Closing Costs Financed (if this is a positive number)
Closing Disclosure	Disclosure replacing the Final TIL and the HUD-1 that borrower must receive at least 3 business days prior to consummation
Consummation	Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes contractually obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction
Date Issued	The date the Disclosure is delivered/mailed to the consumer
Deposit	In a Purchase transaction, <u>Deposit</u> is the amount, disclosed as a negative number, that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the contract for sale of the property. In all other transactions, <u>Deposit</u> is \$0.
Down Payment/ Funds From Borrower	In a <u>Purchase</u> transaction, this is the difference between the purchase price of the property and the principal amount of the loan, disclosed as a positive number. However, when the loan amount exceeds the purchase price of the property, disclose \$0 for this. In <u>all other</u> transactions, subtract the principal amount of credit extended (excluding any amount disclosed as Closing Costs Financed (Paid from Your Loan Amount)) from the total amount of all existing debt being satisfied in the transaction. When this calculation yields an amount that is positive, Down Payment/ Funds from Borrower is that amount. If the calculation yields a result that is negative or \$0, Down Payment/ Funds from Borrower is \$0.
(Estimated) Cash to Close	This is the sum of the seven other amounts disclosed in the Estimated Cash to Close table on the Loan Estimate and the sum of the eight other amounts disclosed in the Cash to Close table in the Closing Disclosure The amount for the Estimated Cash to Close is the sum total of the amounts disclosed as Loan Amount, Total Closing Costs, and Payoffs and Payments. Check boxes are used to disclose whether the Estimated Cash to Close is either due from the consumer or will be paid to the consumer at consummation. There is an Alternative Calculating Cash to Close table that

	can be used when there is no seller.
(Estimated) Payoffs and Payments	<p>This is the total amount to be paid to third parties not otherwise disclosed as items in the Loan Costs or Other Costs tables, disclosed as a negative number.</p> <p>Examples of the Payoffs and Payments to be made to third parties not otherwise disclosed in the Loan Costs or Other Costs tables can include: Payoffs of existing liens secured by the property by DOT, judgement, mortgage), mechanic's liens, tax liens, Payments of unsecured outstanding debts of the consumer, and</p> <p>Payments to other third parties for outstanding debts of the consumer as required to be paid as a condition for the extension of credit</p>
Estimated Taxes, Insurance & Assessments	Monthly payment of property taxes, homeowner's insurance, HOA Dues, Condo Fees, credit life or health or loss of income insurance premiums and any premiums for debt cancellation or debt suspension coverage required by the lender and written at the time of the loan (whether or not these are escrowed).)Page 1 of LE and CD)
Fee Worksheet	List of itemized fees for a Loan Transaction that the Settlement Agent must prepare and provide to the Lender for the timely completion and mailing of the Closing Disclosure
Funds For Borrower	<p>In a Purchase transaction, <u>Funds for Borrower</u> is \$0.</p> <p>In all other transactions, subtract the principal amount of debt extended (excluding any amount disclosed as Closing Costs Financed (Paid from Your Loan Amount)) from the total amount of all existing debt being satisfied in the transaction. When this calculation yields an amount that is negative, then <u>Funds for Borrower</u> is that amount. If the calculation yields an amount that is positive or \$0, then <u>Funds for Borrower</u> is \$0.</p> <p>All debt being satisfied with this loan <u>-Loan Principal Amount less Closing Costs Financed</u> = Funds for Borrower if a negative amount</p>
Home Equity	One of the options for loan purpose that must be completed on the Loan Estimate and the Closing Disclosure. This is a "catch-all" purpose selection used when none of the funds are to purchase, refinance, or construct the collateral. This may trigger the need to re-name products and references.
In 5 Years	Section of the Loan Estimate and Closing Disclosure that lists the total the borrower will have paid in principal, interest, mortgage insurance, and loan costs AND the amount of principal that will be paid off "in 5 years" if the loan is paid as agreed
Lender Credit - Specific	Specific payments, such as a credit, rebate, or reimbursement from a creditor to the consumer to pay a specific fee. The

	amount of the credit is reflected in the net amount of the fee on the designated line.
Lender Credit - General	Non-specific generalized payments from the creditor to the consumer that do not pay for a particular fee. This amount is listed as a negative figure in Section J – Total Closing Costs, on the “Lender Credits” line.
Loan Estimate	Disclosure that must be mailed or given to applicant within 3 business days of receipt of application; replaces the Early TIL, GFE, Mortgage Servicing Transfer Disclosure, Reg B Appraisal Notice
Loan Costs	Includes charges that are not finance charges; Not necessarily the same as the Total Finance Charge minus interest
Origination Charges	These are items the consumer will pay to each creditor and loan originator for originating and extending credit and include points and fees paid to reduce the interest rate. Compensation paid directly by a consumer to a loan originator that is not the creditor; or any charge imposed to pay for a loan level pricing adjustment assessed on the creditor that is passed on to the consumer as a cost at consummation and not as an adjustment to the interest rate. Only items paid directly by the consumer to compensate a loan originator are Origination Charges. Do not disclose compensation to a loan originator paid indirectly by a creditor through the interest rate
Other	Other must include items <u>in connection with the transaction</u> that the consumer is likely to pay or has contracted with a person other than the creditor or loan originator to pay at closing and of which the creditor is aware at the time of issuing the Loan Estimate . Separate insurance, warranty, guarantee or event-coverage products include, for example: <ul style="list-style-type: none"> - Owner’s title insurance, - Credit life insurance, - Debt suspension coverage, - Debt cancellation coverage, - Warranties of home appliances and systems When the creditor is aware of those items, Other includes for example: <ul style="list-style-type: none"> -Commissions of real estate brokers or agents, -Additional payments to the seller to purchase personal property pursuant to the contract of sale, - Homeowner’s association and condominium charges associated with the transfer of ownership, and

	<p>-Fees for inspections not required by the creditor but paid by the consumer pursuant to the contract of sale.</p> <p>If not required by creditor, “(Optional)” must be stated at the end of the description</p>
Other Costs	Can include finance charges
Partial Payments	Disclosure made on Closing Disclosure regarding Bank policy regarding whether partial payments are accepted and, if so, how they are applied
Prepays	<p>Any settlement service costs paid by the consumer before the first scheduled payment, whether or not it is a cost of credit or a non-credit settlement service fee (so not all of these prepaids are finance charges). Included in “prepaids” are: homeowner’s insurance, property taxes, prepaid interest, PMI premium</p> <p><i>Prepaid finance charges – Fees paid at or before closing that are Reg Z defined finance charges and that are deducted from the loan amount to determine the Amount Financed.</i></p>
Product	<p>Stated on the Loan Estimate and Closing Disclosure with one of the following features listed – in this priority order if applicable (Negative Amortization, Interest Only, Step Payment, Balloon Payment, Seasonal Payment) followed by one of the following Product Types: Adjustable Rate, Step Rate, or Fixed Rate</p> <p>Note: If this field changes on the Closing Disclosure, an additional waiting period is triggered</p>
Purpose	<p>Must be stated on Loan Estimate and Closing Disclosure in this priority order (similar to HMDA rules) if used for collateral</p> <ul style="list-style-type: none"> -Purchase (any portion) -Refinance (any portion) -Construction (including Construction-Perm) -Home Equity (paying off a loan not securing by collateral, catch-all, anything that doesn’t fit one of the first three)
10% Tolerance Charges	<p>If the creditor permits the consumer to shop for a required settlement service but the consumer either does not select a settlement service provider or chooses a settlement service provider identified by the creditor on the written list of providers, then the amount charged is included in the sum of all such third-party charges paid by the consumer, and also is subject to the 10% cumulative tolerance</p> <p>These charges are:</p>

	<p><input type="checkbox"/> <input type="checkbox"/> Recording fees (Comment 19(e)(3)(ii)-4);</p> <p><input type="checkbox"/> <input type="checkbox"/> Charges for third-party services where:</p> <p><input type="checkbox"/> <input type="checkbox"/> The charge is not paid to the creditor or the creditor’s affiliate (§ 1026.19(e)(3)(ii)(B)); and</p> <p><input type="checkbox"/> <input type="checkbox"/> The consumer is permitted by the creditor to shop for the third-party service, and the consumer selects a third-party service provider on the creditor’s written list of service providers.</p> <p style="padding-left: 40px;">If the creditor permits the consumer to shop for a required settlement service but the consumer either does not select a settlement service provider or chooses a settlement service provider identified by the creditor on the written list of providers, then the amount charged is included in the sum of all such third-party charges paid by the consumer, and also is subject to the 10% cumulative tolerance</p>
<p style="text-align: center;">Seller Credits</p>	<p>This is the total amount that the seller will pay for items included in the Loan Costs and Other Costs tables, to the extent known, disclosed as a negative number</p>
<p>Services You CAN Shop For</p>	<p>These are services provided by persons other than the creditor or mortgage broker and are services that the consumer can shop for and will pay for at settlement. Items listed as Services You Can Shop For must use terminology that describes each item and disclose them in alphabetical order. Examples:</p> <p>Pest inspection fee, Survey fee, Title – closing agent fee, and Title – closing protection letter fee.</p> <p>Describe <u>services related to the issuance of title insurance policies</u> with the word Title – at the beginning of the item. Examples:</p> <p>-Examination and evaluation of title evidence to determine the insurability of the title being examined and what items to include or exclude in any title commitment and policy to be issued, -Preparation and issuance of the title commitment or other document that discloses the status of title, identifies the conditions that must be met before the policy will be issued, and obligates the insurer to issue a policy of title insurance if such conditions are met, -Resolution of title underwriting issues and taking steps needed to satisfy any conditions for the issuance of title insurance policies,</p>

	<p>-Preparation and issuance of the title insurance policies, and Payment of premiums for any lender’s title insurance coverage</p> <p>At least one vendor for each service must appear on the Service Provider Disclosure; if borrower doesn’t choose this vendor the service has unlimited tolerance; if the borrower does choose this vendor the tolerance is 10% for all services where the vendor listed is chosen.</p> <p>Disclose up to 14 items that You Can Shop For. If there are more than this use the 14 line to lump the remaining items as “Additional Charges”. An addendum is permitted to itemize these additional charges.</p>
Services You CANNOT Shop For	<p>Total of 13 lines/items (12 items and lumped “Additional Charges” for any over 13). No addendum is permitted to itemize these items.</p> <p>Examples:</p> <p>Appraisal fee, Appraisal management company fee, Credit report fee, Flood determination fee, Government funding fee (such as a VA or USDA guarantee fee, or any other fee paid to a government entity as part of a governmental loan program), Homeowner’s association certification fee, Lender’s attorney fee, Tax status search fee, Third-party subordination fee, Title – closing protection letter fee, Title – lender’s title insurance policy, and</p> <p>An upfront mortgage insurance fee (unless the fee is a prepayment of future premiums or a payment into an escrow account).</p> <p>Describe services related to the issuance of title insurance policies with the word Title – at the beginning of the item.</p>
TIP	Total interest paid over the life of the loan expressed as a % of the loan amount
Toolkit	Your home loan Toolkit is an interactive PDF and will be available in printed form. This replaces the “Settlement Costs and You” booklet for applications received on or after August 1, 2015
Total Closing Costs	The sum of Total Loan Costs, Total Other Costs, and Lender Credits
Total Loan Costs	The sum of the subtotals of Origination Charges, Services You

	Cannot Shop For, and Services You Can Shop For
Total Monthly Payment	Principal + Interest + Mortgage Insurance + Escrow
Total Other Costs	<p>The sum of the following four subheadings, each of which is subtotaled:</p> <p>Taxes and Other Government Fees (disclose Recording Fees and Other Taxes first and Transfer Taxes second.) Recording Fees are not based on the loan amount. Transfer Taxes are.</p> <p>Prepays, Initial Escrow Payment at Closing, and Other - items in connection with the transaction that the consumer is likely to pay or has contracted with a person other than the creditor or loan originator to pay at closing and of which the creditor is aware at the time of issuing the Loan Estimate.</p> <p>Items are to be listed on lines shown and alphabetically after that. No addendum may be added to any section under any of the subheadings. List "Additional Charges" on the last line of each subheading and group the remaining items together, if needed.</p>
Unlimited Tolerance Charges	When a creditor allows a consumer to shop for a third-party service and the consumer chooses a service provider not identified on the creditor's list, the charge is not subject to a tolerance limitation
Zero Tolerance Charges	<p>Line by Line:</p> <p>Fees paid to the creditor, to a mortgage broker, to an affiliate of the creditor or a mortgage broker, transfer taxes, fees paid to third parties if the consumer was not permitted to shop or if the borrower chose the creditor's vendor listed on the settlement provider disclosure</p>