

U.S. Department of Housing and Urban Development



# Closing the Deal

**33 Answers**



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# Table of Contents

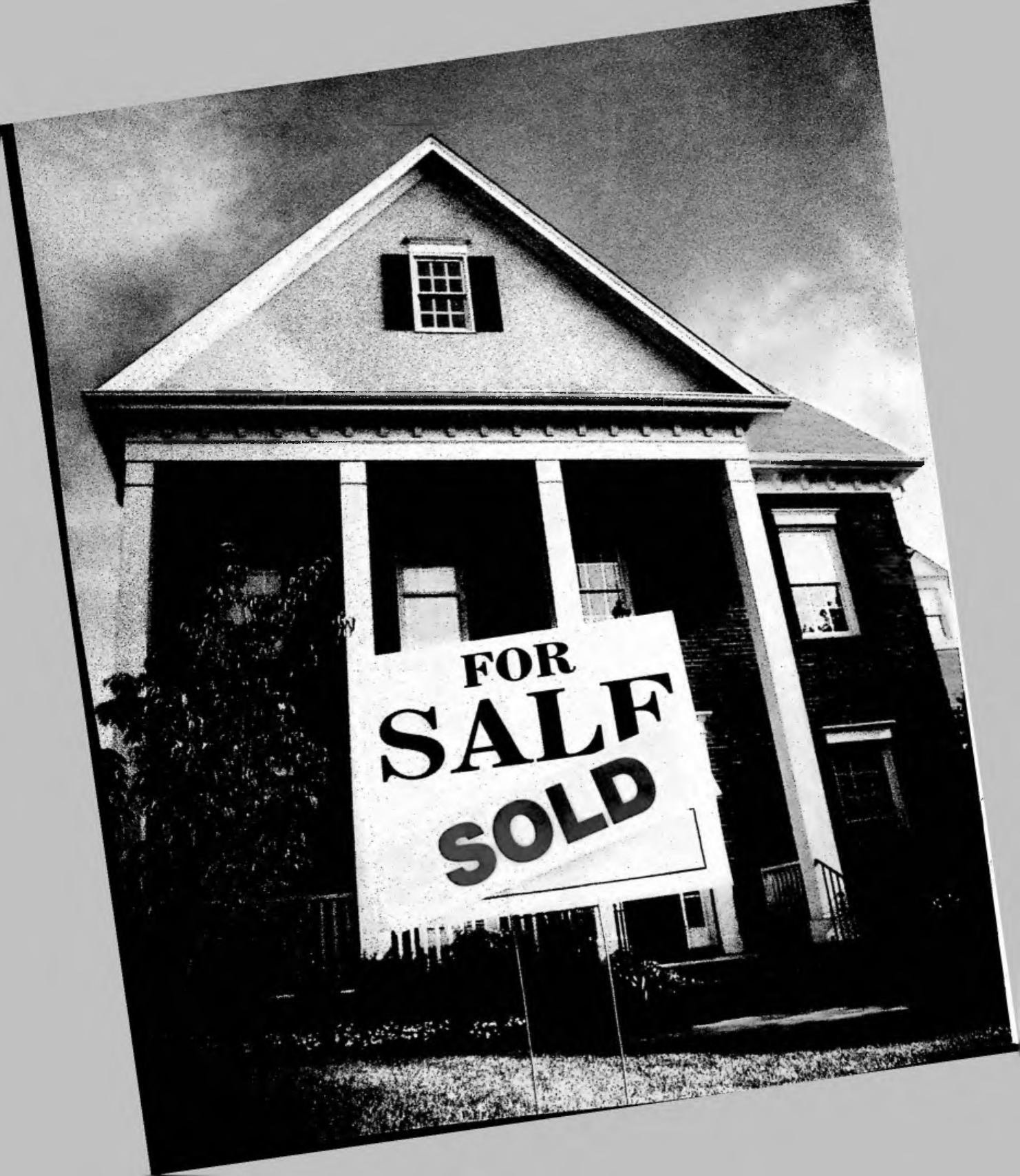


● Preparing To Close	pgs. 1 - 3
----------------------	------------

● Closing Day	pgs. 5 - 8
---------------	------------

● Looking Ahead	pgs. 9 - 14
-----------------	-------------

● HUD-1 Settlement Statement Sample	pgs. 15 - 17
--	--------------



FOR  
SALE  
SOLD

# Closing the Deal

So you've decided to buy a home. This will be one of the most exciting events of your life and will probably be the most expensive and important purchase that you will ever make.

As part of the Department of Housing and Urban Development's commitment to help consumers navigate the home buying process, we have compiled a list of questions — and their answers — that we most frequently receive from homebuyers like you. This booklet is the third in a three-part series that covers what you should expect and what you should be aware of when buying a home. The series addresses *Shopping for Your Home*, *Shopping for Your Loan*, and *Closing the Deal*. There are also three videos that can help you understand the information in these books and can be found on our website at **[www.hud.gov](http://www.hud.gov)** or through your real estate agent.

The questions below focus on the final steps in the home buying process, from pre-settlement preparation to finalizing the loan process and moving into your new home. It also includes tips on planning for the future.

The terms "settlement" and "closing" are used interchangeably in this brochure to refer to the meeting at which official finalization of loan and title documents takes place. Some states also refer to this step as "escrow." "Settlement" and "closing" will both be used throughout this list.



**FOR  
SALE  
RV ONLY  
SOLD**

# Preparing To Close

Settlement, also known as closing, is the last step in the home buying transaction. It is the time at which the property is formally sold and transferred from the seller to the buyer. On closing day, the buyer takes on the loan obligation, pays all closing costs, and receives the official title (and keys) from the seller.

There are several things that have to happen after you have applied for your loan and before settlement. The questions below will help you prepare to close the deal.

## **1. WHAT HAPPENS AFTER I'VE APPLIED FOR MY LOAN?**

It usually takes a lender 1-4 weeks to complete the evaluation of your application. Often, a lender will ask for more information once the application has been submitted. The sooner you can provide the information, the faster your application will be processed.

Once all of your information has been verified, the lender will call you to let you know the outcome of your application. If the loan is approved, a closing date is set up and the lender will review the settlement procedure with you. After settlement, you'll be able to move into your new home.

## **2. DO I REALLY NEED HOMEOWNER'S INSURANCE?**

Yes. A paid homeowner's insurance policy (or a paid receipt for one) is required at settlement. Arrangements will have to be made prior to that day. Plus, involving the insurance agent early in the home buying process can save you money. Insurance agents are a great resource for information on home safety and they can give you tips on how to keep insurance premiums low.

## **3. WHAT STEPS COULD I TAKE TO LOWER MY INSURANCE COSTS?**

Be sure to shop around among several insurance companies. Consider the cost of insurance when you look at homes. Newer homes and homes constructed with materials like brick tend to have lower premiums. Avoid areas prone to natural disasters, like flooding. Choose a home with a fire hydrant or a fire department nearby.

Other ways to lower insurance costs may include insuring your home and car(s) with the same company, increasing home security, and seeking group coverage through alumni or business

associations. Insurance costs are always lowered by raising your deductibles, but this exposes you to higher out-of-pocket costs if something happens to your home and you have to file a claim.

#### **4. HOW CAN I FIND INFORMATION ABOUT MY PROPERTY TAX LIABILITY?**

The total amount of the previous year's property taxes is usually included in the listing information. If it is not, ask the seller for a tax receipt or contact your local property tax assessor's office. Tax rates and assessments can change from year to year, and some localities reassess after a sale, so these figures may be approximate. Your local property tax assessor's office can give you more information to help you prepare for tax payments.

Many lenders require you to make monthly payments into an escrow account to ensure that you can cover property taxes and annual insurance premiums. These accounts are managed by your loan servicer and are added to your mortgage payment each month. All FHA-insured loans require escrow accounts.

#### **5. WHAT OTHER TAX ISSUES SHOULD I TAKE INTO CONSIDERATION?**

Keep in mind that your mortgage interest and real estate taxes will be deductible from your income taxes. A qualified real estate professional can give you more details on other tax benefits and liabilities.

#### **6. WHAT SHOULD I LOOK OUT FOR DURING THE FINAL WALK-THROUGH?**

If your sales contract permits you to have a final walk-through prior to settlement, this is your last chance to check the condition of the property before the sale is final. It also may be your first opportunity to examine the house without furniture, giving you a clear view of everything inside. You may have already had a professional inspection at this point (see HUD's Shopping for Your Home booklet for more on inspections.) Take time at the final walk-through to carefully re-check everything (walls, ceilings, mechanical systems, plumbing, windows, and the roof) to make sure that:

- No new damage has occurred since the inspection
- Repairs that the seller agreed to perform in response to any inspections have been completed
- Any items that the seller agreed to leave in the house are still there (items like appliances are often included or "conveyed" with the property sale)
- Any items that the seller agreed to remove are actually gone

#### **7. WHAT IF I STILL FIND PROBLEMS DURING THE FINAL WALK-THROUGH?**

If you find that any problems you or an inspector discovered previously are still uncorrected, make sure that the seller and real estate agents know about it. It is the seller's responsibility to fix them before you move in.

The HUD-1 Settlement Statement (HUD-1) is a form that lists all charges and credits to both the borrower (you) and the seller in a home buying transaction. The HUD-1 should accurately reflect the terms that you and the seller have agreed to with regard to the purchase of the home. A sample of the HUD-1 is provided at the end of this booklet.

## **9. WHEN CAN I SEE MY HUD-1 SETTLEMENT STATEMENT?**

You have a legal right to inspect your HUD-1 at least 24 hours before your settlement occurs. Let the settlement agent know that you want to receive a completed HUD-1 before your settlement. When you receive your copy of the HUD-1, compare the charges listed on it with the charges listed on your Good Faith Estimate (GFE).

Ask your lender about any changes in the fees shown on your HUD-1 and your GFE. Your lender may have to reimburse you at settlement or within 30 days if the charges on the HUD-1 exceed those initially shown on the GFE in an amount greater than that allowed by regulatory tolerance levels.

## **10. WHAT PRE-PAID EXPENSES AND CLOSING COSTS ARE INCLUDED ON A HUD-1?**

Pre-paid expenses and closing costs on the HUD-1 generally include, but are not limited to, the following:

- Attorney's or escrow fees (yours and your lender's if applicable)
- Property taxes (to cover tax period to date)
- Interest (paid from date of closing to 30 days before first monthly payment)
- Loan origination fee (covers lender's administrative costs)
- Recording fees
- Survey fee
- First premium of mortgage insurance (if applicable)
- Title insurance (yours and your lender's)
- Loan discount points
- First payment to escrow account for future real estate taxes and insurance
- Paid receipt for homeowner's insurance policy (and fire and flood insurance if applicable)
- Any documentation preparation fees
- Appraisal fee
- Credit report fee

You also may see some expenses and closing costs unique to your locality.



# Closing Day

## 11. WHO IS INVOLVED IN THE SETTLEMENT PROCESS?

The settlement process and the parties involved vary by locality. It may include any of the following people:

- Lenders
- Settlement agents
- Title service companies / Title insurance companies
- Escrow companies
- Real estate agents
- Attorneys for the home buyer (you) and/or the seller

On closing day, you and the seller will meet with some or all of these parties. In certain states, you and the seller may meet with the settlement agent or other parties at the same time, but in other states you may be required to meet separately. You should ask your real estate agent and your lender what will happen at your settlement and who will need to be involved. You may also want to shop around for a settlement agent.

## 12. WHAT IS A TITLE SERVICE?

When you purchase your home, you receive "title" to the home. A title is the legal record of your ownership of the property, and gives you the right to possess or sell the property. Certain title services will be required by your lender to ensure that there are no liens or claims on the property you're buying. Title services include the title search, examination of the title, preparation of a commitment to insure, conducting the settlement, and all administration and processing services that are involved with these services.

Many lenders possess a title insurance policy to protect them against losses resulting from claims by others against your new home. A lender's title insurance policy does not protect you. If a title claim occurs, it can be financially devastating to an owner who is uninsured. If you want to protect yourself from claims by others against your new home, you will need an owner's policy.

To save money on title insurance, contact several title insurance companies and compare their rates. If you are buying a newly constructed home, make certain your title insurance covers claims by contractors.

These claims are known as "mechanics' liens" in some parts of the country. In many states, title insurance premium rates are filed with the state and may not be negotiable, but other title service related charges may be. Be sure to ask your title agent about any available discounts such as a reissue rate or a simultaneous issue discount.

### **13. DO I NEED A LAWYER?**

Laws vary by state. Some states require a lawyer to assist in several aspects of the home buying process while other states do not, as long as a qualified real estate professional is involved. Even if an attorney is involved in other aspects of the home-buying process and you are not legally required to be represented by an attorney, you may wish to hire your own attorney to protect your interests. A lawyer can review contracts, make you aware of special considerations, and assist you with the settlement process. Your real estate agent may be able to recommend a lawyer. If not, shop around. Find out what services are provided, how much they cost, and whether the attorney is experienced at representing homebuyers.

### **14. WHAT CAN I EXPECT TO HAPPEN ON CLOSING DAY?**

The settlement agent should have performed several settlement activities for you prior to the actual closing meeting where documents are executed. He or she is the person primarily responsible for verifying that all of the terms and conditions of the lender, seller, buyer, real estate sales persons, inspectors and others affected by the settlement have been satisfied. As the date of settlement approaches, you should contact your settlement agent to be sure he or she can perform all of the necessary tasks. The settlement agent should have made sure that evidence of homeowner's insurance exists by providing a binder and a receipt showing that the homeowner's insurance premium has been paid and that proof of any inspections, warranties, or other items outlined in your contract have been obtained. You may owe money to the seller (remainder of down payment, prepaid taxes, etc.) and the seller may owe money to you (unpaid taxes and prepaid rent, if applicable.) The settlement agent will list all of these on the HUD-1 Settlement Statement.

The settlement agent should thoroughly review all documents with you and should answer any questions that you have. You will need to sign a Mortgage (or a Deed of Trust) and a Mortgage Note. You may also need to sign certain affidavits (legal oaths required by the government or your lender.) The seller will give you the title to the house in the form of a signed Deed (the legal document showing that ownership of the property was transferred from the seller to the buyer.)

Do not sign any documents that you do not fully understand. If you have any questions that the settlement agent can't answer, call your lender or your attorney.

You will pay the closing company all closing costs and, in turn, you will be provided with your HUD-1 Settlement Statement of all the items for which you have paid. The Mortgage and the Deed will then be recorded in the public record (typically your state's Registry of Deeds), and you will be a homeowner.

## 15. WHAT DO I GET AT SETTLEMENT?

The following items are given to the Buyer at settlement subject to customary practice for the area.

- Your final HUD-1 Settlement Statement
- A Truth-in-Lending Statement
- A copy of your Note (sometimes called a "mortgage note" or a "promissory note")
- A copy of your Mortgage / Deed of Trust
- Keys to your new home
- A copy of the deed to the house (the original will be filed in the public records)

You should always ask for copies of all of the documents presented to you at the closing and copies of all inspection reports.

## 16. WHAT IS A MORTGAGE OR A DEED OF TRUST?

One of the documents that you will sign at settlement will be either a "mortgage" or a "deed of trust." Each state determines which of these documents is required. Both are legal documents by which you (the borrower) pledge the home itself as collateral for your loan. If you don't make payments, the mortgage states that your lender (or a trustee) is entitled to foreclose on your house — to sell the property and apply the sale price against the amount you owe, plus expenses. This is also known as a "lien" on the home.

Many people also use the word "mortgage" interchangeably with "home loan" (e.g., "I paid my mortgage.") This can be a little confusing, but just remember that the word also refers to this legal document. Similarly, the deed of trust shouldn't be confused with the "deed," which is a separate document that shows the transfer of property ownership from the seller to you.

## 17. WHAT IS A NOTE?

The note (sometimes called a "mortgage note" or a "promissory note") is a separate document that includes the loan terms, including your total debt, interest rate and payment details. By signing it, you are promising to repay the loan.

Ask your settlement agent or other advisor for additional clarification on the difference between the different documents used at settlement.

## **18. HOW MUCH DO I PAY AT CLOSING?**

Closing costs vary, but your lender will give you an approximate amount as a part of your Good Faith Estimate before you decided to apply for a loan. Before final settlement, you will be able to review a summary of all of your closing costs on the first page of the HUD-1 Settlement Statement. Remember that your settlement costs listed on the early disclosure forms, such as the Good Faith Estimate, should compare very closely to the final amounts you're required to pay. However, the amount estimated as "closing costs" is not necessarily the same as the amount you need to bring to your closing. Always ask the settlement agent, lender and/or real estate sales person to explain any confusing calculations.]

## **19. WHAT RESPONSIBILITIES DOES THE LENDER HAVE?**

Lenders have to follow federal guidelines throughout the loan process. They must adhere to RESPA (the Real Estate Settlement Procedures Act), which is a law that requires lenders to disclose information to potential and approved borrowers. RESPA mandates that lenders fully inform borrowers about all closing costs, lender servicing and escrow account practices. It also requires disclosure of business relationships between settlement service providers and other parties to the transaction like real estate agents and appraisers. For more information on RESPA, visit [www.hud.gov/respa](http://www.hud.gov/respa) or call **1-202-708-0502**.

Lenders are not allowed to discriminate in any way against potential borrowers. If you believe a lender is refusing to provide his or her services to you on the basis of race, color, nationality, religion, sex, familial status, or disability, contact HUD's Office of Fair Housing at **1-800-669-9777** (or **1-800-927-9275** for the hearing impaired.)

## **20. WHAT IS LOAN FRAUD?**

Loan fraud is purposely giving incorrect information on a loan application. Loan fraud may result in civil liability or criminal penalties. See HUD's Shopping for Your Loan booklet to find out more about how you can avoid committing or falling victim to loan fraud. If you suspect that you are the victim of any type of loan fraud or predatory lending, contact a HUD-approved housing counseling agency at **1-800-569-4287** (or **1-800-877-8339** for the hearing impaired) to find out how to report it.

# Looking Ahead

## 21. WHAT OTHER FEES AND EXPENSES WILL I BE RESPONSIBLE FOR AFTER I BUY A HOME?

When you buy a home, you will be responsible for paying property taxes and home owner's insurance if they are not included in your monthly payment. You should also take into account expenses that come with buying your home, such as:

- Repairing or replacing broken appliances or more expensive repairs (e.g., replacing your furnace or roof)
- Regular maintenance expenses (e.g., cleaning out the gutters and basic upkeep)
- Homeowners' association fees if you buy a home in a planned development.
- Monthly condo fees If you purchase a condominium
- Utilities, phone, cable, and internet service

## 22. WHAT IF I WANT TO RENOVATE MY HOME OR MAKE OTHER REPAIRS?

Renovating or repairing your home can be a great investment, adding value and saving you money on things like utility bills and more expensive repairs in the future. Some localities even offer tax abatements on repairs. Contact your local tax assessor's office to find out what is offered in your area.

If you know you'll need to make repairs before you buy, FHA's 203(k) loan might be a good option. This loan enables the homebuyer to finance both the purchase and the repair or rehabilitation of a home through a single mortgage. A portion of the loan is used to buy the property or pay off the existing financing and the remainder is placed in an escrow account and released as rehabilitation is completed. Basic guidelines for 203(k) loans are as follows:

- The home must be at least one year old
- The total property value — including the cost of repairs — must fall within the FHA maximum mortgage limit
- The 203(k) loan follows most of the 203(b) eligibility requirements
- A Streamline 203(k) is available for simple repairs

Check with your lender or visit **[www.hud.gov](http://www.hud.gov)** for more information.



### **23. ARE THERE LIMITATIONS ON USING MY HOME AS A RENTAL PROPERTY?**

Many loans, especially first-time home buyer loans, limit whether you can rent out your home. If you have received down payment assistance from approved sources, they might also have special requirements. Check with your lender to find out the specific rules that apply to your loan and other financing arrangements.

In general, if you have an FHA-insured loan, you can rent out your home as long as you have lived in it as your primary residence for at least one year. But if you are planning to buy another home, you probably won't be able to get an FHA-insured loan for that. FHA typically does not allow you to own multiple homes financed with FHA-insured loans. There are a few exceptions, so check with your lender or visit [www.hud.gov](http://www.hud.gov) for details.

### **24. WHAT IF I HAVE QUESTIONS ABOUT THE SERVICING OF MY LOAN?**

If you have any questions about the servicing of your loan, your loan servicer is legally required by RESPA to respond to your questions. Write to your servicer and call the letter a "Qualified Written Request." This QWR should be a separate letter and not mailed with your payment. Describe your problem and include your name and account number. The servicer must investigate and respond within 60 days.

## **25. CAN I PAY OFF MY LOAN AHEAD OF SCHEDULE?**

**Yes.** By sending in extra money each month or making an extra payment at the end of the year, you can accelerate the process of paying off the loan. When you send extra money, indicate that the excess payment is to be applied to the principal. Most lenders allow loan prepayment, though you may have to pay a prepayment penalty to do so. Ask your lender for details.

## **26. WHAT SHOULD I DO IF I CAN'T MAKE A PAYMENT ON MY LOAN?**

Call or write to your lender as soon as possible. Clearly explain the situation and be prepared to provide your lender with detailed financial information.

## **27. ARE THERE ANY OPTIONS IF I BECOME DELINQUENT ON MY LOAN PAYMENTS?**

**Yes.** Talk to your lender or a HUD-approved counseling agency for details. Listed below are a few options that may help you get back on track.



## For FHA-insured loans:

Make sure that you keep living in your home to qualify for assistance. Ask your lender or a HUD-approved counseling agency about HUD's special loss mitigation programs, including:

- **Special Forbearance:** Your lender may be able to arrange a repayment plan based on your financial situation and may even provide for a temporary reduction or suspension of your payments. You may qualify for this if you have recently experienced a reduction in income or an increase in living expenses. You must provide information to your lender to show that you would be able to meet the requirements of the new payment plan.
- **Mortgage Modification:** You may be able to refinance the debt and/or extend the term of your mortgage loan. This may help you catch up by reducing the monthly payments to a more affordable level. You may qualify if you have recovered from a financial problem and can afford the new payment amount.
- **Partial Claim:** Your lender may be able to work with you to obtain a one-time payment from the FHA Insurance fund to bring your mortgage current.
- **Pre-foreclosure Sale:** This will allow you to sell your property for an amount less than the amount necessary to pay off your mortgage loan and avoid foreclosure.
- **Deed-in-lieu of Foreclosure:** As a last resort, you may be able to voluntarily "give back" your property to the lender. This won't save your house but it is not as damaging to your credit rating as a foreclosure.

If you are having difficulty communicating with your lender, call the FHA Loss Mitigation Center at 1-888-297-8685 for additional help.

## For Conventional Loans:

Talk to your lender about specific loss mitigation options. Work directly with him or her to request a "workout packet."

A secondary lender, like Fannie Mae or Freddie Mac, may have purchased your loan. Your lender can follow the appropriate guidelines set by Fannie or Freddie to determine the best option for your situation.

Fannie Mae does not deal directly with borrowers. They work with the lender to determine the loss mitigation program that best fits your needs.

Freddie Mac, like Fannie Mae, will usually only work with a loan's servicer. However, if you encounter problems with your lender during the loss mitigation process, you can call customer service for help at **1-800-FREDDIE (1-800-373-3343).**



## **In any loss mitigation situation:**

It is important to explore every reasonable alternative to avoid losing your home. Don't sign anything you don't understand and beware of scams! For example, watch out for:

- Equity skimming: a buyer offers to repay the mortgage or sell the property if you sign over the deed and move out
- Phony counseling agencies: offer counseling for a fee when it is often given at no charge

## **28. WHERE CAN I GET ADDITIONAL HELP IF I'M HAVING TROUBLE MAKING MY LOAN PAYMENTS?**

Contact a HUD-approved housing counseling agency at **1-800-569-4287** (or **1-800-877-8339** for the hearing impaired) and explain your situation to a counselor.

## **29. WHAT IS A FORECLOSURE?**

Foreclosure is a legal process in which a mortgaged property is sold to pay the loan of the defaulting borrower. Foreclosure is damaging to a borrower's credit rating.

## **30. WHAT HAPPENS IF INTEREST RATES DECREASE AND I HAVE A FIXED RATE LOAN?**

If interest rates drop significantly, you may want to refinance. Most experts agree that if you plan to be in your house for at least 18 months and you can get a rate 2% less than your current one, refinancing may be a good option. Refinancing, however, may involve paying many of the same fees paid at the original closing, plus origination and application fees.

## **31. ARE THERE OTHER TIMES WHEN IT MAKES SENSE TO REFINANCE?**

Sometimes refinancing your mortgage can save you money. You may be able to pay less interest, lower your monthly payment, or convert from a 30-year loan to a 15-year loan (and build your equity faster.) But be sure that refinancing is right for you. Talk to your loan servicer or contact a HUD-approved housing counseling agency at **1-800-569-4287** (or **1-800-877-8339** for the hearing impaired) for more information.

## **32. WHAT HAPPENS IF I DECIDE TO SELL MY HOME?**

If you decide to sell your home, or have to sell it for some reason, there will be many factors to consider. Make sure you know how much you still owe on your loan and what your total payoff would be. Check with a real estate agent or look at local listings to get an idea of the local market and how much you might be able to get for your home.

If you are considering selling your home for less than you owe (sometimes called a "short sale"), be aware that you may still owe your lender for the full amount of your loan. Talk to your lender before you list your home for sale, or contact a HUD-approved housing counseling agency to find out what your options are.


### 33. HOW ELSE CAN HUD HELP ME?

HUD offers a wide array of information on homeownership. There are several worksheets and guides that can help you with every stage of the homebuying process. Some are included here and in the first two booklets in this series, *Shopping for Your Home* and *Shopping for Your Loan*. Visit **[www.hud.gov](http://www.hud.gov)** for more information.



# HUD-1 Settlement Statement Sample

(2003) Approval No. 1002-1206



## A. Settlement Statement (HUD-1)

**1. Type of sale**

1. <input type="checkbox"/> First	2. <input type="checkbox"/> Refin	3. <input type="checkbox"/> Cash Sale	4. File Number	5. Loan Number	6. Mortgage Insurance Case Number
7. <input type="checkbox"/> VA	8. <input type="checkbox"/> Cash Sale				

**9. Note:** This form is furnished to give you a statement of actual settlement costs. Amounts paid to parties to the settlement (agent and others) are shown. Items marked "To B.T." indicate costs paid outside the closing. They are shown here for informational purposes but are not included in the totals.

10. Name & Address of Borrower	11. Name & Address of Seller	12. Name & Address of Lender
13. Property Location	14. Settlement Agent Address of Settlement	15. Settlement Date

**16. Gross Amount Due from Borrower**

161. Contract sales price	
162. Personal property	
163. Cash/amount advanced by borrower (line 1600)	
164. Other	
<b>165. Adjustments for items paid by seller to borrower</b>	
165a. Capitalize taxes	to
165b. Property taxes	to
165c. Assessments	to
165d. Other	
165e. Total	
166. Gross Amount Due from Borrower	
<b>167. Amount Paid by or on Behalf of Borrower</b>	
167a. Deposited in escrow account	
167b. Personal amount of cash advance	
167c. Existing loans to which subject to	
167d. Other	
167e. Total	
168. Amount Due from Borrower	
<b>169. Adjustments for items received by seller</b>	
169a. Capitalize taxes	to
169b. Property taxes	to
169c. Assessments	to
169d. Other	
169e. Total	
170. Total Paid by Seller	
<b>171. Cash at Settlement (Include Borrower)</b>	
171a. Cash advanced due from borrower (line 167b)	
171b. Loan proceeds paid on the settlement (line 167c)	
171c. Cash	
171d. From	
171e. To Borrower	

**18. Gross Amount Due to Seller**

181. Contract sales price	
182. Personal property	
183. Other	
<b>184. Adjustments for items paid by seller to borrower</b>	
184a. Capitalize taxes	to
184b. Property taxes	to
184c. Assessments	to
184d. Other	
184e. Total	
185. Gross Amount Due to Seller	
<b>186. Deductions in Amount Due to Seller</b>	
186a. Escrow (Include cash advance)	
186b. Settlement charges to seller (line 169d)	
186c. Existing loans to which subject to	
186d. Payoff of all mortgages	
186e. Payoff of second mortgage loan	
186f. Other	
186g. Total	
187. Amount Due to Seller	
<b>188. Adjustments for items signed by seller</b>	
188a. Capitalize taxes	to
188b. Property taxes	to
188c. Assessments	to
188d. Other	
188e. Total	
189. Total Deductions in Amount Due to Seller	
<b>190. Cash at Settlement (Include Seller)</b>	
190a. Cash advanced due to seller (line 186d)	
190b. Loan proceeds due to seller (line 186c)	
190c. Cash	
190d. From	
190e. To Seller	

The Buyer Reporting Section for this statement of settlement is completed by all who are participating in conducting, arranging and settling the sale. This agency may not accept this information, and you are not required to complete this form, unless it displays a currently valid HUD control number. The confidentiality is intended. This document is furnished. This is designed to provide the parties to a HUD-1 settlement transaction with information during the settlement process.

Page 1 of 2

HUD-1 Settlement Statement Sample

200. Total Real Estate Broker Fees				Real Estate Broker's Fee to Seller	Real Estate Broker's Fee to Buyer
Division of commission (line 700) as follows:					
701 \$	to				
702 \$	to				
703 Commission paid at settlement					
704					
<b>205. Items Payable to Commission with Loan</b>					
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 #3)		
804	Appraisal fee to		(from GFE #4)		
805	Credit report to		(from GFE #5)		
806	Tax service to		(from GFE #6)		
807	Flood certification to		(from GFE #7)		
808					
809					
810					
811					
<b>206. Items Required by Lender to be Paid in Advance</b>					
901	_____ interest advance	to	@ \$	May	(from GFE #8)
902	Mortgage insurance premium for	months to			(from GFE #9)
903	Homeowner's insurance for	year to			(from GFE #10)
904					
<b>207. Amounts Disbursed with Loan</b>					
1001	Initial deposit for your escrow account				(from GFE #11)
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	Mortgage Insurance		\$		
<b>208. Title Charges</b>					
1101	Title services and lender's title insurance				(from GFE #12)
1102	Settlement or closing fee	\$			
1103	Owner's title insurance				(from GFE #13)
1104	Lender's title insurance	\$			
1105	Lender's title policy cost \$				
1106	Owner's title policy cost \$				
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					
<b>209. Government Recording and Transfer Charges</b>					
1201	(mortgage recording fee)				(from GFE #14)
1202	Deed \$	Mortgage \$	Release \$		
1203	Transfer taxes				(from GFE #15)
1204	City/County tax/fees	Deed \$	Mortgage \$		
1205	State tax/fees	Deed \$	Mortgage \$		
1206					
<b>210. Additional Services/Charges</b>					
1301	Required services that you can shop for				(from GFE #16)
1302		\$			
1303		\$			
1304					
1305					

## 17

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



**U.S. Department of Housing and Urban Development**  
**Office of Single Family Housing**  
451 Seventh Street, SW  
Washington, DC 20410-3000

Official Business  
Penalty for Private Use \$300

**Presorted STD**  
**Postage & Fees Paid**  
HUD  
Permit No. G-51



HUD-9528-H (English)  
July 2011