





Presents

**Emerging Trends in Real Estate Practice:**  
*Settlements, Vetting and the CFPB*

Joseph A. Grabas, CTP, NTP  
 Lisa J. Aubrey



Consumer Financial Protection Bureau

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Seminar Name \_\_\_\_\_  
 Today's Date: \_\_\_\_\_

YOUR NAME \_\_\_\_\_  
 HOME ADDRESS \_\_\_\_\_

Initial each box that applies

CIE     CLE     RECE

E-MAIL \_\_\_\_\_  
 TELEPHONE \_\_\_\_\_

License No. \_\_\_\_\_ Signature \_\_\_\_\_

Each Registrant must sign above to confirm their attendance at the CE Seminar listed above.  
 The information provided by each registrant is required under the law. All information is completely confidential and not disseminated or otherwise distributed or sold to third parties.

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Seminar Name Emerging Trends  
 Today's Date: 7.15.2014

YOUR NAME Joseph A. Grabas  
 HOME ADDRESS 2 Horse Shoe Ln, Freehold, NJ

Initial each box that applies

CIE     CLE     RECE

E-MAIL jgrabas@continuingeducationny.com  
 TELEPHONE 732.261.1013

8214604 License No.    Joseph A. Grabas Signature

Each Registrant must sign above to confirm their attendance at the CE Seminar listed above.  
 The information provided by each registrant is required under the law. All information is completely confidential and not disseminated or otherwise distributed or sold to third parties.

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## CFPB charges Stonebridge Title Services for RESPA violation

Ordered to pay \$30,000

Brena Swanson June 12, 2014 1:16PM 0 Comments



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The **Consumer Financial Protection Bureau** ordered New Jersey-based **Stonebridge Title Services** to pay \$30,000 for paying illegal kickbacks for referrals.

The CFPB charged that the company paid commissions to more than 20 independent salespeople who referred title insurance business to Stonebridge.

Stonebridge solicited people to provide it with referrals of title insurance business, offering to pay commissions of up to 40% of the title insurance premiums Stonebridge itself received.

In doing so, the company violated Section 8 of the Real Estate Settlement Procedures Act and is required to pay a civil penalty.

"Kickbacks drive up the costs of getting a mortgage and put law-abiding companies at a disadvantage," said CFPB Director Richard Cordray. "The Consumer Bureau will continue to take action against companies that seek to attract consumers through illegal schemes."

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12. Based on the foregoing facts, the Bureau finds that Respondents violated Sections 8(a) and (b) of RESPA, 12 U.S.C. §§ 2607(a), (b).

13. RESPA's Section 8(a) prohibits a person from **paying or receiving** a thing of value pursuant to an agreement to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan. 12 U.S.C. § 2607(a); 12 C.F.R. § 1024.14(b).

14. RESPA's Section 8(b) prohibits a person from **paying or receiving** a portion, split or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan, other than for services actually rendered. 12 U.S.C. § 2607(b); 12 C.F.R. § 1024.14(c).

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**CFPB Orders GE Capital to Pay \$225 Million for Credit Card Practices**

WASHINGTON - June 20, 2014 — In the largest federal credit card discrimination settlement, the Consumer Financial Protection Bureau and Department of Justice are ordering GE Capital's retail finance business to pay **\$225 million** in relief to consumers harmed by discriminatory practices and deceptive marketing.

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OCT 24 2013

**CFPB Files Suit Against Borders & Borders, PLC for Paying Illegal Real Estate Kickbacks**

*Company Funneled Kickbacks Through Network of Shell Companies*

WASHINGTON, D.C. — The Consumer Financial Protection Bureau today filed a lawsuit in federal district court against a Kentucky law firm, Borders & Borders, PLC, and its principals, for illegally paying kickbacks for real estate settlement referrals through a network of shell companies.

"Today's action sends a clear message that companies cannot design business structures to hide illegal kickbacks," said CFPB Director Richard Cordray. "The CFPB will continue to pursue companies that seek to profit from convoluted arrangements that limit competition and hurt honest businesses."

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**CFPB Hits Kentucky Law Firm With RESPA Suit**  
***The Wall Street Journal | October 24, 2013***

The lawsuit accuses **Borders & Borders** of operating nine joint venture title insurance companies with local real-estate agents and mortgage brokers and splitting the profits with them. The law firm disputes the allegations, saying that the business relationships were legitimate, disclosed to consumers and complied with federal real-estate law.

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**Background**  Consumer Financial Protection Bureau

**What is the CFPB?**

- “Consumer Financial Protection Bureau”
- Independent bureau within Federal Reserve System
- Regulates offering and provision of consumer financial products or services under the Federal consumer financial laws
- Created by Dodd-Frank Wall Street Reform and Consumer Protection Act

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**Dodd- Frank Mandate 2010**

- Replace existing RESPA and TILA disclosures with single disclosure to include information previously contained in two separate ones
- Proposed Rule – Issued: 7/9/2012
- Final Rule – Issued: 11/20/2013
- Deadline January 10, 2014
- Implementation Date: 8/1/2015

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**A watchdog grows up: The inside story of the Consumer Financial Protection Bureau**

BY LYDIA DEPILLIS January 11 at 9:28 am

**designed as a Google-era regulator**  
**Just four short years - 2010 to 2013**



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Even the Securities and Exchange Commission, built in the aftermath of the Great Depression, didn't have the **immense range of mandates** granted to the Bureau.

Among its achievements: a [consumer complaint process](#) that has [already made banks more responsive](#). A data-based method for assessing which institutions deserve the most scrutiny, rather than inspecting them all at arbitrary intervals. **A renewed onslaught of enforcement actions**. And a record of hitting each rulemaking deadline set by Dodd-Frank as it fundamentally reshaped the mortgage market.

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By early 2013, the bureau [faced a brain drain](#), as it lost many of the hyper-creative people who helped set it up

**"The bureaucracy finally caught up with me,"** said one former high-ranking official who left and asked for anonymity in speaking about former colleagues.

"There's so much overhead in running a government agency that's required by Congress that it cuts into what's already a 16-hour a day job. You've got to have the tolerance that **40 percent of your time will be wasted on things government says has to happen.**"

**"You're left with the people who like the salary of a federal regulator and who are willing to put up with the bulls--- of a federal agency,"** said one such staffer. "It kind of ambles along, attracting decent people. But I don't think anyone has the dreams and idealism that we saw."

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## Who IS the CFPB??

*The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](http://consumerfinance.gov).*

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Dodd-Frank  
Public Law 111-203  
111th Congress  
**An Act**



**Third Party  
Service Provider**

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Lawyer vs Settlement Agent



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**Settlement Agent/Provider  
Responsibilities**

1. The Lender
2. The Consumer
3. The CFPB (RESPA/TILA)
4. The NJDOBI
5. The OCC
6. The Underwriter
7. Your Title Organization
8. Your Conscience

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**Title Producer**

1. Consumer
2. NJDOBI
3. Title Organization
4. Underwriter

**Lawyer**

1. Consumer/Client
2. NJ Supreme Court

**Settlement Agent**

1. The Lender
2. The Consumer
3. The CFPB (RESPA/TILA)
4. The NJDOBI
5. The OCC
6. The Underwriter
7. Your Title Organization
8. Your Conscience

**How Does this Affect Realtors?**


**Delays in Closing**

**Disapproved Lawyers or Title Agents**

**More Lender Control**

**Increased Compliance**

**Who are you working with?**




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### Settlement Agent Approval Application

**AMERICAN TITLE ASSOCIATION**

Settlement Agent Approval Application

**INSTRUCTIONS:**

1. This Application must be completed to full by each applicant. Return to: settlementagent@amtitle.org. Direct Phone: 877-225-5338
2. For additional sheets, if necessary. Incomplete applications will not be considered.
3. A copy of your current E & O Insurance Policy, Wire Instructions Sheet and Blanket CPL must be submitted with this application.

**PART I: GENERAL INFORMATION**

Name: \_\_\_\_\_

Firm Name/Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Business Telephone Number: \_\_\_\_\_

Business Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Federal Tax Paper (E.O. Number: \_\_\_\_\_)

**PART II: GENERAL EXPERIENCE (To be completed by someone with)**

States admitted to practice law and years of admission: \_\_\_\_\_

Attorney U.S. Number for each State of admission: \_\_\_\_\_

Produce of continuous practice relative to each State of admission: \_\_\_\_\_

Practitioner area: \_\_\_\_\_

Have you or any person in your firm or company ever been disciplined by a state bar or committee for any reason? If so, please explain and provide a copy of any findings or actions taken: \_\_\_\_\_

Have you or any other person in your firm or company ever had their law license suspended or revoked? If so, please explain: \_\_\_\_\_

American Professional Resources, Inc. - 9 Sylvan Way, Parsippany, NJ 07654



E&O Insurance – Wire Instructions – Blanket CPL

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**AMERICAN TITLE ASSOCIATION**

### SETTLEMENT AGENT APPROVAL APPLICATION

Loan Number: \_\_\_\_\_

**INSTRUCTIONS:**

1. This Application must be completed to full by each applicant. Return to: settlementagent@amtitle.org. Direct Phone: 877-225-5338
2. For additional sheets, if necessary. Incomplete applications will not be considered.
3. A copy of your current E & O Insurance Policy, Wire Instructions Sheet and Blanket CPL must be submitted with this application.

**PART I: GENERAL INFORMATION**

Name: \_\_\_\_\_

Firm Name/Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Business Telephone Number: \_\_\_\_\_

Business Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Federal Tax Paper (E.O. Number: \_\_\_\_\_)

**PART II: GENERAL EXPERIENCE (To be completed by someone with)**

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Attorney U.S. Number for each State of admission: \_\_\_\_\_

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Have you or any other person in your firm or company ever had their law license suspended or revoked? If so, please explain: \_\_\_\_\_

American Professional Resources, Inc. - 9 Sylvan Way, Parsippany, NJ 07654

**STUFF THEY WANT TO KNOW**

- ✓ Social Security Number
- ✓ Years of Experience
- ✓ Disciplinary Actions
- ✓ Suspensions & Revocations
- ✓ Client Fund Disputes
- ✓ Escrow Accounts Closed
- ✓ E&O Claims
- ✓ Check Writing Authority
- ✓ Closers
- ✓ Document Retention
- ✓ Privacy of NPI
- ✓ Security
- ✓ References

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**ATTENTION**

**PLEASE MAKE SURE TO PROVIDE 2 VERIFIABLE REFERENCES AND MEET THE FOLLOWING REQUIREMENTS:**

1. REFERENCE MUST BE FROM A **MORTGAGE BANK OR MORTGAGE LENDER THAT HAS WIRED FUNDS TO YOUR ESCROW ACCOUNT FOR DISBURSEMENT AND NOT A BANK WHERE YOU DO BANKING (DEPOSIT/WITHDRAWAL) TRANSACTIONS.**
2. REFERENCE NAME (FIRST & LAST), TITLE AND COMPANY NAME MUST BE SPECIFIC. IF E-MAIL ADDRESS IS AVAILABLE, PLEASE PROVIDE AS WELL.
3. REFERENCE'S PHONE NUMBER MUST BE SPECIFIC AND TIED TO THE COMPANY NAME'S PHONE DIRECTORY AND NOT AN 800 CUSTOMER SERVICE NUMBER OR AN UNVERIFIABLE CELL PHONE NUMBER.
4. REFERENCE CANNOT BE AN INTERESTED PARTY TO THE PURCHASE/REFINANCE TRANSACTION BEING PROCESSED.
5. AS SOME REFERENCES WOULD REFUSE TO RELEASE INFORMATION OR RETURN A CALL, A COURTESY CALL TO YOUR REFERENCE WILL BE NEEDED TO HELP EXPEDITE THE VERIFICATION PROCESS.
6. IF POSSIBLE PLEASE INCLUDE **LOAN NUMBERS** FOR LOANS YOU MAY HAVE CLOSED WITH THE REFERENCE TO HELP THEM RECALL YOUR TRANSACTION.

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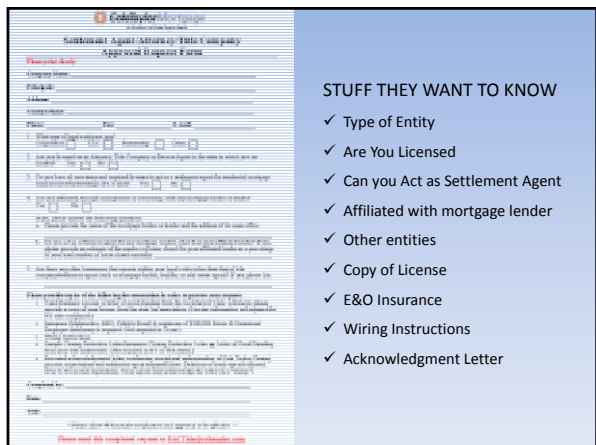
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**STUFF THEY WANT TO KNOW**

- ✓ Type of Entity
- ✓ Are You Licensed
- ✓ Can you Act as Settlement Agent
- ✓ Affiliated with mortgage lender
- ✓ Other entities
- ✓ Copy of License
- ✓ E&O Insurance
- ✓ Wiring Instructions
- ✓ Acknowledgment Letter

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**Secure Settlements**  
Trust, but verify™

About Us | Our Services | Closing Professionals | News & Events | Contact Us | Report Fraud

Vetting closing professionals in real time

**Protecting You at the Mortgage Closing Table**  
Vetting and Monitoring Closing Professionals. Managing Bank and Consumer Risk.  
Secure Settlements offers first to market solutions for closing table risk, establishes opportunities for closing professionals to gain new business, and offers banks and consumers a searchable database of shared information to help them make better choices about the people who handle their mortgage funds and important loan documents.

For closing agents (attorneys, escrow and title agents, notaries and independent closers), a 10 minute application and 30 minute vetting process gets you listed in the \$51 searchable database used by hundreds of banks and mortgage lenders and (beginning January 2013) tens of thousands of consumers to research the risk status of their transaction partners. Add your name and information to

Closing Professionals  
[Click Here to Apply](#)

Discounted E and O Insurance for Qualified Agents  
[Click Here for More Information](#)

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**ASSEMBLY, No. 308**  
**STATE OF NEW JERSEY**  
**216th LEGISLATURE**  
 PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**  
 Assemblyman **DAVID C. RUSSO**  
 District 40 (Bergen, Essex, Morris and Passaic)

**SYNOPSIS**  
 Prohibits escrow agent evaluation services from charging escrow agents fees.

**CURRENT VERSION OF TEXT**  
 Introduced Pending Technical Review by Legislative Counsel

**AN ACT** concerning escrow agent evaluation services and supplementing P.L. 1960, c.39 (C.56B-1 et seq.).

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. a. It shall be an unlawful practice for any person or entity to prepare a report for use by a mortgage lender in evaluating the capacity of an escrow agent to perform real estate settlement services, in exchange for a fee charged to that escrow agent.
- b. As used in this section, "escrow agent" means an independent person, including an independent bonded escrow company, an independent financial institution whose accounts are insured by a governmental agency or instrumentality, an independent licensed title insurance agent, or an attorney licensed to practice law in this State, who is responsible for the receipt of any written instrument, money, evidence of title to real or personal property, or other thing of value to be held until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered in connection with the transfer of real estate.

2. This act shall take effect immediately.

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An official website of the United States Department of Justice

**cfpb** Consumer Financial Protection Bureau

Contact us (855) 411-2372

Search

HOME INSIDE THE CFPB GET ASSISTANCE PARTICIPATE LAW & REGULATION **SUBMIT A COMPLAINT**

## Submit a complaint

Have an issue with a financial product or service? We'll forward your complaint to the company and work to get a response from them.

**CHECK YOUR COMPLAINT STATUS**  
[Check status](#) [First login?](#)

Para presentar una queja en español, llamar al (855) 411-2372

**Mortgage**

You can submit a complaint about applying for a mortgage, being approved or denied credit, understanding the loan, making payments, signing the agreement, or specific problems when you're unable to pay.

**Submit a mortgage complaint to the CFPB**

[Get started](#) You can attach documents to your complaint, such as statements, contracts, receipts, and letters to help us better understand your issue.

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MARCH 2014

## Consumer Response: A Snapshot of Complaints Received

**cfpb** Consumer Financial Protection Bureau

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### WINS!!

- “All-in” APR not included in Rule
- Rule provides industry with clear guidance
- Role of Settlement agent is preserved
- Three-day waiting period - BIGGEST WIN!!!
  - 1)Change in APR by 1/8 of % point for most loans
  - 2)The loan product changes
  - 3)A prepayment penalty has been added

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### THREE DAY RULE(S)

- Loan Estimate MUST be delivered to Borrower within 3 business days after loan application
- Closing Disclosure MUST be delivered to Borrower a minimum of 3 business days prior to the consummation (closing) of the transaction
  - Proof of Delivery – Evidence of Receipt
  - 6 days if sent by Regular Mail
  - Can ONLY be waived upon a Bona Fide Financial Emergency of the Borrower

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### LOSSES

- Standard vs. Model Forms
  - 3 Versions of Page 1
  - 4 Versions of Page 4
  - 4 Versions of Page 5

} **13 PAGES**  
actually even more

- Business Day
  - Includes Saturdays
- “Optional” owner’s title insurance
- Industry Cost

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### INDUSTRY COST

- **\$157.4 million**
  - 2010 changes, including \$13.7 million in software, \$97.6 million in training costs, and \$53.2 million in productivity losses.
- **Around \$100 million**
  - 2012 CFPB estimated cost to industry
- **Nearly \$315 million**
  - 2012 industry's low-end estimate
- **\$472 million**
  - Total 2010 and 2013 compliance costs for the industry

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### Our Biggest Loss

# CHANGE

When we least expect it, **life sets us a challenge to test our courage and willingness to change**; at such a moment, there is no point in pretending that nothing has happened or in saying that we are not yet ready. **The challenge will not wait.** Life does not look back. A week is more than enough time for us to decide whether or not to accept our destiny.”  
— *Paulo Coelho*

“The snake which cannot cast its skin has to die. As well the minds which are prevented from changing their opinions; they cease to be mind.”  
— *Friedrich Nietzsche*

“Change the way you look at things and the things you look at change.”  
— *Wayne W. Dyer*

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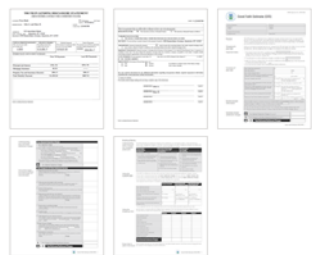
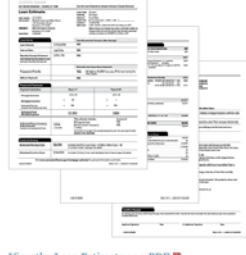
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<http://www.consumerfinance.gov/knowbeforeyouowe/compare/>

BEFORE	AFTER
<b>Current: Initial TIL disclosure + Good Faith Estimate</b>	<b>New: Loan Estimate</b>
	
<small>View these two forms as a PDF</small>	<small>View the Loan Estimate as a PDF</small>

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Loans Originated prior to August 1, 2015 regardless of when closed, will use the "old" forms.

**Current: Final TIL disclosure + HUD-1 Settlement Statement**

**New: Closing Disclosure**

[View the Closing Disclosure as a PDF](#)

Loans Originated After August 1, 2015

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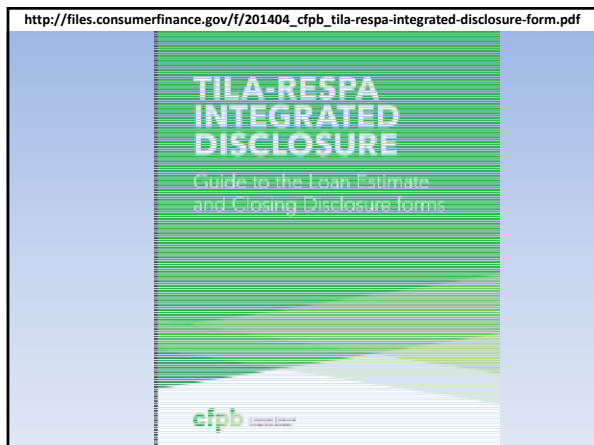
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**PAGES 2 & 3 - REPLACES HUD-1**

**Closing Cost Details**

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>					
01 - % of Loan Amount (Points)					
02					
03					
04					
05					
06					
07					
08					
<b>B. Services Borrower Did Not Shop For</b>					
01					
02					
03					
04					
05					
06					
07					
08					
09					
10					
<b>C. Services Borrower Did Shop For</b>					
01					
02					
03					
04					
05					
06					
07					
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>					
Loan Costs Subtotals (A + B + C)					

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Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>Loan Costs</b>						
<b>A. Origination Charges</b>			\$1,802.00			
01	0.25 % of Loan Amount (Points)	802	\$405.00			
02	Application Fee	801	\$300.00			
03	Underwriting Fee	803	\$1,097.00			
<b>B. Services Borrower Did Not Shop For</b>						
Appraisal Fee to John Smith Appraisers Inc.		804	\$236.55			\$405.00
01	Credit Report Fee to Information Inc.	805		\$29.80		
02	Flood Determination Fee to Info Co.	807	\$20.00			
03	Flood Monitoring Fee to Info Co.		\$31.75			
04	Tax Monitoring Fee to Info Co.	806	\$75.00			
05	Tax Status Research Fee to Info Co.		\$80.00			
<b>C. Services Borrower Did Shop For</b>						
Pest Inspection Fee to Pests Co.		1300	\$2,655.50			
01	Survey Fee to Surveys Co.		\$120.50			
02	Title - Insurance Binder to Epsilon Title Co.		\$85.00			
03	Title - Lender's Title Insurance to Epsilon Title Co.	1104	\$650.00			
04	Title - Settlement Agent Fee to Epsilon Title Co.	1102	\$500.00			
05	Title - Title Search to Epsilon Title Co.		\$800.00			
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>			\$4,694.05			
Loan Costs Subtotals (A + B + C)			\$4,664.25	\$29.80		

Other Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>E. Taxes and Other Government Fees</b>						
01	Recording Fees Deed: Mortgage:		\$85.00			
02	Transfer Tax to Any State			\$950.00		
<b>F. Prepays</b>						
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	903	\$1,209.96			
02	Mortgage Insurance Premium ( mo.)	902	\$279.04			
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13)	901	\$631.80			
04	Property Taxes ( 6 mo.) to Any County USA	904				
<b>G. Initial Escrow Payment at Closing</b>						
01	Homeowner's Insurance \$100.83 per month for 2 mo.	1002	\$201.66			
02	Mortgage Insurance per month for mo.	1003	\$210.60			
03	Property Taxes \$105.30 per month for 2 mo.	1004				
04						
05						
06						
07	Aggregate Adjustment	1007	-\$0.01			
<b>H. Other</b>						
01	HOA Capital Contribution to HOA Acre Inc.	1300	\$500.00			
02	HOA Processing Fee to HOA Acre Inc.		\$150.00			
03	Home Inspection Fee to Engineers Inc.		\$750.00			\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05	Real Estate Commission to Alpha Real Estate Broker	701			\$5,700.00	
06	Real Estate Commission to Omega Real Estate Broker	702			\$5,700.00	
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.	1103	\$1,000.00			
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>			\$5,018.05			
Other Costs Subtotals (E + F + G + H)			\$5,018.05			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>			\$9,712.10			
Closing Costs Subtotals (D + I)			\$9,682.30	\$29.80	\$12,800.00	\$750.00
Lender Credits						\$405.00

Other Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>E. Taxes and Other Government Fees</b>						
01	Recording Fees Deed: Mortgage:		\$85.00			
02	Transfer Tax to Any State			\$950.00		
<b>F. Prepays</b>						
01	Homeowner's Insurance Premium ( 12 mo.) to Insurance Co.	903	\$1,209.96			
02	Mortgage Insurance Premium ( mo.)	902	\$279.04			
03	Prepaid Interest ( \$17.44 per day from 4/15/13 to 5/1/13)	901	\$631.80			
04	Property Taxes ( 6 mo.) to Any County USA	904				
<b>G. Initial Escrow Payment at Closing</b>						
01	Homeowner's Insurance \$100.83 per month for 2 mo.	1002	\$201.66			
02	Mortgage Insurance per month for mo.	1003	\$210.60			
03	Property Taxes \$105.30 per month for 2 mo.	1004				
04						
05						
06						
07	Aggregate Adjustment	1007	-\$0.01			
<b>H. Other</b>						
01	HOA Capital Contribution to HOA Acre Inc.	1300	\$500.00			
02	HOA Processing Fee to HOA Acre Inc.		\$150.00			
03	Home Inspection Fee to Engineers Inc.		\$750.00			\$750.00
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05	Real Estate Commission to Alpha Real Estate Broker	701			\$5,700.00	
06	Real Estate Commission to Omega Real Estate Broker	702			\$5,700.00	
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.	1103	\$1,000.00			
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>			\$5,018.05			
Other Costs Subtotals (E + F + G + H)			\$5,018.05			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>			\$9,712.10			
Closing Costs Subtotals (D + I)			\$9,682.30	\$29.80	\$12,800.00	\$750.00
Lender Credits						\$405.00

Think about how you are going to persuade consumers to purchase an owner's policy when they think it's something they can do without, thanks to the CFPB calling it "optional?"

*Michelle L. Korsmo, ALTA CEO*

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Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.		
	Loan Estimate	Final	Did this change?	
Total Closing Costs (J)				
Closing Costs Paid Before Closing				
Closing Costs Financed (Paid from your Loan Amount)				
Down Payment/Funds from Borrower				
Deposit				
Funds for Borrower				
Seller Credits				
Adjustments and Other Credits				
<b>Cash to Close</b>				

Top of Page 3 of HUD-1

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.		
	Loan Estimate	Final	Did this change?	
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES	- See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	-\$29.80	YES	- You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO	
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO	
Deposit	-\$10,000.00	-\$10,000.00	NO	
Funds for Borrower	\$0	\$0	NO	
Seller Credits	\$0	-\$2,500.00	YES	- See Seller Credits in Section L
Adjustments and Other Credits	\$0	-\$1,035.04	YES	- See details in Sections K and L
<b>Cash to Close</b>	<b>\$16,054.00</b>	<b>\$14,147.26</b>		

Annotations

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Summaries of Transactions		Use this table to see a summary of your transaction.		
BORROWER'S TRANSACTION		SELLER'S TRANSACTION		
<b>K. Due from Borrower at Closing</b>		<b>M. Due to Seller at Closing</b>		
01 Sale Price of Property		01 Sale Price of Property		
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale		
03 Closing Costs Paid at Closing (J)		03		
04		04		
05		05		
06		06		
07		07		
08		08		
09		09		
10		10		
11		11		
12		12		
13		13		
14		14		
15		15		
16		16		
17		17		
18		18		
19		19		
20		20		

Summaries of Transactions		Use this table to see a summary of your transaction.		
BORROWER'S TRANSACTION		SELLER'S TRANSACTION		
<b>K. Due from Borrower at Closing</b>		<b>M. Due to Seller at Closing</b>		
01 Sale Price of Property	\$180,000.00	01 Sale Price of Property	\$180,000.00	420
02 Sale Price of Any Personal Property Included in Sale	\$9,662.30	02 Sale Price of Any Personal Property Included in Sale	\$180,000.00	401
03 Closing Costs Paid at Closing (J)	\$9,662.30	03		
04		04		
05		05		
06		06		
07		07		
08		08		
09		09		
10		10		
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NOT A L P H A B E T I C A L







**Page 5**

### Other Disclosures

**Appraisal**  
 If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

**Confirm Receipt**  
 By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

CLOSING DISCLOSURE PAGE 5 OF 5 - LOAN ID #

**WITH APPRAISAL & SIGNATURES**

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**Page 5**

foreclosure. You may want to consult a lawyer for more information.  
 state law does not protect you from liability for the unpaid balance.

**Loan Acceptance**  
 You do not have to accept this loan because you have received this form or signed a loan application.

**Refinance**  
 Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to

**NO SIGNATURES** NO APPRAISAL & NO SIGNATURES

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**Page 5**

### Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$118,830.27
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$162,000.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

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**Page 5**

Contact Information		Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name		Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address		4321 Random Blvd. Somerdy, ST 12340		789 Local Lane Somertown, ST 12345	987 Suburb Ct. Somerplace, ST 12340	123 Commerce Pl. Somerdy, ST 12344
NMLS ID						
ST License ID				Z765416	Z61456	Z61616
Contact		Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID		12345				
Contact ST License ID				P16415	PS1461	PT1234
Email		joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone		123-456-7890		123-555-1717	321-555-7171	987-555-4321

**Confirm Receipt**  
By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

PAGE 5 OF 5 - LOAN ID # 12345678

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$\begin{array}{r} \phantom{0}^8 \\ 59 \\ \times 9 \\ \hline 451 \\ + 8 \\ \hline 531 \end{array}$	MULTIPLICATION	$\begin{array}{r} 60 \\ \times 9 \\ \hline 540 \\ - 9 \\ \hline 531 \end{array}$
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**eLynx**

Title Liability Issues: Creating a Protective Fortress

**Operational Insights on a National Agent Database**

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Title Liability Issues: Creating a Protective Fortress

### Why track information on agents?

- Lender and regulatory requirements to provide transparency with the lending process
- Compliance and loan closing metrics drive data collection
- Data integration of loan trading partners necessitates greater level of data around all participants

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Title Liability Issues: Creating a Protective Fortress

### How big is the problem?

- Although Mortgage Fraud occurs across all phases of the transaction, 15% of all mortgage fraud occurs at the closing table representing nearly \$2B in 2012
- The rate of incidence occurring is increasing, pegged at about 20% in a recent study
- A variety of closing roles in the loan closing process complicates the problem

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Title Liability Issues: Creating a Protective Fortress

### Information being managed today

- Current profiles on over 100,000 closing professional in a variety of roles
- Average 240 new registrations occur per week
- Approximately 180 profiles updated per day
- Change with roles and underwriter during the transaction is common

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Title Liability Issues: Creating a Protective Fortress

### How is this information being used?

- Providing transparent information to the lender about the transaction
- Verifying that the agent is in good standing with the underwriter
- Relate all actions that take place during the loan closing lifecycle to the participants responsible

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Presents

**Emerging Trends in Real Estate Practice:**  
*Settlements, Vetting and the CFPB*

Joseph A. Grabas, CTP, NTP  
Lisa J. Aubrey



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