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Overview

The objective of this document is to outline the Policy and Procedures that Reunion Mortgage Inc. will use as it relates to Good Faith Estimates and HUD-1 Settlement Statements.

On November 17, 2008, the Department of Housing and Urban Development (“HUD”) published in the *Federal Register* (pages 68204 - 68288) its final rule (“final rule”) amending Regulation X. The final rule amendments to Regulation X:

- (i) Revise and standardize the Good Faith Estimate (GFE);
- (ii) Add instructions for the GFE to Appendix C;
- (iii) Provide more accurate estimates of costs of settlement services shown on the GFE;
- (iv) Improve disclosure of yield spread premiums (YSPs);
- (v) Facilitate comparison of the GFE and the HUD-1/HUD-1A Settlement Statements;
- (vi) Revise the HUD-1/HUD-1A Settlement Statements;
- (vii) Revise instructions in Appendix A for the HUD-1/HUD-1A Settlement Statements;
- (viii) Ensure that at settlement borrowers are aware of final costs as they relate to their particular mortgage loan and settlement transaction;
- (ix) Revise and add definitions in Section 3500.2; and
- (x) Eliminate specific limits on origination fees for FHA mortgages.

Good Faith Estimate

The new Good Faith Estimate (GFE) must be used on all loans with applications dated January 1, 2010. Upon receipt, the GFE on every file is reviewed to ensure accuracy. If the GFE is not within acceptable tolerances, the GFE can not be accepted and the loan is cancelled.

The final rule requires that the standardized 3-page GFE form be provided to the borrower by the loan originator (*i.e.*, the lender or mortgage broker) not later than 3 business days after the loan originator receives an application or information sufficient to complete an application. The GFE form must be prepared completely and accurately and must be provided exactly as specified. A separate GFE must be provided for each loan in a transaction that will involve more than one mortgage loan.

As an alternative to providing the GFE to the loan applicant by the existing methods of hand delivery and mail, the loan originator may deliver the GFE to the loan applicant by fax, e-mail or other electronic delivery method, but only if the applicant agrees. The applicant is considered to have received a mailed GFE three calendar days after mailing, not including Sundays and federal legal public holidays.

The loan originator is prohibited, as a condition for providing the GFE, from charging any fee for an appraisal, inspection, or other similar settlement service but may charge a fee for the cost of a credit report. Only after the applicant has received the GFE and shown intent may the loan originator charge the applicant additional fees.

The loan originator is prohibited from requiring, as a condition for providing the GFE, that the applicant submit supplemental documentation to verify the information on the application for which the GFE is issued. However, the loan originator may require that the applicant submit such verification information after the GFE has been provided and the borrower agrees to move forward



with the loan. In addition, the loan originator is not barred from using the loan originator's own sources before issuing the GFE to independently verify the information provided by the applicant.

HUD-1

The final rule's new 3-page HUD-1 form replaces the current 2-page HUD-1 form. Page 1 of the new form is the same as page 1 of the current form, containing only a minor revision to box 2 of Block B and deletions/revisions to the text at the bottom of page 1. Otherwise, Sections A through K on page 1 of both HUD-1 forms are identical. The final rule's primary change to the HUD-1 is to Section L on page 2 by replacing existing line descriptions with descriptions that correspond to the GFE descriptions for the same charges, and by inserting, on the relevant lines of Section L, a reference to the corresponding block on the GFE. These modifications to Section L facilitate comparison of the GFE and HUD-1 by allowing the borrower to easily compare specific charges at closing with the estimated charges listed on the GFE. New page 3 contains a chart that compares the charges disclosed on the GFE with the charges disclosed on the HUD-1, and a chart summarizing the final loan terms that is similar to the summary of loan terms on the GFE.

Good Faith Estimate

Completing the Good Faith Estimate

Effective Date

Effective with applications received by Reunion Mortgage on January 1, 2010 brokers must submit the Good Faith Estimate (HUD-GFE) on the new version (Refer to Exhibits).

Reunion Mortgage will follow these guidelines for completing the GFE and issuing any revised GFE.

Important dates

Floating	Locked
1. Time of Issuance, Date of GFE	12 noon PT, Lock Expiration Date
2. 10 Business Days after Date of Initial GFE	10 Business Days after Date of Initial GFE
3. 10	10
4. N/A	N/A

Summary of your loan

Your initial loan amount is

- The amount entered must meet Reunion Product Guidelines for Program Code
- The loan amount must meet the HUD County Limit
 - FHA: FHA Forward
 - Conventional: Fannie/Freddie

Your loan term is

- The term must match the Program Code

Your initial interest rate is

- The interest rate must be available on the date of the GFE

Your initial monthly amount owed for principal, interest and any mortgage insurance is

- The payment must be accurate for the interest rate and program selected and include monthly MI payment if applicable

Can your interest rate rise?

- Fixed Rate loans: No
- ARM loans: Yes

Even if you make payments on time, can your loan balance rise?

- No (Reunion does not offer negative amortization loans)

Even if you make payments on time, can your monthly amount owed for principal, interest and any mortgage insurance rise?

- Fixed Rate loans: No
- ARM loans: Yes
 - Calculate the P&I payment on Interest Rate quoted plus the initial rate cap per the Program Guidelines – plus the monthly MI payment if applicable



- Calculate the P&I payment on Interest Rate quoted plus the life cap per the Program Guidelines – plus the monthly MI payment if applicable

Does your loan have a prepayment penalty?

- No (Reunion does not offer loans with a prepayment penalty)

Escrow Account Information

Note: Item 2 on GFE (Credit or Charge) must accurately reflect the adjustment for Impounds as reflected in this section

- Enter the payment from the initial monthly payment reflected on the GFE
- No
 - Conventional loans with LTV < 80%
 - Conventional loans in California for owner occupied 1-unit transactions with LTV < 90%
- Yes
 - All Government loans
 - Conventional loans with LTV > 80% (except CA O/O 1-unit <90% LTV)
 - Also, when borrower elects to have impound account that is not required

Summary of your settlement charges

A Your Adjusted Origination Charges

- Enter amount from page 2

B Your Charges for all Other Settlement Services

- Enter amount from page 2

A + B Total Estimated Settlement Charges

- Enter amount from page 2

Your Adjusted Origination Charges

1. Our origination charge

- This figure must be accurate as there is zero tolerance for any increase.
- The amount entered includes all of the Broker's compensation and Reunion's fee
- Broker's portion of origination charge is all of the compensation paid to Broker including but not limited to:
 - Administration fee
 - Application Fee
 - Origination Fee
 - Processing Fee
 - Any additional charges
 - Subordination Agreement Fee
 - HOA Certification
 - VOD/VOE/VOM completion Fee

Reunion's fee includes the following fees

- Doc Prep
- Texas transactions – Attorney Document Review fee
- Underwriting
- Wire Transfer
- Courier/Handling

2. Your credit or charge (points) for the specific interest rate chosen

Note: Only one set of boxes can be checked. A loan can NOT contain a Credit and a Charge

- First set of boxes must be left blank
- Second set of boxes must reflect Credit when applicable



- First box is calculated by multiplying the loan amount by the Credit for the rate quoted or locked (this figure is listed in the column to the right as a negative number)
- Second box is the interest rate
- Third set of boxes must reflect the Charge (points)
 - First box is calculated by multiplying the loan amount by the points for the rate quoted or locked (this figure is listed in the column to the right as a positive number)
 - Second box is the interest rate
- The figures in the Second or Third set of boxes must match Reunion's rate sheet for floating loans or the actual lock for locked loans

A Your Adjusted Origination Charges

- Add the figures from 1 and 2 above

Your Charges for All Other Settlement Services

Note: Lines 3 – 7 must be accurate as there is a 10% aggregate tolerance for increase

3. Required services that we select

- Credit Report
- Appraisal Fee
 - Second Appraisal Fee (Per FHA & Jumbo guidelines)
 - Review Appraisal Fee
 - Form 216 is required on all owner occupied 2-4 unit properties & all investment loans
 - Form 1007 is required on all one unit investment loans
- FHA UFMIP/VA Funding Fee
- Tax Service
- Flood Cert
- Mortgage Insurance – initial premium not monthly payment
- Survey
- Condo Legal Review

- **VOE charges by the borrower's employer**

- **VOD charges by the banking institution**

4. Title services and lender's title insurance

- This figure includes, escrow charges, title charges (except Owner's title insurance) and all other settlement fees charged by Closing, including document and courier fees

5. Owner's title insurance (Purchase only)

- This is the Owner's Policy Title insurance.

6. Required services that you can shop for

Note: If any services are entered in this section, a list of providers may be attached to the GFE. The Broker may provide the list on wholesale loans.

- Pest Inspection

7. Government recording charges

- Recording fees
 - Deed of Trust / Mortgage and Riders
 - Transfer Deeds (Warranty, Grant, Quitclaim, etc.)
 - Reconveyance – refinance only

8. Transfer taxes

- This figure must be accurate as there is zero tolerance for any increase.

9. Initial deposit for your escrow account

- Complete this section if the loan requires Mortgage Insurance or impounds

- 10. Daily interest charges
 - Per diem interest
- 11. Homeowner's insurance
 - Hazard Insurance
- B Your Charges For All Other Settlement Services
 - Total of the column 3 through 11
- A + B Total Estimated Settlement Charges
 - Total of A + B

Using the tradeoff table

- The loan in this GFE section must be complete and match pages 1 & 2
- The rest of page 3 is left blank

General

- Additional pages may not be added to the GFE
- Signature lines may not be added to the GFE
- A loan originator may not refuse to provide a GFE based on a borrower's refusal to acknowledge receipt.
- If a borrower acknowledges receipt of a GFE (which would need to be on a separate document), the acknowledgment by itself is not acceptance of the GFE.
- Paid outside of closing (POC) items cannot be separately itemized or designated on the GFE. The totals in the GFE include amounts paid at or outside of closing.
- All charges typically paid by the borrower must be disclosed in the GFE, even if the seller or another third party will pay the charges.
- GFE does not account for all charges that the borrower may have to pay, such as:
 - Property taxes payable at or before closing
 - Development fees apportioned to a buyer by a builder
 - The fee for an HOA disclosure package
- Fees that typically are not charged to the borrower and are typically charged to a third party, such as the seller, do not have to be included in the GFE.
 - If there is a question as to whether the borrower or seller will pay for an item, include the item in the GFE.
- Title charges are included in the GFE regardless of whether the borrower, seller or loan originator will pay the charges. GFE Instructions, Blocks 4 & 5.

Reunion Procedure**Reviewing the GFE**

The GFE is reviewed by Loan Set Up. If it meets the tolerances listed below initial disclosures are delivered to the borrower and the loan is moved to Submitted status. If the GFE is not within the tolerances, it is tasked to the Compliance Auditor to determine if it can be accepted. Loan with unacceptable GFE is cancelled.

Effective Date

The GFE must be dated within 3 days of receipt of the 6 items considered an application. The GFE must be completed as outlined in the RESPA Policy.

Important dates

Box 1.

Floating Loan: Date and time must be prior to date and time of review of the GFE.

Locked Loan:

The GFE from the Broker may reflect a floating interest rate or the actual lock

- Broker's Locked GFE must reflect: 12 noon PT, date of lock expiration or earlier
- Broker's Float GFE must reflect: The expiration date and time prior to date and time of review of the GFE
 - Reunion must redisclose changed circumstance due to lock within 3 days of Locked date

Box 2.

- 10 Business Days after the date of the Initial GFE or later

Box 3.

Floating Loan: N/A or any number ≤ 45

Locked Loan: 1 or any number \leq the lock period (i.e. on a 20 day lock any number from 1 to 20 is acceptable)

Box 4. Floating Loan: Any number or N/A. Locked Loan: N/A

Summary of your loan**Your initial loan amount is**

- The amount entered cannot exceed the amount reflected in the Product Guidelines for the Program Code
- The loan amount must be equal to or less than the HUD County Limit
 - FHA: FHA Forward
 - The loan amount can exceed the HUD County Limit by the amount of the UPMIP
 - Conventional: Fannie/Freddie

Your loan term is

- The term must match the Program Code
Divide the Loan Term in D/T by 12

Your initial interest rate is

- The interest rate must be available on the Date of GFE

Your initial monthly amount owed for principal, interest and any mortgage insurance is

- The payment must be accurate for the interest rate and program selected and include monthly MI payment if applicable
- Add First Mortgage (P&I) to applicable month Mortgage Insurance payment
- Conventional Loans with LTV > 80% require Mortgage Insurance – refer to current MI chart for factor based on occupancy, LTV etc.
 - Loan amount X factor / 12 = monthly payment
- All FHA loans require monthly mortgage insurance (except F15 with LTV \leq 90%)
 - Using factor from table, multiply base loan amount X factor / 12 to obtain monthly payment (or use MIP calculator on RMI Intranet)

30 Year		15 Year	
LTV	Monthly	LTV	Monthly
≤ 95	.50	≤ 90	None
> 95	.55	> 90	.25

Can your interest rate rise?

- Fixed Rate loans: No
- ARM loans: Yes

Even if you make payments on time, can your loan balance rise?

- No (Reunion does not offer negative amortization loans)

Even if you make payments on time, can your monthly amount owed for principal, interest and any mortgage insurance rise?

- Fixed Rate loans: No
- ARM loans: Yes
 - Add Interest Rate and Initial the Periodic Cap then calculate the P&I payment – add the monthly MI payment if applicable
 - Add Interest Rate and the Lifetime Cap then calculate the P&I payment – add the monthly MI payment if applicable

Does your loan have a prepayment penalty?

- No (Reunion does not offer loans with a prepayment penalty)

Escrow Account Information

Note: Locked loans must accurately reflect the adjustment for impounds based on the box checked (i.e. Impounds “Yes” in D/T = “Yes” box checked on GFE)

- Enter the payment from above
- No may be entered only on the following loans
 - Conventional loans with LTV < 80%
 - Conventional loans in California for owner occupied 1-unit transactions with LTV < 90%
- Yes must be entered on all of the following
 - All Government loans
 - Conventional loans with LTV > 80% (except CA O/O 1-unit <90% LTV)
 - Also, when borrower elects to have impounds that are not required

Summary of your settlement charges
A Your Adjusted Origination Charges

- Enter amount from page 2

B Your Charges for all Other Settlement Services

- Enter amount from page 2

A + B Total Estimated Settlement Charges

- Enter amount from page 2

Your Adjusted Origination Charges
1. Our origination charge

- Add all of the Broker’s Fees per the Fee Sheet (GFE Pg 2 Block # 1) and Reunion’s Origination Fee and Attorney Doc Review Fee for all Texas properties
- The Broker’s Fees include but are not limited to:
 - Administration fee
 - Application Fee



- Origination Fee
- Processing Fee

2. Your credit or charge (points) for the specific interest rate chosen

Note: First set of boxes must be left blank

- If Broker provides Float GFE,
 - When the Second Set of Boxes is checked the \$ amount is limited to 3% of the loan amount.
 - When the Third Set of Boxes is checked any entry is acceptable
- If Broker provides Lock GFE,
 - Determine the Credit or Charge based on the MKT screen – Net Buy second field
 - When it is a negative number the Second Set of Boxes must be checked and completed as follows:
 - First box is loan amount X the Credit (this figure is listed in the column to the right as a negative number)
 - Second box is the interest rate from DataTrac
 - When it is a positive number the Third Set of Boxes must be checked and completed as follows:
 - First box is loan amount X the Charge (this figure is listed in the column to the right as a positive number)
 - Second box is the interest rate from DataTrac

A Your Adjusted Origination Charges

- Add the figures from 1 and 2 above

VA Loans

The maximum origination charge on VA loans is 1% of the Total Loan Amount (the loan amount including financed VA Funding Fee). The borrower can NOT be charged an origination fee greater than this amount. However, Block 1 can include additional charges as long as the "Credit" is sufficient to cover the Costs. "Block A – Your Adjusted Origination Charges can not exceed 1%.

NOTE: When the borrower pays points, the maximum allowed in Block 1 is 1%.

Your Charges for All Other Settlement Services

Wholesale loans: Refer to Fee Sheet provided by Broker – all fees must be included in GFE figures

3. Required services that we select

- Credit Report
- Appraisal Fee – refer to StreetLinks price sheet
 - Second Appraisal Fee (Per FHA & Jumbo guidelines)
 - Review Appraisal Fee
 - Form 216 is required on all owner occupied 2-4 unit properties & all investment loans
 - Form 1007 is required on all one unit investment loans
- FHA UFMIP/VA Funding Fee
- Tax Service
- Flood Cert
- Mortgage Insurance – initial premium not monthly payment
- Survey (when required by the lender, not title - i.e. all Texas properties)
- Condo Legal Review



4. Title services and lender's title insurance

- This figure includes, escrow charges, title charges (except Owner's title insurance) and all other settlement fees charged by closing including document and courier fees, regardless if seller is paying part of these fees
- If a survey is required by the Title Company, the charge is included in this box

5. Owner's title insurance (Purchase only)

- Purchase Transactions must reflect a figure
- Enter the total for the owner's title premiums and endorsements, regardless of who selects or pays for the title provider
- Refinance: Enter N/A

6. Required services that you can shop for

- Note: If any services are entered in this section, a list of providers must be attached to the GFE
- Pest Inspection

7. Government recording charges

- Recording fees
 - Deed of Trust / Mortgage and Riders
 - Transfer Deeds (Warranty, Grant, Quitclaim, etc.)
 - Reconveyance – refinance only

8. Transfer taxes

- This figure must be accurate as there is zero tolerance for any increase.
- If it is required by state or local law for a seller to pay a portion of the total charge for transfer taxes, that portion is not included in the GFE.

9. Initial deposit for your escrow account

- Complete this section if the loan requires Mortgage Insurance or impounds

10. Daily interest charges

- Per diem interest

11. Homeowner's insurance

- Hazard Insurance

B Your Charges for All Other Settlement Services

- Total of the column 3 through 11

A + B Total Estimated Settlement Charges

Total of A + B

Using the tradeoff table

Only the column "The loan in the GFE" is required to be completed and must match the rest of the GFE

Best Practices

Preapprovals

- Note: Reunion Mortgage does not accept Preapprovals on wholesale transactions.
- Do not issue GFE on preapproval as it limits the ability to revise the GFE based on subsequent identification of a property address (e.g., transfer taxes)
 - Use a generic "loan cost disclosure" to give consumers at preapproval stage, but do not call it a GFE or use any GFE form



Application

- Require collection of only the minimum 6 pieces of information (see page 13) before issuing GFE. When a GFE is issued, originator is presumed to have received and relied upon the minimum 6 pieces of information in preparing GFE. Thus, all of this information should be collected and considered in preparing GFE. Originator also presumed to have relied on any credit report obtained prior to providing GFE
 - Note: If any additional information is collected prior to preparing GFE, originator should have policies to demonstrate that such information was not relied on in preparing the GFE (if such information will not in fact be relied on). Otherwise, originator runs the risk that such additional information cannot later be the basis to issue a revised GFE unless it changes or was inaccurate
 - Example: If a full 1003 is collected prior to GFE and originator wants to rely on only the minimum 6 pieces of information and a credit report to prepare GFE, it should have policies in place which state that only this minimum information will be used at the GFE stage

Good Faith Estimate

- The GFE is to reflect a floating rate
 - Note: Providing an initial GFE reflecting a lock requires the lender to accept the GFE or reject the application. Also, if a loan is declined, a subsequent lender is subject to the terms as disclosed and must either accept the GFE or decline the application
- To ensure an accurate disclosure of fees always obtain a written quote from Settlement Service Providers prior to issuing GFE. Including but not limited to:
 - Title Insurance & all other Settlement charges
 - Owner's Title Insurance
 - Transfer Tax

Wholesale Loans

Application

Reunion Mortgage is only relying upon the uploaded data comprising the 6 items considered a complete application for acceptance of the broker's GFE.

Broker Responsibilities

The Broker must disclose the Good Faith Estimate to the borrower within 3 days of receipt of the 6 items considered a complete application. The HUD Booklet is to be issued by the Broker with the GFE.

- The borrower's name
- Social security number
- Gross monthly income
- The property address
- An estimate of the value of the property
- The amount of the mortgage loan sought

Once all 6 items have been provided to Reunion, the broker must submit the GFE and Fee Sheet so Reunion can disclose the TIL. In addition, if borrower is willing to accept email disclosures, the Broker must provide the completed eCommunication Disclosure Consent form.

No fee other than a credit report fee can be charged until borrower has both received the GFE and indicated intent to proceed with transaction.

- The Broker is to have policies in place to contact consumer after delivery of GFE to confirm intention to proceed. The borrower's intent to proceed can also be documented by an email or signed acknowledgement form.
- MDIA restricts imposing a fee on the borrower until after receipt of the TIL. Therefore collection of the borrower's credit card or check information for other fees (e.g. appraisal) is not allowed until the borrower has also received the TIL from Reunion Mortgage.

The Broker must immediately notify Reunion upon discovery or notification by the borrower of a changed circumstance and provide updated fees if applicable. The Broker must retain the documentation of the changed circumstance for 3 years whenever a redisclosure of the GFE occurs.

The Broker must be accurate in estimating the fees on the GFE. Errors on the GFE have significant ramifications including, but not limited to:

- File may be denied at submission if the GFE is unacceptable to Reunion
- Any funds needed to cure a tolerance violation on the Estimated HUD-1 may be netted from the Broker's compensation at closing.

Broker prepared GFE

The GFE received from the Broker must be completed as indicated above to be accepted by Reunion Mortgage. Reunion Mortgage reviews the Good Faith Estimate completed by the Broker to determine if the loan is acceptable and can be closed within Tolerance. Loans not disclosed within Reunion's acceptable parameters are cancelled.

Unacceptable Good Faith Estimates include but are not limited to:

- Missing any applicable fee(s)
- Understated fee(s)
- Inaccurate date(s)
- Unacceptable lock terms
- Missing Property Address

Advance Lock

The GFE must be reissued to reflect the Locked Terms due to changed circumstance. The Broker may reissue the GFE to reflect the locked terms and must provide to Reunion all GFEs issued to borrower. If the Broker elects to have Reunion reissue the GFE, they must provide the following items within 24 hours of an advance lock for Reunion to redisclose the GFE and issue the TIL.

- GFE
- Fee Sheet
- eCommunication Disclosure Consent form if borrower elects to receive email disclosures

Borrower Intent to Proceed

It is Reunion's policy to assume the broker has received the borrower's intent to proceed with every wholesale loan submission. The borrower is informed of this policy as follows: Reunion sends the Broker-prepared GFE to the borrower with the TIL and other initial disclosures to confirm the Broker's GFE. "Attached please find the Good Faith Estimate submitted to Reunion Mortgage by your mortgage broker. Reunion Mortgage assumes that you have expressed intent to proceed with the attached Good Faith Estimate, but please let us know if you wish to cancel this loan."

Retail Loans

Preapprovals

- GFE is not to be issued without property address
- Disclosure of settlement costs can not be provided with a GFE form

Application

Reunion Mortgage is only relying upon the uploaded data comprising the 6 items considered a complete application for preparation of the GFE. Once these 6 items have been received, the GFE must be delivered to the borrower within 3 days.

Collection of Fees

No fee (other than the credit report fee) can be collected prior to issuing the GFE and obtaining the borrower's intent to proceed.

Note: MDIA restricts imposing a fee on the borrower until after receipt of the TIL. Therefore collection of the borrower's credit card or check information for other fees (appraisal) is not allowed until the borrower has received the TIL from Reunion Mortgage and acknowledged intent to proceed.

Preparing the GFE

The Good Faith Estimate must be completed as indicated in Reunion's RESPA Policy and meet the tolerances reflected above. However, in Your Adjusted Origination Charges, Block 2 may have the first set of boxes checked and include all cost in Block 1.

Delivery of the GFE

The GFE may be delivered via email when the borrower executes the eCommunication Disclosure. Otherwise the GFE and all other initial disclosures are mailed to the borrower.

Borrower Acknowledgement of Intent to Proceed

The loan file must include documentation of borrower's intent to proceed. When the intent is obtained verbally, the Reunion employee is required to enter Notes in D/T clearly indicating borrower gave intent to proceed with the application.

List of Settlement Service Providers

- A list may be issued whenever the lender permits a borrower to shop for 3rd party settlement services
- The list may be provided at the time of the GFE on a separate sheet of paper.
- When the Borrower chooses a provider on the list, the Settlement Service becomes part of the 10% tolerance calculation
- When the Borrower does Not choose a provider on the list, the Settlement Service becomes a "no-tolerance" item.

Changed Circumstances

Changed circumstances are defined as: "information particular to the borrower or transaction that was relied on in providing the GFE and that changes or is found to be inaccurate after the GFE has been provided". For further details refer to Changed Circumstances in the Definitions section.

The Broker must notify Reunion Mortgage immediately upon receipt of information that may cause a Change in Circumstance so redisclosure, if needed, can be completed within the required 3 days. Failure to notify Reunion may reduce Broker's Compensation.

Upon receipt of information or a request for change that affect the GFE, the Changed Circumstance Form must be completed. Fees that are affected by the change must be verified and updated on the re-disclosed GFE.

All documentation regarding the changed circumstance must be retained for at least 3 years when a redisclosure of the GFE has been made to the borrower.

The following items may affect a change in circumstance, but not limited to:

- Lock
 - Relock
 - Lock Extension
- Change in Program Type including
 - Fixed Rate to ARM, ARM to Fixed Rate
 - FHA to Conventional, Conventional to FHA
 - Addition or deletion of subordinate financing
- Borrower requested change including
 - Impound waiver
- Loan amount change as it affects the LTV and CLTV
 - UFMIP & Monthly MIP
 - VA Funding Fee
 - Mortgage Insurance
- Appraised Value and / or Sales Price change as it affects the LTV and CLTV
 - Monthly MIP
 - Mortgage Insurance
- Appraisal Review required upon review of appraisal or DU findings
 - Appraisal Fee
- FICO score change
 - Note: A change in score may occur when credit is updated due to expiration of credit report or if credit must be re-pulled due to incorrect data (i.e. spelling of name or SSN).
 - Credit or Charge may change
- All items that affect pricing

Redisclosure of GFE

Redisclosure of GFE is only allowed due to a valid change in circumstance or if the closing is scheduled more than 60 days from delivery of the GFE due to new construction and meets all requirements listed below. Only the terms and/or fees affected by the changed circumstance are allowed to be amended on the revised GFE. **Re-disclosure of the GFE is only required when: 1) it adversely affects the borrower, and/or 2) loan is being locked, re-locked or extended. Reunion Mortgage prepares and delivers the updated GFE to the borrower within 3 days of the change of circumstance, lock, re-lock or extension.**

Note: Reunion Mortgage does not re-disclose changes that benefit the borrower (except float to lock).

Changed Circumstance

The only allowed changes to the GFE are the updated fees that are affected by the change in circumstance.

New Construction

For a new home purchase (i.e., new construction) expected to close more than 60 calendar days from delivery of the GFE, if and only if the GFE is provided to the borrower with a **clear and conspicuous disclosure** stating that the loan originator may provide the borrower with a revised GFE any time up until 60 calendar days prior to closing, the loan originator may issue a revised GFE. The “clear and conspicuous disclosure” must be a physically separate document.

If this separate disclosure is not provided, a revised GFE cannot be issued unless there is a change of circumstance. If no such disclosure is provided, or if a timely GFE is not provided based on the disclosure, then compliance with the GFE requirements of the final rule will be evaluated by comparing the charges disclosed on the original GFE with the actual charges on the HUD-1 at closing.

Reunion Procedure

Redisclosure of GFE

Reunion Mortgage is documenting a Changed Circumstance as follows:

- Upon receipt of information or documentation affecting a changed circumstance, review the file to determine the loan has a change of circumstance and determine if redisclosure is allowed and or needed.
 - If the Changed Circumstance or the need for redisclosure is unclear, contact the Compliance Auditor for guidance
- Complete the GFE Changed Circumstance Form in D/T Reports under Broker
 - Changed Circumstance Code – refer to Changed Circumstance Chart
 - Explanation of Changed Circumstance
 - Confirm the fees with the Broker if any of the fees are to change
 - This form must be completed each time there is a change in circumstance. Print form on top of re-disclosed GFE.
- Task is sent to Initial Disclosures Team
- Only the terms and/or fees affected by the changed circumstance are allowed to be amended on the updated GFE
- Initial Disclosures Team prepares and delivers updated disclosures to the borrower
- The updated GFE must be sent within 3 business days of receipt of information that affects a changed circumstance.
- Do not re-disclose changes that benefit the borrower (except float to lock).

Credit to borrower for rate

- If the lender provides a credit to cover third party fees and the third party fees end up being less than the credit, the credit may not be reduced. The options are to apply the credit to:
 - Reduce the principal balance
 - Reduce the interest rate
- At time of lock Secondary must review the loan to determine that Credit does not cause an unacceptable credit to the borrower
- Excess credit to borrower at closing is to be distributed as follows:
 - Applied as a principal reduction
 - Cash out to borrower – This option is only allowed on Cash Out Refinance transactions
 - Reduce interest rate and redraw



Cancellation Policy

The Broker is required to deliver the complete file in a timely manner. The Initial 1003 Received date (SRV3) is day one for Loan Cancellation purposes. The Submitted date is used to indicate a complete file has been received.

Complete File

A complete file includes a full DU file upload through Reunion Direct. All credit, income and asset documentation required per the DU Findings and Reunion Underwriting and Product Guidelines including a purchase agreement and title report. On Government loans this includes all of the applicable HUD/VA documents. The appraisal may follow at a later time.

Loan Cancellation

- Day 10: The Sales Assistant is to contact the Broker to request the complete file submission.
- Day 30: If unable to obtain verbal or written confirmation of cancellation, loan is to be declined due to insufficient information/documentation

HUD-1

Effective Date

The revised HUD-1 Settlement Statement must be used to close transactions disclosed with the new HUD-GFE. Loans closed after 1/1/2010 that had prior application dates and were disclosed with prior versions of the Good Faith Estimate must close with the old version of the HUD-1.

Loans with subordinate financing must have a separate GFE and HUD-1 completed for each loan.

Closing Document Preparation

An Estimated HUD-1 reflecting all Title and Settlement Agent Fees is required prior to drawing closing documents to ensure fees are accurate. The fees must meet tolerance requirements or be adjusted to correct violations. If a Lender Credit or waiver of Lender Fee is required to correct violations, the Broker's Compensation will be reduced by this amount on wholesale loans.

Reunion Procedure

The following process is used to ensure the loan meets tolerances:

Closing Document Preparation

- The Doc Drawer reviews all fees including but not limited to the Broker's Fee Sheet and Title/Settlement charges reflected on Estimated Settlement Statement.
 - Doc Drawer completes the Fee Comparison Worksheet to determine loan can close as initially disclosed
 - Tolerance Violations must be addressed and corrections made before closing documents can be generated
 - Loans with tolerance violations must be reviewed and approved by the Compliance Auditor or the Corporate Funder

Closing

- The Closer/Funder reviews the Estimated HUD-1 and completes the Fee Comparison Worksheet. Tolerance violations must be reviewed and approved by Compliance Auditor or Corporate Funder
 - Compliance Auditor reviews Final GFE, Estimated HUD-1 and Fee Comparison Worksheet
 - Acceptable estimated HUD-1: authorization to disburse funds is granted
 - Unacceptable Estimated HUD-1 must be corrected to ensure compliance with RESPA
 - Note: This can include changes to fees or credit from lender and reduction in Broker compensation.

Use of HUD-1A

Due to limitation on the disclosure of credits to the borrower and other items in the settlement statement, the HUD-1A may not be used on Reunion loans. All closings must be documented with the HUD-1.

Completion of HUD-1**Seller Fees**

- Settlement agents must reflect seller-paid settlement charges (including owner's title insurance) as a credit in Lines 204 through 209 and a debit in Lines 506-509. Any separate charge for conducting a settlement to the seller should be reflected on Line 1102. The closing instructions are to specify that all seller-paid fees are reflected in both sections of the HUD-1.
- The settlement agent should reflect any borrower reimbursement of a fee paid by the seller in Lines 104 – 105.
- A settlement agent should reflect seller-paid recording charges and transfer taxes in Lines 1202 and 1204-1205, respectively.
- Beware: there are jurisdictions where sellers are typically required to pay for recording charges and other taxes.
- Beware: transfer taxes include mortgage taxes and the practice of who pays for deed transfer versus who pays mortgage tax may be different.

Third Party Fees

- For all services reflected in box 3 on the GFE, the fees must be disclosed beginning on Line 804. FHA and VA also are disclosed on these lines. If state law requires an itemization, creditors must use Line 808 and itemize the fees outside of the columns.
- Processing and administrative services are disclosed on Line 801 if they are for origination services and Line 1101 if for title services.
- The proper disclosure of survey fees depends on the circumstances:
Note: Creditors need to be intimately familiar with the circumstances under which a survey is conducted for each loan it originates to ensure proper disclosure and tolerance calculations.
 - 800 Series if survey is required and loan originator selected the service provider
 - Line 1301 if survey is required and the borrower selected the service provider
 - Line 1101 if the survey is required to issue a title policy
 - 1300 Series if borrower obtains a survey of his own accord

Title Fees

- Line 1101 is the total of all "title services" and title insurance, and includes settlement charges (Line 1102), premiums and endorsements (Line 1104). Line 1103 relating to owner's title insurance, however, should not be included. Itemization is not permitted; however, if it is

required by state law, then creditors may provide the breakdown outside the column in blank lines in the 1100 series.

Note: The category of “title services” should be viewed to be all-encompassing unless a title-related fee is more properly disclosed elsewhere. For example, title agent charges disclosed on Line 1107 should reflect only those fees retained by the title agent; and if a fee is split with an attorney, that fee should be disclosed outside of the columns on a blank line in the 1100 series.

Fees – Reserves

- The 1000 series reflects the total of all escrow items.
- Itemization of escrow amounts are permitted, provided that Line 1007 “Aggregate Adjustment” is renumbered to reflect the addition of any lines.

Fees – No Cost Loans

- Settlement agents closing “no cost” loans must always reflect an offsetting credit in Line 802
- For loans where the “no cost” refers only to the origination fees, this will result in a “zero” disclosure in Line 803
- For loans where the “no cost” refers to origination fees and certain third-party fees, this will result in a “negative” disclosure in Line 803
- Any negative amount in Line 803 must be appropriately offset by charges listed in the borrower’s column.
- Beware: “no cost” loans are not exempt from tolerances. HUD requires that the lender credit appear in Line 802 and charges for individual services must be shown on the HUD-1 form as charges to the borrower. Thus, the charges on Page 3 of the HUD-1 that are outside of the zero or 10 percent tolerance area will result in a violation that the lender will need to cure.

Addendum to HUD-1

- If additional sequentially-numbered lines needed to list all items required to be shown on HUD-1
- If needed to show customary recitals and information used locally in real estate closings (e.g., breakdown of payoff figures, borrower’s total monthly mortgage payments and/or check disbursements, statement indicating receipt of funds, special stipulations between buyer and seller, dates funds are transferred)

General

- Charges for loan origination and title services must not be itemized except as provided in the Appendix A instructions. For each separately identified settlement service in connection with the transaction, the name of the person ultimately receiving the payment must be shown together with the total amount paid to such person. Items paid to and retained by a loan originator are disclosed as required in the instructions for the 800-series and, for per diem interest, in the 900-series of the HUD-1.
- In order to promote comparability between the charges on the GFE and the charges on the HUD-1, if a seller pays for a charge that was included on the GFE, the charge should be listed in the borrower’s column on page 2 of the HUD-1. That charge should also be offset by listing a credit in that amount to the borrower on Lines 204-209 on page 1 of the HUD-1, and by a charge to the seller in Lines 506-509 on page 1 of the HUD-1. If a loan originator (other than for no-cost loans), real estate agent, other settlement service provider, or other person pays for a charge that was included on the GFE, the charge should be listed in the borrower’s column on page 2 of the HUD-1, with an offsetting credit reported on page 1 of the HUD-1, identifying the party paying the charge.



- Indirect payments from a lender to a mortgage broker may not be disclosed as P.O.C., and must be included as a credit on Line 802.
- The settlement agent must indicate whether P.O.C. items are paid for by the borrower, seller, or some other party by marking the items as P.O.C. and identifying the party making the payment in parentheses.
- In the case of “no cost” loans where “no cost” includes third-party fees as well as the upfront payment to the loan originator, the third-party services covered by the “no cost” provisions must be itemized and listed in the borrower’s column on page 2 of the HUD-1 with the charge for each third-party service. These itemized charges must be offset with a negative adjusted origination charge on Line 803.
- **Comparison Chart** This chart compares the charges disclosed on the GFE with the charges disclosed on the HUD-1 and is comprised of three sections: (i) charges that cannot increase, (ii) charges that cannot increase more than 10%, and (iii) charges that can change. This chart must be completed using the exact information and amounts from the GFE and the HUD-1 provided to the borrower for the specific transaction.
- **Loan Terms Chart** This section must be completed in accordance with the information and instructions provided by Reunion Mortgage.

Compliance Review

Reunion Mortgage reviews each Estimated HUD-1 prior to closing to ensure the loan is within tolerance. If the loan is not in tolerance, the closing instructions and Estimated HUD-1 must be amended to ensure compliance.

On wholesale loans, the funds needed to cure any tolerance violation on the Estimated HUD-1 will be deducted from the broker’s compensation.

Curing GFE Tolerance Limitation Violation

When a GFE tolerance limitation is violated at closing, the loan originator may cure the violation by reimbursing the borrower the amount by which the tolerance was exceeded, either at closing or within 30 calendar days thereafter. The borrower is deemed to have received the reimbursement timely if the payment is delivered or placed in the mail within 30 calendar days after closing.

HUD-1 Lines 204-209

- The guidance in the General Instructions to the HUD-1 of showing a credit from the loan originator, other than for no cost loans, in Lines 204 to 209 appears to address situations in which a loan originator provides a credit that is not tied to the rate chosen.
- For example, the lender may decide to simply pay a third party fee itself rather than charge the borrower for the fee. In such case, the HUD-1 would still show the borrower paying the fee, but a credit from the loan originator for the fee would be shown in Lines 204 to 209.
- Situations in which HUD states in the FAQs that an amount must be included in Lines 204 to 209 of the HUD-1:
 - When the borrower will obtain a first lien and second lien loan at the same time, the second lien loan must be included on Lines 204 to 209 of the HUD-1 for the first lien loan.
 - A transferred escrow balance is shown on Lines 204 to 209 of the HUD-1. FAQs page 38, number 3 (November 19, 2009).
 - When the borrower pays any origination charge item before closing, Line 801 still must show all origination charges, whether paid at or before closing. A credit for the origination charge

item paid before closing must be included on Lines 204 to 209. FAQs page 39, number 4 (November 19, 2009).

- Among other fees, application fees are origination charge items.

Revised HUD-1

- All violation cures are to be handled by the closing agent. The closing agent must complete revised HUD-1
- The revised HUD-1 may be labeled “Amended”
- If lender pays portion of a **specific** charge to cure a tolerance violation
 - Amounts shown on p. 2 and in Comparison Chart on p. 3 of HUD-1 must be corrected to reflect actual amount paid by borrower after giving credit for refund
 - Amount reimbursed by lender must be shown on appropriate blank line on p. 2 as “\$ xxx.xx P.O.C. (lender) to meet tolerance” or as a credit on blank line in 200 series on p. 1 with identification of specific service to which it applies.
- If lender simply applies refund to overall “10% Tolerance Category”
 - Credit must be shown on blank line in 200 series on p. 1 (Cure for “10% Tolerance Category” - \$ xxx.xx)
 - Credit must also be shown on Comparison Chart

Reunion Procedure

Upon receipt of the Final HUD-1, it is reviewed by Funder for accuracy and compliance by the Funder in the Branch. A Task is sent to the Compliance Auditor to review and compare it to the Good Faith Estimate to ensure the loan closed within Tolerance

- No increase allowed
 - Our Origination charge
 - Your credit or charge (points) for the specific interest rate chosen
 - Your adjusted origination charges
 - Transfer taxes
- 10% aggregate maximum increase in the following GFE sections
 - Required services that we select
 - Title services and lender’s title insurance
 - Owner’s title insurance
 - Required services that you can shop for
 - Government recording charges

Reunion does not require the Broker / Loan Officer to provide a List of Settlement Service Providers for Title & Settlement Services listed in blocks 4 through 6. Therefore, a 10% tolerance is always to be assumed to be a requirement at closing.

However, if a List of SSPs was provided to the borrower with the GFE and the borrower selects a provider not on the list, the Compliance Auditor is allowed to override our standard policy and exclude the specific provider’s service fee from the 10% tolerance.

Changes that occur to Title or Settlement Charges from the Estimated Settlement Statement must be corrected by the Settlement Agent. The Compliance Auditor determines the correct action required to correct tolerance violations. If Reunion Mortgage must refund the borrower to correct a violation, the following process must be followed:

- Compliance Auditor marks calendar and follows up in 7, 14 and 21 days to ensure borrower is refunded and receipt of corrected HUD-1 occur in less than 30 days
- Branch forwards check request form to accounting
- Check for refund to borrower and written instructions to correct the HUD-1 are sent to the Settlement Agent
- Upon receipt of amended HUD-1 the branch is to complete the RESPA Closing Compliance Spreadsheet

The Final HUD-1 must be amended by Title/Settlement Agent within 30 days of closing to correct any variance to the tolerance.

Definitions

Section 3500.2(b) is amended by revising the definitions of the following terms: *Application*, *Good Faith Estimate*, *Mortgage broker*, and *Required use*, and by adding the following new definitions: *Balloon payment*, *Changed circumstances*, *Loan originator*, *Origination service*, *Prepayment penalty*, *Third party*, *Title service*, and *Tolerance*, to read as follows:

“Application means the submission of a borrower’s financial information in anticipation of a credit decision relating to a federally related mortgage loan, which shall include the borrower’s name, the borrower’s monthly income, the borrower’s social security number to obtain a credit report, the property address, an estimate of the value of the property, the mortgage loan amount sought, and any other information deemed necessary by the loan originator. An application may either be in writing or electronically submitted, including a written record of an oral application.”

Note: The final rule now defines “application” to include at least the following six items of information:

- The borrower’s name
- Social security number
- Gross monthly income
- The property address
- An estimate of the value of the property
- The amount of the mortgage loan sought

In addition, the loan originator may decide what additional application information he/she needs to collect from a borrower, and which of that collected application information he/she will use, in order to issue a meaningful GFE. Thus, a loan originator may ask for, or a borrower may choose to submit, more information than the loan originator intends to use to prepare the GFE (e.g., the information on a standard 1003 mortgage loan application form), but beyond the six items of required information, the loan originator may determine what he/she needs to issue a GFE. However, before providing the GFE, the loan originator must collect at least the above-required six items of information.

“Balloon payment has the same meaning as ‘balloon payment’ under Regulation Z (12 CFR part 226).”

“Changed circumstances means:

- (i) Acts of God, war, disaster, or other emergency;
- (ii) Information particular to the borrower or transaction that was relied on in providing the GFE and that changes or is found to be inaccurate after the GFE has been provided. This may include information about the credit quality of the borrower, the amount of the loan,

- the estimated value of the property, or any other information that was used in providing the GFE;
- (iii) New information particular to the borrower or transaction that was not relied on in providing the GFE; or
- (iv) Other circumstances that are particular to the borrower or transaction, including boundary disputes, the need for flood insurance, or environmental problems.

Note: Changed circumstances do not include:

- (i) The borrower's name, the borrower's monthly income, the property address, an estimate of the value of the property, the mortgage loan amount sought, and any information contained in any credit report obtained by the loan originator prior to providing the GFE, unless the information changes or is found to be inaccurate after the GFE has been provided; or
- (ii) Market price fluctuations by themselves."

Note: In order for information collected by the loan originator prior to issuing a GFE to later become the basis for a "changed circumstance" upon which a loan originator may offer a revised GFE (*see*, Section 3500.7(f)(1) and (2) in subsection B.3. of this memorandum), the loan originator must demonstrate that there was a change in the particular information or that it was inaccurate, or that the loan originator did not rely on that particular information in issuing the GFE. A loan originator may demonstrate non-reliance on the collected information by various means, for example, by a documented record in the underwriting file or an established policy of relying on a more limited set of information in providing GFEs.

"Good faith estimate or GFE means an estimate of settlement charges a borrower is likely to incur, as a dollar amount, and related loan information, based upon common practice and experience in the locality of the mortgaged property, as provided on the form prescribed in Section 3500.7 and prepared in accordance with the Instructions in Appendix C to this part."

"Loan originator means a lender or mortgage broker."

"Mortgage broker means a person (not an employee of a lender) or entity that renders origination services and serves as an intermediary between a borrower and a lender in a transaction involving a federally related mortgage loan, including such a person or entity that closes the loan in its own name in a table funded transaction. A loan correspondent approved under 24 CFR 202.8 for Federal Housing Administration programs is a mortgage broker for purposes of this part."

Note: Currently, the definition of mortgage broker excludes an "exclusive agent of a lender" from the definition of mortgage broker, although an exclusive agent of a lender performs the same services as a mortgage broker. To remedy this, the above revised definition of mortgage broker eliminates this exclusion. Under this revised definition, an exclusive agent of a lender who is not an employee of the lender, but who renders origination services and serves as an intermediary between a borrower and a lender, is now defined as a mortgage broker.

"Origination service means any service involved in the creation of a mortgage loan, including but not limited to the taking of the loan application, loan processing, and the underwriting and funding of the loan, and the processing and administrative services required to perform these functions."

“**Prepayment penalty** has the same meaning as “prepayment penalty” under Regulation Z (12 CFR part 226).”

Note: Per November 3, 2009 conference call with Department of Treasury OTD “The monthly accrual of interest on the FHA loan is not considered a prepayment penalty. We have had the Fed look to that issue. When you pay off on an FHA loan, then the lender is required to pay the investor through the end of the month. So if the pay off is on day two, then there would be approximately 28 more days of interest. Often lenders pass this charge onto the borrower but that is not considered a prepayment. “

“**Required use** means a situation in which a person must use a particular provider of a settlement service in order to have access to some distinct service or property, and the person will pay for the settlement service of the particular provider or will pay a charge attributable, in whole or in part, to the settlement service. However, the offering of a package (or combination of settlement services) or the offering of discounts or rebates to consumers for the purchase of multiple settlement services does not constitute a required use. Any package or discount must be optional to the purchaser. The discount must be a true discount below the prices that are otherwise generally available, and must not be made up by higher costs elsewhere in the settlement process.”

“**Third party** means a settlement service provider other than a loan originator.”

“**Title service** means any service involved in the provision of title insurance (lender’s or owner’s policy), including but not limited to: title examination and evaluation; preparation and issuance of title commitment; clearance of underwriting objections; preparation and issuance of a title insurance policy or policies; and the processing and administrative services required to perform these functions. The term also includes the service of conducting a settlement.”

“**Tolerance** means the maximum amount by which the charge for a category or categories of settlement costs may exceed the amount of the estimate for such category or categories on a GFE.”



Good Faith Estimate (GFE)

Name of Originator	Borrower
Originator Address	Property Address
Originator Phone Number	
Originator Email	Date of GFE

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

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 shopping chart on page 3 to compare all the offers you receive.

Important dates

- The interest rate for this GFE is available through []. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
- This estimate for all other settlement charges is available through [].
- After you lock your interest rate, you must go to settlement within [] days (your rate lock period) to receive the locked interest rate.
- You must lock the interest rate at least [] days before settlement.

Summary of your loan

Your initial loan amount is	\$
Your loan term is	years
Your initial interest rate is	%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ per month
Can your interest rate rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % The first change will be in .
Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be in and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$.
Does your loan have a prepayment penalty?	<input type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$.
Does your loan have a balloon payment?	<input type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years.

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$ [] .

Do we require you to have an escrow account for your loan?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

A	Your Adjusted Origination Charges (See page 2.)	\$
B	Your Charges for All Other Settlement Services (See page 2.)	\$
A + B	Total Estimated Settlement Charges	\$

Understanding your estimated settlement charges

Some of these charges can change at settlement. See the top of page 3 for more information.

Your Adjusted Origination Charges										
1. Our origination charge This charge is for getting this loan for you.										
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of [] % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ [] for this interest rate of [] %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ [] for this interest rate of [] %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.										
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"> <thead> <tr> <th>Service</th> <th>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 or settlement agent, for example, and title insurance to protect the lender, if required.										
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.										
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table border="1"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Service	Charge							
Service	Charge									
7. Government recording charges These charges are for state and local fees to record your loan and title documents.										
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.										
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input type="checkbox"/> all property taxes, <input type="checkbox"/> all insurance, and <input type="checkbox"/> other [].										
10. 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. This amount is \$ [] per day for [] days (if your settlement is []).										
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. <table border="1"> <thead> <tr> <th>Policy</th> <th>Charge</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Policy	Charge							
Policy	Charge									
B	Your Charges for All Other Settlement Services	\$								
A + B	Total Estimated Settlement Charges	\$								



Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. 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 we identify. (See below for details.)

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 origination charge Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate) Your adjusted origination charges (after you lock in your interest rate) Transfer taxes 	<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 companies we identify) Owner's title insurance (if you use companies we identify) Required services that you can shop for (if you use companies we identify) Government recording charges 	<ul style="list-style-type: none"> Required services that you can shop for (if you do not use companies we identify) Title services and lender's title insurance (if you do not use companies we identify) Owner's title insurance (if you do not use companies we identify) Initial deposit for your escrow account Daily interest charges Homeowner's insurance

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

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

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$	\$	\$
Your initial interest rate ¹	%	%	%
Your initial monthly amount owed	\$	\$	\$
Change in the monthly amount owed from this GFE	No change	You will pay \$ more every month	You will pay \$ less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$	Your settlement charges will increase by \$
How much your total estimated settlement charges will be	\$	\$	\$

¹ For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

Using the shopping chart

Use this chart to compare 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.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name				
Initial loan amount				
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

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.





Good Faith Estimate (GFE)

Name of Originator	Reunion Mortgage Inc.
Originator Address	860 Hillview Court #300 Milpitas, CA 95035
Originator Phone Number	888-673-8646
Originator Email	

Borrower	John Sample
Property Address	123 Street Milpitas, CA 95035 County: Santa Clara
Date of GFE	11/24/2009

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's Special Information Booklet on settlement charges, your Truth-in-Lending Disclosures, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

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 shopping chart on page 3 to compare all the offers you receive.

Important dates

- The interest rate for this GFE is available through **11/24/2009 4:00 PM PT**. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
- This estimate for all other settlement charges is available through **12/09/2009**.
- After you lock your interest rate, you must go to settlement within **20** days (your rate lock period) to receive the locked interest rate.
- You must lock the interest rate at least **NA** days before settlement.

Summary of your loan

Your initial loan amount is	\$	100,000.00
Your loan term is		30 years
Your initial interest rate is		5.000 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$	536.82 per month
Can your interest rate rise?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes, it can rise to a maximum of 10.000 %. The first change will be in 60 months.
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes, the first increase can be in 60 months. and the monthly amount owed can rise to \$ 834.45 . The maximum it can ever rise to is \$ 834.45 .
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years.

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$ **536.82**.
Do we require you to have an escrow account for your loan?
 No, you do not have an escrow account. You must pay these charges directly when due.
 Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

A	Your Adjusted Origination Charges (See page 2.)	\$	2,960.00
B	Your Charges for All Other Settlement Services (See page 2.)	\$	7,210.84
A + B	Total Estimated Settlement Charges	\$	10,170.84

Understanding
your estimated
settlement charges

Your Adjusted Origination Charges	
1. Our origination charge This charge is for getting this loan for you.	1,960.00
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of <input type="text"/> % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ <input type="text"/> for this interest rate of <input type="text"/> %. This credit reduces your settlement charges. <input checked="" type="checkbox"/> You pay a charge of \$ 1,000.00 for this interest rate of 5.000 %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.	1,000.00
A Your Adjusted Origination Charges	\$ 2,960.00

Some of these charges can change at settlement. See the top of page 3 for more information.

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="text-align: left;">Service</th> <th style="text-align: right;">Charge</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">350.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">25.00</td> </tr> <tr> <td>Flood Certification</td> <td style="text-align: right;">10.00</td> </tr> <tr> <td>Tax Service Fee</td> <td style="text-align: right;">80.00</td> </tr> <tr> <td>Desk Review</td> <td style="text-align: right;">150.00</td> </tr> <tr> <td>MERS</td> <td style="text-align: right;">6.95</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Charge	Appraisal	350.00	Credit Report	25.00	Flood Certification	10.00	Tax Service Fee	80.00	Desk Review	150.00	MERS	6.95					621.95
Service	Charge																		
Appraisal	350.00																		
Credit Report	25.00																		
Flood Certification	10.00																		
Tax Service Fee	80.00																		
Desk Review	150.00																		
MERS	6.95																		
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.	1,750.00																		
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.	200.00																		
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify 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="text-align: left;">Service</th> <th style="text-align: right;">Charge</th> </tr> </thead> <tbody> <tr> <td>Pest Inspection</td> <td style="text-align: right;">125.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Charge	Pest Inspection	125.00					125.00										
Service	Charge																		
Pest Inspection	125.00																		
7. Government recording charges These charges are for state and local fees to record your loan and title documents.	75.00																		
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.	700.00																		
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input checked="" type="checkbox"/> all property taxes, <input checked="" type="checkbox"/> all insurance, and <input type="checkbox"/> other <input type="text"/> .	2,640.00																		
10. 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. This amount is \$ <input type="text"/> 13.8889 per day for <input type="text"/> 10 days (if your settlement is <input type="text"/> 12/10/2009).	138.89																		
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Policy</th> <th style="text-align: right;">Charge</th> </tr> </thead> <tbody> <tr> <td>Hazard Insurance</td> <td style="text-align: right;">960.00</td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Policy	Charge	Hazard Insurance	960.00			960.00												
Policy	Charge																		
Hazard Insurance	960.00																		
B Your Charges for All Other Settlement Services	\$ 7,210.84																		
A + B Total Estimated Settlement Charges	\$ 10,170.84																		



Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. 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 we identify. (See below for details.)

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 origination charge • Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate) • Your adjusted origination charges (after you lock in your interest rate) • Transfer taxes 	<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 companies we identify) • Owner's title insurance (if you use companies we identify) • Required services that you can shop for (if you use companies we identify) • Government recording charges 	<ul style="list-style-type: none"> • Required services that you can shop for (if you do not use companies we identify) • Title services and lender's title insurance (if you do not use companies we identify) • Owner's title insurance (if you do not use companies we identify) • Initial deposit for your escrow account • Daily interest charges • Homeowner's insurance

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

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

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your initial interest rate ¹	5.000 %	%	%
Your initial monthly amount owed	\$ 536.82	\$ 277.78	\$ 277.78
Change in the monthly amount owed from this GFE	No change	You will pay \$ -259.04 more every month	You will pay \$ 259.04 less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$	Your settlement charges will increase by \$
How much your total estimated settlement charges will be	\$ 10,170.84	\$ 10,170.84	\$ 10,170.84

¹For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

Using the shopping chart

Use this chart to compare 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.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name	Reunion Mortgage Inc.			
Initial loan amount	\$ 100,000.00			
Loan term	30 years			
Initial interest rate	5.000 %			
Initial monthly amount owed	\$ 536.82			
Rate lock period	20 days			
Can interest rate rise?	YES			
Can loan balance rise?	NO			
Can monthly amount owed rise?	YES			
Prepayment penalty?	NO			
Balloon payment?	NO			
Total Estimated Settlement Charges	\$ 10,170.84			

If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.





A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:	E. Name & Address of Seller:	F. Name & Address of Lender:
G. Property Location:	H. Settlement Agent:	I. Settlement Date:
	Place of Settlement:	

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
104.	
105.	
Adjustment for items paid by seller in advance	
106. City/town taxes to	
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. Gross Amount Due from Borrower	
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220) ()	
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
Adjustments for items paid by seller in advance	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	
500. Reductions In Amount Due to Seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
Adjustments for items unpaid by seller	
510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520) ()	
603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

L. Settlement Charges

700. Total Real Estate Broker Fees			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows:				
701. \$	to			
702. \$	to			
703. Commission paid at settlement				
704.				

800. Items Payable in Connection with Loan				
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 A)	
804. Appraisal fee to			(from GFE #3)	
805. Credit report to			(from GFE #3)	
806. Tax service to			(from GFE #3)	
807. Flood certification			(from GFE #3)	
808.				

900. Items Required by Lender to Be Paid in Advance				
901. Daily interest charges from	to	@ \$	/day	(from GFE #10)
902. Mortgage insurance premium	for	months to		(from GFE #3)
903. Homeowner's insurance	for	years to		(from GFE #11)
904.				

1000. Reserves Deposited with Lender				
1001. Initial deposit for your escrow account			(from GFE #9)	
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. Aggregate Adjustment			-\$	

1100. Title Charges				
1101. Title services and lender's title insurance			(from GFE #4)	
1102. Settlement or closing fee			\$	
1103. Owner's title insurance			(from GFE #5)	
1104. Lender's title insurance			\$	
1105. Lender's title policy limit \$				
1106. Owner's title policy limit \$				
1107. Agent's portion of the total title insurance premium			\$	
1108. Underwriter's portion of the total title insurance premium			\$	

1200. Government Recording and Transfer Charges				
1201. Government recording charges			(from GFE #7)	
1202. Deed \$	Mortgage \$	Releases \$		
1203. Transfer taxes			(from GFE #8)	
1204. City/County tax/stamps	Deed \$	Mortgage \$		
1205. State tax/stamps	Deed \$	Mortgage \$		
1206.				

1300. Additional Settlement Charges				
1301. Required services that you can shop for			(from GFE #6)	
1302.			\$	
1303.			\$	
1304.				
1305.				

1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase	HUD-1 Line Number		
Our origination charge	# 801		
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803		
Transfer taxes	#1203		

Charges That in Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		
Total			
Increase between GFE and HUD-1 Charges		\$	or %

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	#1001		
Daily interest charges	# 901 \$ /day		
Homeowner's insurance	# 903		
<input type="text"/>	#		
<input type="text"/>	#		
<input type="text"/>	#		

Loan Terms

Your initial loan amount is	\$ <input type="text"/>
Your loan term is	<input type="text"/> years
Your initial interest rate is	<input type="text"/> %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ <input type="text"/> includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of <input type="text"/> %. The first change will be on <input type="text"/> and can change again every <input type="text"/> after <input type="text"/> . Every change date, your interest rate can increase or decrease by <input type="text"/> %. Over the life of the loan, your interest rate is guaranteed to never be lower than <input type="text"/> % or higher than <input type="text"/> %.
Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ <input type="text"/> .
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, the first increase can be on <input type="text"/> and the monthly amount owed can rise to \$ <input type="text"/> . The maximum it can ever rise to is \$ <input type="text"/> .
Does your loan have a prepayment penalty?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input type="text"/> .
Does your loan have a balloon payment?	<input type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$ <input type="text"/> due in <input type="text"/> years on <input type="text"/> .
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ <input type="text"/> that results in a total initial monthly amount owed of \$ <input type="text"/> . This includes principal, interest, any mortgage insurance and any items checked below: <input type="checkbox"/> Property taxes <input type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> <input type="text"/> <input type="checkbox"/> <input type="text"/>

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



A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number: 1234567	7. Loan Number: 100123456	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input checked="" type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.*)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower: John Sample 123 Street Milpitas, CA 95035	E. Name & Address of Seller: John Test 456 Avenue Milpitas, CA 95035	F. Name & Address of Lender: Reunion Mortgage Inc. 860 Hillview Court, Suite 300 Milpitas, CA 95035
G. Property Location: 123 Street Milpitas, CA 95035 County: Santa Clara	H. Settlement Agent: ABC Title Company Place of Settlement: 789 ABC Blvd. Milpitas, CA 95035	I. Settlement Date: 12/10/2009

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower	
101. Contract sales price	\$150,000.00
102. Personal property	
103. Settlement charges to borrower (line 1400)	\$8,479.19
104.	
105.	
Adjustment for items paid by seller in advance	
106. City/town taxes 12/10/2009 to 01/01/2010	\$114.58
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. Gross Amount Due from Borrower	\$158,593.77
200. Amount Paid by or in Behalf of Borrower	
201. Deposit or earnest money	\$5,250.00
202. Principal amount of new loan(s)	\$100,000.00
203. Existing loan(s) taken subject to	
204. Seller's Credit for Home Warranty	\$300.00
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	\$105550.00
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	\$158,593.77
302. Less amounts paid by/for borrower (line 220)	(\$105,550.00)
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$53,043.77

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	\$150,000.00
402. Personal property	
403.	
404.	
405.	
Adjustment for items paid by seller in advance	
406. City/town taxes 12/10/2009 to 01/01/2010	\$114.58
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	\$150,114.58
500. Reductions in Amount Due to seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	\$9,965.00
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	\$130,000.00
505. Payoff of second mortgage loan	
506. Earnest money deposit	\$5,250.00
507. Seller's Credit for Home Warranty	\$300.00
508.	
509.	
Adjustments for items unpaid by seller	
510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	\$145,515.00
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	\$150,114.58
602. Less reductions in amounts due seller (line 520)	(\$145,215.00)
603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$4,599.58

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L. Settlement Charges

700. Total Real Estate Broker Fees				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows :					
701.	\$ 4,500.00	to	Realty 1		
702.	\$ 4,500.00	to	Realty 2		
703.	Commission paid at settlement				\$9,000.00
704.	Earnest Money deposit held by Realty 2 \$5,250(POC)				
800. Items Payable in Connection with Loan					
801.	Our origination charge	\$ 1,960.00	(from GFE #1)		
802.	Your credit or charge (points) for the specific interest rate chosen	\$ 1,000.00	(from GFE #2)		
803.	Your adjusted origination charges		(from GFE #A)	\$2,960.00	
804.	Appraisal fee to Appraisal Company		(from GFE #3)	\$350.00	
805.	Credit report to Mortgage Broker		(from GFE #3)	\$25.00	
806.	Tax service to Reunion Mortgage Inc.		(from GFE #3)	\$80.00	
807.	Flood certification to Reunion Mortgage Inc.		(from GFE #3)	\$10.00	
808.	Desk Review to Reunion Mortgage Inc.			\$150.00	
809.					
810.					
811.					
900. Items Required by Lender to be Paid in Advance					
901.	Daily interest charges from 12/10/09 to 12/31/09 @ \$ 13.89 /day		(from GFE #10)	\$291.69	
902.	Mortgage insurance premium for months to		(from GFE #3)		
903.	Homeowner's insurance for 1 years to Hazard Insurance Company		(from GFE #11)	\$525.00	
904.					
1000. Reserves Deposited with Lender					
1001.	Initial deposit for your escrow account		(from GFE #9)	\$937.50	
1002.	Homeowner's insurance 2 months @ \$ 43.75 per month	\$ 87.50			
1003.	Mortgage insurance months @ \$	per month \$			
1004.	Property Taxes 6 months @ \$ 156.25 per month	\$ 937.50			
1005.	months @ \$	per month \$			
1006.	months @ \$	per month \$			
1007.	Aggregate Adjustment	-\$ 87.50			
1100. Title Charges					
1101.	Title services and lender's title insurance		(from GFE #4)	\$1,750.00	
1102.	Settlement or closing fee ABC Title Company	\$ 250.00			\$250.00
1103.	Owner's title insurance ABC Title Company		(from GFE #5)	\$200.00	
1104.	Lender's title insurance	\$			
1105.	Lender's title policy limit \$ 100,000.00				
1106.	Owner's title policy limit \$ 150,000.00				
1107.	Agent's portion of the total title insurance premium to ABC Title Company	\$ 750.00			
1108.	Underwriter's portion of the total title insurance premium to Title Underwriter Company	\$ 750.00			
1109.					
1110.					
1111.					
1200. Government Recording and Transfer Charges					
1201.	Government recording charges		(from GFE #7)	\$75.00	
1202.	Deed \$ 25.00 Mortgage \$ 50.00 Release \$ 15.00				\$15.00
1203.	Transfer taxes		(from GFE #8)	\$700.00	
1204.	City/County tax/stamps Deed \$ 350.00 Mortgage \$ 350.00				
1205.	State tax/stamps Deed \$ 350.00 Mortgage \$ 350.00				\$700.00
1206.					
1300. Additional Settlement Charges					
1301.	Required services that you can shop for		(from GFE #6)	\$125.00	
1302.	Pest Inspection to Pest Inspection Company	\$ 125.00			
1303.	Home Warranty Insurance to Insure A Home	\$		\$300.00	
1304.					
1305.					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				\$8,479.19	\$9,965.00

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase	HUD-1 Line Number		
Our origination charge	# 801	\$1,960.00	\$1,960.00
Your credit or charge (points) for the specific interest rate chosen	# 802	\$1,000.00	\$1,000.00
Your adjusted origination charges	# 803	\$2,960.00	\$2,960.00
Transfer taxes	# 1203	\$700.00	\$700.00

Charges That In Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201	\$75.00	\$75.00
Appraisal Fee	# 804	\$350.00	\$350.00
Credit Report	# 805	\$25.00	\$25.00
Tax Service Fee	# 806	\$80.00	\$80.00
Flood Service Fee	# 807	\$10.00	\$10.00
Desk Review	# 808	\$150.00	\$150.00
Title & Lender's Title Insurance	# 1101	\$1,750.00	\$1,750.00
	#		
	Total	\$2,440.00	\$2,440.00
Increase between GFE and HUD-1 Charges		\$ 0	or 0 %

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001	\$2,640.00	\$937.50
Daily interest charges \$ 13.89 /day	# 901	\$138.89	\$291.69
Homeowner's insurance	# 903	\$960.00	\$525.00
Pest Inspection	# 1302	\$125.00	\$125.00
	#		
	#		

Loan Terms

Your initial loan amount is	\$ 100,000.00
Your loan term is	30 years
Your initial interest rate is	5.00 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 536.82 includes <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, it can rise to a maximum of 10.00 %. The first change will be on 01/01/14 and can change again every 12 months after 5 years. Every change date, your interest rate can increase or decrease by 2.25 %. Over the life of the loan, your interest rate is guaranteed to never be lower than 2.25 % or higher than 10.00 %.
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, the first increase can be on 01/01/2014 and the monthly amount owed can rise to \$ 834.45. The maximum it can ever rise to is \$ 834.45.
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years on
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input checked="" type="checkbox"/> You have an additional monthly escrow payment of \$ 203.13 that results in a total initial monthly amount owed of \$ 739.95. This includes principal, interest, any mortgage insurance and any items checked below: <input checked="" type="checkbox"/> Property taxes <input checked="" type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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



Reunion Mortgage Inc.

GFE CHANGED CIRCUMSTANCE FORM

REVISED: MARCH 2, 2010

A Request for Issuance of a Revised GFE must be completed for each fee increase request. This form to be printed into DocumentTrac on top of re-disclosed GFE.

Loan Number: _____

Borrower(s) Name(s): _____

Property Address: _____

(Check applicable boxe(s) below.)

Broker has obtained information regarding the Borrower's loan that will result in a changed circumstance. Under RESPA section 3500.2 *(See Changed Circumstance Chart below)*

Description of Borrower's request: _____

Date of borrower's request: _____

The loan referenced above is changing from "float" to "lock"

Date of lock event: _____

The undersigned has obtained information regarding the Borrower's loan that will result in a changed circumstance under RESPA section 3500.2.

Description of changed circumstance (Examples: Loan Amount changed; Loan Program Changed Fix to ARM; Appraisal Value Changed in which incurred pricing hit due to LTV hit) *(See Changed Circumstance Chart below):*

Date of changed circumstance: _____

Fee Chart must be complete for any changed circumstance:

Fees Changing as a Result of the Changed Circumstance		
Fee Name	Amount of Last Fee Disclosed (\$)	Amount of Fee as a result of Changed Circumstance (\$)
	\$	\$
	\$	\$
	\$	\$
	\$	\$

Note: Each of the above events may require that additional documentation (e.g. Loan Amount change requires updated 1003) be provided to process this Request.

The name and date of the person below is responsible for ensuring initial disclosures of this file is correct, accurate and complete. A double check of the checklist and file to verify that all the items above have been preformed accurately and to the standard of Reunion Mortgage's request.

Reunion Mortgage Inc. Employee Name: _____

Date: _____

Code		Changed Circumstance Chart	
		Changed Circumstances Affecting Costs	
1a		Post-GFE changes to or inaccuracy of borrower's name, income, property address, estimate of property value, loan amount or any information contained in pre-GFE credit report	
1b		GSE, FHA or MI program changes and lender did not have notice of change before issuing GFE	
1c		Property address provided turns out not to be correct, legal address	
1d		Parties are added to or removed from title, or property is moved into or out of a trust	
1e		Property use changed: occupancy change	
1f		After GFE is issued, determine a party will be using a POA to sign, requiring additional work and fees	
1g		After GFE is issued, fees increase due to regulatory changes such as fees charged by government agencies for recording fees or taxes change	
1h		Loan amount increases in a way that meaningfully affects the LTV	
		Change in Borrower Eligibility	
2a		Borrower's credit score changes	
2b		Borrower's income is verified to be different than originally provided	
2c		Borrower's eligibility status changes (VA Funding Fee)	
		Borrower Requested Change	
3a		Borrower requests a different program	
3b		Borrower requests to increase the loan amount	
3c		Borrower requests to change impounds	
		Expiration of Original GFE	
4a		Borrower gives an intent to move forward after the initial 11 business day period expires	
		Charges Dependent on Rate and or Rate Lock	
5a		The customer locks the rate and there is an increase to rate dependent fees	
5b		The customer locks the rate and the rate expires	
5c		The customer locks the rate and requests an extension of the lock term	
		Changes in fees due to Appraisal/Title	
6a		After the GFE is issued, an additional service such as pest, structural or other inspection, upgraded or review appraisal, certification survey or other requirement is required by lender	
6b		Property Type change	