

## Practice Settlement Statement (HUD-1)

You recently listed and sold a home. The closing is scheduled for May 15. You have just received the Settlement Statement (HUD-1) from Jillian Winkle at Smith and Jones, P.A. (see the HUD-1 later in this document). Using the listing agreement, the sales contract, and the good-faith estimate of settlement costs given by the lender at the time of application, you begin the review. You intend to visit both the sellers and the buyers to deliver the closing package early.

As you review the sales contract, you should trace all items to the HUD-1 and check off each as you do so.

### Page 1

The names of the buyers as listed on the contract are Kyle and Kari Byers (Section D). The sellers' legal names, taken from their deed when you first took the listing, are John and Susan Sellars (Section E).

The property address is 1462 Lime Drive (Sections D and G). Go to page 2 now.

### Expenses Paid From Borrower's Funds at Settlement (Page 2)

Section 800: The lender charged 1% for discount points and 1% for the loan origination fee.

The Byers paid an appraisal fee of \$300 at the time of loan application (POC).

The good-faith estimate of settlement costs given by the lender at the time of application shows a \$55 credit report fee, and \$25 for an amortization schedule.

Section 900: The Byers must prepay interest on the loan from May 15 through May 31 because the first payment on the new mortgage is not due until July 1.

The Byers will purchase a one-year hazard insurance policy from State Farm for \$840.

Section 1000: The lender requires that an escrow account be set up with two months' advance hazard insurance deposit, two months' advance mortgage insurance (\$540 annual premium), and eight months' advance property taxes based on an estimate of \$2,100 annually.

Section 1100: The buyers will pay \$1,070 for title insurance, and \$20 for courier services.

Section 1200: The estimate also shows recording fees of \$10.50 for the deed and \$42 for the mortgage, the documentary stamp tax on the note, and intangible tax on the mortgage.

Section 1300: The Byers will pay the survey fee of \$250 to All Corners Surveyor.

### Expenses Paid From Seller's Funds at Settlement (page 2)

Section 700: The listing agreement shows that the seller will pay a commission of 7%. It will not be split with a cooperating brokerage firm. Check to see that the brokerage fee has been calculated correctly.

Section 1100: Sellars will pay a \$20 courier fee, shown on line 1111.

Section 1200: The Sellars have agreed to pay \$10.50 for recording the satisfaction of the existing mortgage, and will pay for the documentary stamp tax on the deed (check the amount).

Section 1300: The Sellars have agreed to pay Fix It All, Inc. \$245 for miscellaneous repairs to the property.

Now go back to page 1.

### Page 1

The contract sales price is \$120,000 (lines 101 and 401).  
Bring forward the total settlement charges to borrower from page 2, line 1400, to line 103.  
Bring forward the total settlement charges to seller from page 2, line 1400, to line 502.  
County taxes are estimated to be \$2,100 annually. The day of closing is charged to the buyer. Please check the proration on lines 107 and 407.  
The Byers gave a \$4,000 earnest money deposit (line 201).  
The new mortgage is for \$108,000 at 7.5% interest (line 202).  
The payoff for the existing first mortgage is \$45,452.65, including interest (line 504).  
When all items are checked, enter subtotals into lines 120, 220, 420, and 520. Carry subtotals from those lines to lines 301, 302, 601, and 602.  
Enter totals on lines 303 and 603.

### **Finishing Up**

If you find any errors on the statement, circle them and replace them with the correct figures. Totals on the statement may need to be changed.

# Sample Settlement Statement (HUD-1)

OMB Approval No. 2502-0265



## 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 checked="" type="checkbox"/> Conv. Ins.		NNELL8LEM	12345678	2345-4321-00
<b>C. Note:</b> 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.					
<b>D. Name &amp; Address of Borrower:</b> KYLE BYERS AND KARI BYERS 1460 LIME DRIVE TALLAHASSEE, FL 32301		<b>E. Name &amp; Address of Seller:</b> JOHN SELLARS AND SUSAN SELLARS 2100 W ST AUGUSTINE ROAD JACKSONVILLE, FL 32217		<b>F. Name &amp; Address of Lender:</b> FIRST SOUTH BANK, A FEDERAL SAVINGS BANK 3020 HARTLEY ROAD, SUITE 1 TALLAHASSEE, FL 32308	
<b>G. Property Location:</b> 1460 LIME DRIVE TALLAHASSEE, FLORIDA 32301 LOT 8, ORANGE PARK SUBDIVISION		<b>H. Settlement Agent:</b> SMITH and JONES, P.A Place of Settlement: 7889 THOMASVILLE RD, TALLAHASSEE, FL		<b>I. Settlement Date:</b> MAY 15, 201_	

J. Summary of Borrower's Transaction		
<b>100. Gross Amount Due from Borrower</b>		
101. Contract sales price		\$120,000.00
102. Personal property		
103. Settlement charges to borrower (line 1400)		\$7,288.76
104.		
105.		
<b>Adjustment for items paid by seller in advance</b>		
106. City/town taxes	to	
107. County taxes	5/1/10 to 12/31/10	\$1,329.04
108. Assessments	to	
109.		
110.		
111.		
112.		
<b>120. Gross Amount Due from Borrower</b>		<b>\$128,642.80</b>
<b>200. Amount Paid by or in Behalf of Borrower</b>		
201. Deposit or earnest money		\$4,000.00
202. Principal amount of new loan(s)		\$108,000.00
203. Existing loan(s) taken subject to		
204.		
205.		
206.		
207.		
208.		
209.		
<b>Adjustments for items unpaid by seller</b>		
210. City/town taxes	to	
211. County taxes	to	
212. Assessments	to	
213.		
214.		
215.		
216.		
217.		
218.		
219.		
<b>220. Total Paid by/for Borrower</b>		<b>\$112,000.00</b>
<b>300. Cash at Settlement from/to Borrower</b>		
301. Gross amount due from borrower (line 120)		\$128,642.80
302. Less amounts paid by/for borrower (line 220)	(	\$112,000.00 )
<b>303. Cash</b>	<input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$16,642.80</b>

K. Summary of Seller's Transaction		
<b>400. Gross Amount Due to Seller</b>		
401. Contract sales price		\$120,000.00
402. Personal property		
403.		
404.		
405.		
<b>Adjustment for items paid by seller in advance</b>		
406. City/town taxes	to	
407. County taxes	5/1/10 to 12/31/10	\$1,329.04
408. Assessments	to	
409.		
410.		
411.		
412.		
<b>420. Gross Amount Due to Seller</b>		<b>\$121,329.04</b>
<b>500. Reductions in Amount Due to seller</b>		
501. Excess deposit (see instructions)		
502. Settlement charges to seller (line 1400)		\$9,315.50
503. Existing loan(s) taken subject to		
504. Payoff of first mortgage loan		\$45,452.65
505. Payoff of second mortgage loan		
506.		
507.		
508.		
509.		
<b>Adjustments for items unpaid by seller</b>		
510. City/town taxes	to	
511. County taxes	to	
512. Assessments	to	
513.		
514.		
515.		
516.		
517.		
518.		
519.		
<b>520. Total Reduction Amount Due Seller</b>		<b>\$54,768.15</b>
<b>600. Cash at Settlement to/from Seller</b>		
601. Gross amount due to seller (line 420)		\$121,329.04
602. Less reductions in amounts due seller (line 520)	(	\$54,768.15 )
<b>603. Cash</b>	<input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	<b>\$66,560.89</b>

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.

## Sample Settlement Statement (HUD-1) (continued)

L. Settlement Charges							
<b>700. Total Real Estate Broker Fees \$120,000 @ 7% = \$8,400.00</b>							
Division of commission (line 700) as follows:							
701. \$ 8,400.00	to BIG BEND REALTY						
702. \$	to						
703. Commission paid at settlement							\$8,400.00
704.							
<b>800. Items Payable in Connection with Loan</b>							
801. Our origination charge 1.000%				\$ 1,200.00	(from GFE #1)		
802. Your credit or charge (points) for the specific interest rate chosen			1.000 %	\$ 1,200.00	(from GFE #2)		
803. Your adjusted origination charges					(from GFE #A)	\$2,400.00	
804. Appraisal fee to TALLAHASSEE APPRAISAL COMPANY (POC) \$300.00 BUYER					(from GFE #3)		
805. Credit report to CREDDCO					(from GFE #3)	\$55.00	
806. Tax service to					(from GFE #3)		
807. Flood certification to					(from GFE #3)		
808. Amortization Schedule Paid to Smith, and Jones, P.A.						\$25.00	
809.							
810.							
811.							
<b>900. Items Required by Lender to be Paid in Advance</b>							
901. Daily interest charges from 5/15/10 to 6/01/10 @ \$ 22.19 /day					(from GFE #10)	\$377.26	
902. Mortgage insurance premium for					months to	(from GFE #3)	
903. Homeowner's insurance for 1 years to STATE FARM					(from GFE #11)	\$840.00	
904.							
<b>1000. Reserves Deposited with Lender</b>							
1001. Initial deposit for your escrow account					(from GFE #9)	\$1,630.00	
1002. Homeowner's insurance 2 months @ \$ 70.00 per month				\$ 140.00			
1003. Mortgage insurance 2 months @ \$ 45.00 per month				\$ 90.00			
1004. Property Taxes 8 months @ \$ 175.00 per month				\$ 1,400.00			
1005.				months @ \$		per month \$	
1006.				months @ \$		per month \$	
1007. Aggregate Adjustment				-\$			
<b>1100. Title Charges</b>							
1101. Title services and lender's title insurance					(from GFE #4)	\$1,070.00	
1102. Settlement or closing fee				\$			
1103. Owner's title insurance					(from GFE #5)		
1104. Lender's title insurance				\$			
1105. Lender's title policy limit \$ 108,000.00							
1106. Owner's title policy limit \$ 120,000.00							
1107. Agent's portion of the total title insurance premium to				\$			
1108. Underwriter's portion of the total title insurance premium to				\$			
1109.							
1110.							
1111. COURIER FEE						\$20.00	\$20.00
<b>1200. Government Recording and Transfer Charges</b>							
1201. Government recording charges					(from GFE #7)	\$52.50	
1202. Deed \$ 10.50 Mortgage \$ 42.00 Release \$ 10.50							\$10.50
1203. Transfer taxes					(from GFE #8)	\$594.00	
1204. City/County tax/stamps Deed \$ 840.00 Mortgage \$ 378.00							\$840.00
1205. State tax/stamps Deed \$ Mortgage \$ 216.00							
1206.							
<b>1300. Additional Settlement Charges</b>							
1301. Required services that you can shop for					(from GFE #6)		
1302. SURVEY TO ALL CORNERS SURVEYOR				\$ 250.00		\$250.00	
1303. PEST INSPECTION (NO REQUIRED FEE PER CONTRACT)				\$			
1304. MISC REPAIRS TO FIX IT ALL, INC.							\$245.00
1305.							
<b>1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)</b>						\$7,288.76	\$9,515.50

**Sample Settlement Statement (HUD-1) (continued)**

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
<b>Charges That Cannot Increase</b>	<b>HUD-1 Line Number</b>		
Our origination charge	# 801	\$1,080.00	\$1,200.00
Your credit or charge (points) for the specific interest rate chosen	# 802	\$1,080.00	\$1,200.00
Your adjusted origination charges	# 803	\$2,160.00	\$2,400.00
Transfer taxes	# 1203	\$594.00	\$594.00

Charges That In Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1
Government recording charges	# 1201	\$52.50	\$52.50
Credit Report Fee	# 805	\$55.00	\$55.00
Amortization Schedule	# 808	\$25.00	\$25.00
Title Insurance	#	\$1,070.00	\$1,070.00
Courier Fee	# 1111	\$20.00	\$20.00
Recording Fee	# 1201	\$52.50	\$52.50
	#		
	#		
	#		
<b>Total</b>			
<b>Increase between GFE and HUD-1 Charges</b>		\$	or %

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001	\$1,630.00	\$1,630.00
Daily interest charges \$ 22.19 /day	# 901	\$665.70	\$377.26
Homeowner's insurance	# 903	\$975.00	\$850.00
Survey Fee	# 1302	\$250.00	\$250.00
	#		
	#		

**Loan Terms**

Your initial loan amount is	\$ 108,000.00
Your loan term is	30 years
Your initial interest rate is	7.5 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 800.15 includes <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % . The first change will be on and can change again every after . Every change date, your interest rate can increase or decrease by % . Over the life of the loan, your interest rate is guaranteed to never be lower than % or higher than % .
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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be on and the monthly amount owed can rise to \$ . The maximum it can ever rise to is \$ .
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 \$ 245.00 that results in a total initial monthly amount owed of \$ 1045.15 . 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"/>

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