



HOMEBUYER'S GUIDE

HOMEBUYER checklist

This checklist is available to help you prepare for your closing in advance, so you can be confident and prepared on your big day. We are available for any questions you have along the way, and want you to feel comfortable with every step of the process.

WHAT DO YOU NEED TO LET YOUR TITLE COMPANY KNOW BEFORE CLOSING?

- Title insurance coverage – Basic or Enhanced?
- Power of Attorney – it is important that all parties be present at the closing. If for any reason all parties required to sign documents are not able to attend closing, let us know as soon as possible. We can arrange for a Power of Attorney to be prepared, or discuss options for a mail-away closing. Any POA used must be approved by us as well as your lender.
- Ownership – how you would like to take title to your property.
- Lender – contact information for your lender.
- Home Warranty – confirm that 1) you are planning to purchase a warranty; 2) which company you have selected to provide your warranty coverage.
- Homeowners Insurance (Hazard Insurance) – provide either the invoice or the paid receipt.
- Survey – confirm that 1) you want a survey; 2) which type of survey you want. Contact your local RGS Title office for further information on the different types of surveys available
- Termite – a copy of the termite or wood destroying insect report.
- Miscellaneous – please contact your RGS Title processor to find out exactly what is needed if there is anything unique to your transaction. For example: if the property is to be held by an LLC or in a Trust, we will need the LLC or Trust documents.

WHAT WILL YOU NEED AT CLOSING?

- A current government issued photo ID (driver's license, passport). Some lenders may require you to provide two forms of identification.
- Arrange to have your closing costs **wired** to us a minimum of 24 hours prior to closing. Wired funds allow prompt recording and disbursement.
- A personal checkbook.

WHAT YOU NEED TO REMEMBER AFTER CLOSING?

- Place your important documents from closing in a safe place.
 - Pay careful attention to:
 - Settlement statement/Closing Disclosure (you will need this again at tax time)
 - Owner's title insurance policy (you will need this in the event you have to file a claim on your title insurance)
 - Deed (this is the document that transfers property ownership)
 - Homeowner's Insurance (Hazard Insurance) – Keep a copy of this readily accessible.
- Complete your change of address with the US Postal Service, DMV, bank accounts, investment accounts, insurance (car, health, life), cell phone, credit card companies, and with your other bills.
- Contact Utilities to transfer your existing utilities to your new home, or establish fresh accounts.
- Keep contact information for us and your agent handy should you have any questions after closing.

BUYING A NEW HOME may be the single most important investment you will make in your lifetime. It is important you make well-informed choices. In order for you to do that effectively, it is critical that you fully understand the process and your options. It will be worth the effort to do the research.

You have already selected a real estate agent and a lender. Most buyers at this point have not even considered the importance of a settlement company. A great deal of what the settlement company does often gets overlooked.

The truth is, if we do not do our job, you do not get the keys to your new home. We are the link between finding a home and owning a home.

Our role in the transaction is to coordinate with all the parties including the seller, buyer, real estate agents, and lender. We are responsible for numerous steps between receiving the ratified contract and closing. One of the most critical responsibilities we have is the process of determining whether title to your property is insurable. Most of our clients do not realize the process and problems that can occur from the time the contract is ratified to the day you sit down to sign the final paperwork.

As settlement/title agent we will obtain a search or abstract of the local title records to determine the "chain of title" and recorded liens, then examine and review the title documents to determine insurability. Potential issues or actual defects in title are identified; unresolved issues are addressed (such as paid but unreleased mortgages, judgments lying against persons with similar names) and potential issues that could arise in future are addressed (e.g. estate/will claims; mechanic's liens). Ultimately a title binder or Commitment to insure is issued, naming the insured and stating the coverage

to be provided, listing any exceptions and the requirements to be met prior to issuing the policy. At the conclusion of the closing, with the requirements met and for your peace of mind, the title policy then can be issued.

TITLE INSURANCE

Unfortunately, no matter how competently the title search is performed and analyzed, there is no guarantee that the title to the property is free and clear from defects. A title insurance company isn't guaranteeing clear title but insures you against loss resulting from covered title defects. In the event that there is a claim against your rights of ownership in the property as insured under your policy, owner's title insurance steps in and protects you. Title insurance protects you from those potential claims against your property rights and your title insurance company will cover the cost and fees associated with defending you against the claim.

To reinforce this idea, here is a comparison: Imagine that in order to get health insurance, you must first go to a doctor for a checkup and receive a clean bill of health. At that appointment, the doctor says that everything appears normal and you are now eligible to purchase an insurance policy. After receiving a clean bill of health you elect to not purchase health insurance thinking, why do I really need it? Just because you are healthy now, doesn't ensure you are going

to stay healthy. Electing to purchase health insurance would cover you should health issues arise later down the road. Purchasing owner's title insurance is similar. Just because a title search was completed does not mean title problems wouldn't potentially arise in the future. Without title insurance, you could be faced with significant legal fees, costs, and even the loss of all, or a portion of your home.

In the event that there is a claim against your rights of ownership in the property, your title insurance company will cover the cost and fees associated with defending you against the claim. Without title insurance, you could be faced with significant legal fees, costs, and even the loss of all, or a portion of your home.

Your lender understands that purchasing real estate never comes without risk. As a condition for obtaining a loan, your lender will require that you purchase a lender's title insurance policy. Unfortunately, this only provides coverage to the lender in the event of a title defect. An owner's title insurance policy can offer you added peace of mind in knowing that the title to your investment is insured for as long as you own the home and after.

IT IS IMPORTANT that you are aware of your protection options and are able to make the best decision for your needs.

TITLE INSURERS OFFER two different types of owner's policies. The one purchased most often by home buyers in the DC metro area is the Enhanced Policy. The second type of owner's coverage is known as the Standard Policy. The Enhanced Policy offers features not available in the Standard Policy, such as protection against post-policy forgery and mechanic's liens and coverage up to 150% of purchased price. An owner who purchases a Standard Policy will only be able to recover the policy

value, which is the original purchase price of the home. We have provided a comparison of Standard and Enhanced owner's coverage policies to show additional features provided by the Enhanced Policy which are not found in the standard policy. Only natural persons (not LLCs or corporations) may purchase enhanced coverage.

To support this idea, here is an example: Typically you are required to maintain a minimal level of auto insurance, called liability insurance.

Liability insurance is for the benefit of other drivers in case you do damage to someone else's car. But what if something happens to your car, like your car is totaled, your car is stolen, or you hit a deer? Auto insurers offer comprehensive coverage to protect you if your car is damaged. Without it, you would be responsible for repairing or replacing your car out of your own pocket. Standard and Enhanced title insurance coverage options are similar. A Standard Policy is enough to protect you should basic issues arise, where an Enhanced Policy offers the highest level of title insurance protection available.

**COMPARISON OF STANDARD & ENHANCED
Owners Coverage Policies**

	STANDARD	ENHANCED
Defective recording of documents	Yes	Yes
Improperly executed documents	Yes	Yes
Third-party claims an interest in the title	Yes	Yes
Pre-policy forgery, fraud or duress	Yes	Yes
Unrecorded restrictive covenants or easements	Yes	Yes
Prior recorded liens not listed in the policy	Yes	Yes
Unmarketability of title	Yes	Yes
Policy benefits anyone who inherits the property from insured	Yes	Yes
Legal right of access distinguished from actual right of access	Yes	Yes

ADDITIONAL COVERAGE Provided by Enhanced Policy	STANDARD	ENHANCED
Insures the trustee of your estate-planning trust	No	Yes
Insures the beneficiaries of your trust upon your death	No	Yes
Automatic increase in coverage up to 150% not based on inflation	No	Yes
Post policy forgery	No	Yes
Post policy encroachment onto insured property	No	Yes
Right to actual vehicular and pedestrian access	No	Yes
Up to \$25,000 coverage for certain losses due to building permit violations*	No	Yes
Up to \$10,000 coverage for certain losses due to existing violation of subdivision law*	No	Yes
Post policy structural damage for third party mineral extraction	No	Yes
Violation of restrictive covenants identified in the policy:		
Resulting in loss from correction or removal	No	Yes
Resulting in loss of title	No	Yes
Resulting in loss of use where single family dwelling is prohibited	No	Yes
Forced removal of existing structures that:		
Encroach onto an easement identified in the policy	No	Yes
Violate a building restriction line identified in the policy	No	Yes
Encroach onto a neighbors land, if boundary wall or fence*	No	Yes
Land cannot be used for a single family dwelling under zoning ordinance	No	Yes

**subject to deductible and maximum coverage. NOTE: Actual coverage will be determined by the policy as written and all policies are subject to certain stipulations and conditions*

YOU ALSO NEED TO CONSIDER how you want to hold title. As a natural person, you can hold title as a sole owner if only one person owns the property or jointly with others. When you hold title jointly, you have several options.

THE FOUR TYPES of ownership are:

SOLE OWNERSHIP

Only one person owns the property.

TENANTS IN COMMON

Two or more persons have a percentage share of ownership in the property. The percentage of ownership need not be equal; each party has a right to sell his interest, and upon the death of any of the owners that owner's interest in the property goes to the deceased's heirs.

JOINT TENANTS

Ownership taken by two or more persons at the same time in equal shares with an undivided right to possession. If one owner dies, his or her interest automatically goes to the remaining owner(s).

TENANTS BY THE ENTIRETY

Owners are a legally married couple holding title to the property together with the right of survivorship. Upon the death of either, the survivor takes sole ownership to the exclusion of the deceased spouse's heirs.

WHEN YOU APPLY for your loan, your lender is required to provide you with a standardized disclosure called a Loan Estimate. The Loan Estimate includes things such as the loan amount, interest rate, estimated monthly payment, loan costs (including title company's charges), as well as recording fees and other charges for services required to close your transaction. Keep in mind this is just an estimate,

and, while the lender is required to disclose these charges and to be accurate within certain tolerances, it may not reflect the total amount of money you need to bring to closing.

WHEN WE RECEIVE your contract from your real estate agent, we do the following:

1. Order title abstract
2. Order a house location survey as requested
3. Review title abstract to determine marketability and insurability
4. Review survey for encroachments or other boundary line issues
5. Work to resolve any known title issues
6. Contact the Seller's lender to obtain the amount needed to pay off the Seller's existing loan(s)
7. Prepare title insurance commitment pursuant to lender requirements
8. Contact your lender to schedule settlement and prepare any required documents
9. Contact the local taxing authority to verify the amount of property taxes and determine proration between Buyer and Seller
10. Contact the Homeowner's Association to verify the amount of homeowner's dues and determine proration between Buyer and Seller

11. Coordinate deed preparation with a local attorney
12. Obtain the lender's loan documents and loan proceeds wire
13. Prepare the Closing Disclosure if applicable, and any other required documents

An attorney or licensed settlement agent will conduct the closing at our office. We will go through the settlement documents as you sign them, explaining the general purpose of each one. Since many of the documents you will be signing at settlement must be notarized, you will need to bring to settlement a current and acceptable form of identification containing your picture. Some lenders may require two forms of identification. Examples of acceptable forms of identification include a valid driver's license, a United States passport or an unexpired foreign passport stamped by the USCIS, or a valid United States military ID.

AT CLOSING, you will be required to provide your cash to close via bank-wired funds. It is required that the lender provide you with a Closing Disclosure at least three business days before you close on your loan. To determine the amount of money you need for closing, please reference the final Closing Disclosure provided to you by your lender.

Aside from an exchange of paperwork and title to real property in the form of a deed, a real estate transaction involves a series of monetary exchanges, not only between the Buyer and Seller, but also with lenders, real estate agents, and state and local governments. The ALTA Settlement Statement and Closing Disclosure are the documents which reduce these monetary exchanges to a written "ledger" format, accounting for all the credits and debits to Buyer and Seller. The ALTA Settlement Statement and

Closing Disclosure itemize all the charges and credits to the Buyer and Seller in a simple, easy to understand format, removing much of the mystery of the financial terms of the real estate transaction.

On the day of settlement, RGS will review with the parties the ALTA Settlement Statement and Closing Disclosure. Both documents detail all of the costs and credits of the transaction. On the following pages we have provided a sample of both of these documents.

HERE ARE THE ITEMS YOU WILL NEED TO LOOK FOR ON THE ALTA SETTLEMENT STATEMENT.

First check that the necessary items or fees appear, and second, that they are accurate.

- General case information accuracy such as names, property address, sales price, etc.
- Tax proration
- Homeowner's association dues
- Credits - Seller, Lender, or Agent
- POCs (costs paid outside of closing)
- Pest inspection
- Survey
- Miscellaneous invoices

WHEN REVIEWING THE CLOSING DISCLOSURE,

you should be looking for all the same items you verified on the ALTA Settlement Statement. In addition, you should also review the Closing Disclosure for accuracy of the following items.

- Interest rate
- Monthly payment
- Escrows
- Rate adjustments if applicable

File No./Escrow No.: Q184229	RGS Title, LLC
Print Date & Time: 10/18/16 9:33 AM	ALTA Universal ID: 1004955
Officer/Escrow Officer:	14501 George Carter Way
Settlement Location: RGS Title, LLC	Chantilly, VA 20151

Property Address:	Fairfax County, VA 123 Owner Street NOVA, VA 20110
Buyer:	Steve Smith 456 Buyer Road NOVA, VA 20110
Seller:	James Thompson 123 Owner Street NOVA, VA 20110
Lender:	LOANS ARE US
Settlement Date:	08/31/2016
Disbursement Date:	08/31/2016
Additional dates per state requirements:	

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Financial		
		Deposit		\$5,000.00
		Loan Amount		\$300,000.00
	\$400,000.00	Sale Price of Property	\$400,000.00	
		Prorations/Adjustments		
	\$33.70	Association Dues from 08/31/2016 to 09/30/2016	\$33.70	
\$300.00		County Property Taxes from 07/01/2016 to 08/31/2016		\$300.00
\$2,000.00		Seller Credit		\$2,000.00
		Loan Charges to LOANS ARE US		
		0.25% of Loan Amount (Points)	\$750.00	
		Appraisal	\$450.00	
		Flood Cert Fee	\$7.00	
		Prepaid Interest (\$75.00 per day from 08/31/2016 to 09/01/2016)	\$75.00	
		Processing	\$995.00	
		Tax Service Fee	\$70.00	
		Impounds		
		Aggregate Adjustment	-\$150.00	
		Homeowner's Insurance \$50.00 per month for 3 mo.	\$150.00	

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize RGS Title, LLC to cause the funds to be disbursed in accordance with this statement.

Steve Smith

Date

James Thompson

Date

Escrow Officer

Date

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	8/29/2016	Borrower	Steve Smith	Loan Term	30 Years
Closing Date	8/31/2016		456 Buyer Road	Purpose	Purchase
Disbursement Date	8/31/2016		NOVA, VA 20110	Product	Fixed Rate
Settlement Agent	RGS Title, LLC	Seller	James Thompson	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	Q184229		123 Owner Street		<input type="checkbox"/> VA <input type="checkbox"/> _____
Property	123 Owner Street	Lender	NOVA, VA 20110	Loan ID #	123456789
	NOVA, VA 20110		LOANS ARE US	MIC #	
Sale Price	\$400,000.00				

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$300,000	NO
Interest Rate	4.5%	NO
Monthly Principal & Interest <i>See Projected payments below for your Estimated Total Monthly Payment</i>	\$2,000.00	NO
	Does the loan have these features?	
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments			
Payment Calculation	Years 1 - 30		Years -
Principal & Interest		\$2,000.00	_____
Mortgage Insurance	+		+
Estimated Escrow <i>Amount can increase over time</i>	+	\$200.00	+
Estimated Total Monthly Payment		\$2,200.00	
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$300.00 monthly	This estimate includes	In escrow?
		<input checked="" type="checkbox"/> Property Taxes	YES
		<input checked="" type="checkbox"/> Homeowner's Insurance	YES
		<input checked="" type="checkbox"/> Other: Homeowner Assoc Dues	NO
		<i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	

Costs at Closing	
Closing Costs	\$10,000.33 Includes \$4,462.00 in Loan Costs + \$5,538.33 in Other Costs - \$0.00 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$102,734.03 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by
	At Closing	Before Closing	At Closing	Before Closing	Others
A. Origination Charges	\$1,745.00				
01 0.25% of Loan Amount (Points) to LOANS ARE US	\$750.00				
02 Processing to LOANS ARE US	\$995.00				
B. Services Borrower Did Not Shop For	\$1,522.00				
01 Appraisal to	\$450.00				
02 Document Preparation to Shreves,Schudel, Saunders, Jackson, & Parello, PLLC					
03 Flood Cert Fee to	\$7.00				
04 Insured Closing Letter to First American Title Insurance Company	\$20.00				
05 Release Tracking to reQuire, LLC					
06 Tax Service Fee to LOANS ARE US	\$70.00				
07 Title - Title/Escrow Services & Doc Prep to RGS Title, LLC	\$975.00				
C. Services Borrower Did Shop For	\$1,195.00				
01 Pest Inspection to	\$35.00				
02 Survey Fee to Surveys 4 U	\$300.00				
03 Title - Lender's Title Insurance to RGS Title, LLC	\$860.00				
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,462.00				
Loan Costs Subtotals (A + B + C)	\$4,462.00				
Other Costs	\$2,432.33				
E. Taxes and Other Government Fees	\$2,432.33				
01 Recording Fees Deed: \$43.00 Mortgage: \$56.00 to Clerk of the Court	\$99.00				
02 Transfer Tax to Clerk of the Court	\$2,333.33				
03 Congestion Relief Fee to Clerk of the Court					
04 Grantor's Tax to Clerk of the Court					
F. Prepays	\$935.00				
01 Homeowner's Insurance Premium (12 mo.) to	\$860.00				
02 Mortgage Insurance Premium (mo.) to					
03 Prepaid Interest (\$75 per day from 08/31/2016 to 09/01/2016) to LOANS ARE US	\$75.00				
04 Property Taxes (mo.) to					
G. Initial Escrow Payment at Closing to LOANS ARE US	\$600.00				
01 Homeowner's Insurance \$50.00 per month for 3 mo.	\$150.00				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$150.00 per month for 4 mo.	\$600.00				
04 Assessment Taxes per month for mo.					
05 City Property Taxes per month for mo.					
06 County Property Taxes per month for mo.					
07 Other Taxes per month for mo.					
08 Other Taxes per month for mo.					
09 School Property Taxes per month for mo.					
10 Aggregate Adjustment	-\$150.00				
H. Other	\$1,571.00				
01 Flat Commission to Long & Foster Real Estate, Inc.	\$345.00				
02 HOA 4th Quarter to	\$100.00				
03 HOA Processing Fee to					
04 Real Estate Commission - Listing to Real Estate Agent					
05 Real Estate Commission - Selling to Real Estate Agent					
06 Title - Owner's Title Insurance (optional) to RGS Title, LLC	\$1,126.00				
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,538.33				
Other Costs Subtotals (E + F + G + H)	\$5,538.33				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$10,000.33				
Closing Costs Subtotals (D + I)	\$10,000.33				
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$12,132.00	\$10,000.33	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$400.00	\$0.00	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0.00	\$0.00	NO
Down Payment/Funds from Borrower	\$100,000.00	\$100,000.00	NO
Deposit	-\$5,000.00	-\$5,000.00	NO
Funds for Borrower	\$0.00	\$0.00	NO
Seller Credits	-\$2,000.00	-\$2,000.00	NO
Adjustments and Other Credits	\$0.00	-\$266.30	YES • See details in Sections K and L
Cash to Close	\$105,532.00	\$102,734.03	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION				SELLER'S TRANSACTION			
K. Due from Borrower at Closing				M. Due to Seller at Closing			
01	Sale Price of Property		\$410,034.03	01	Sale Price of Property		
02	Sale Price of Any Personal Property Included in Sale		\$400,000.00	02	Sale Price of Any Personal Property Included in Sale		
03	Closing Costs Paid at Closing (J)		\$10,000.33	03			
04				04			
Adjustments				Adjustments for Items Paid by Seller in Advance			
05				05	Assessment Taxes		
06				06	City Property Taxes		
07				07	County Property Taxes		
Adjustments for Items Paid by Seller in Advance				08	Other Taxes		
08	Assessment Taxes			09	Association Dues	8/31/2016 to 9/30/2016	\$33.70
09	City Property Taxes			10	School Property Taxes		
10	County Property Taxes			11			
11	Other Taxes			12			
12	Association Dues	8/31/2016 to 9/30/2016	\$33.70	13	Assessment Taxes		
13	School Property Taxes			14	City Property Taxes		
14				15	County Property Taxes		
15				16	Other Taxes		
L. Paid Already by or on Behalf of Borrower at Closing				N. Due from Seller at Closing			
01	Deposit		\$5,000.00	01	Excess Deposit		
02	Loan Amount		\$300,000	02	Closing Costs Paid at Closing (J)		
03	Existing Loan(s) Assumed or Taken Subject to			03	Existing Loan(s) Assumed or Taken Subject to		
04	Seller Credit		\$2,000.00	04	Payoff of first mortgage loan		
05				05	Payoff of second mortgage loan		
Other Credits				06	Seller Credit		
06				07			
07				08			
Adjustments				09			
08				10			
09				11			
10				12			
11				13			
Adjustments for Items Unpaid by Seller				Adjustments for Items Unpaid by Seller			
12	Assessment Taxes			14	Assessment Taxes		
13	City Property Taxes			15	City Property Taxes		
14	County Property Taxes	7/1/2016 to 8/31/2016	\$300.00	16	County Property Taxes	7/1/2016 to 8/31/2016	
15	Other Taxes			17	Other Taxes		
16	Association Dues			18	Association Dues		
17	School Property Taxes			19	School Property Taxes		
CALCULATION				CALCULATION			
Total Due from Borrower at Closing (K)			\$410,034.03	Total Due to Seller at Closing (M)			
Total Paid Already by or on Behalf of Borrower at Closing (L)			-\$307,300.00	Total Due from Seller at Closing (N)			
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower			\$102,734.03	Cash <input type="checkbox"/> From <input type="checkbox"/> To Seller			

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than days late, your lender will charge a late fee of .

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
123 Owner Street
NOVA, VA 20110

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- will have an escrow account (also called an “impound” or “trust” account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,400.00	Estimated total amount over year 1 for your escrowed property costs:
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs:
You may have other property costs.		
Initial Escrow Payment	\$600.00	
Monthly Escrow Payment	\$200.00	

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner’s insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled	
Finance Charge. The dollar amount the loan will cost you.	
Amount Financed. The loan amount available after paying your upfront finance charge.	\$300,000
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	0%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	0%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisal

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

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

Refinance

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

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Real Estate Broker(B)	Real Estate Broker(S)
Name	Prosperity Home Mortgage	Long & Foster Real Estate, Inc.	Long & Foster Real Estate, Inc.
Address	20 Chevy Chase Circle, NW Washington, DC 20015	9408 Grant Ave, Suite 205 Manassas, VA 20110	9408 Grant Ave, Suite 205 Manassas, VA 20110
NMLSID			
VA License ID		VA0225183353	VA0225183353
Contact			
Contact NMLS ID			
Contact VA License ID			
Email			
Phone			

Confirm Receipt

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

Steve Smith

Date

Date

Closing Disclosure

Closing Information

Date Issued 8/29/2016
Closing Date 8/31/2016
Disbursement Date 8/31/2016
Settlement Agent RGS Title, LLC
File # Q184229
Property 123 Owner Street
 NOVA, VA 20110
Sale Price \$400,000.00

Transaction Information

Borrower Steve Smith
 456 Buyer Road
 NOVA, VA 20110
Seller James Thompson
 123 Owner Street
 NOVA, VA 20110

Summaries of Transactions

SELLER'S TRANSACTION

Due to Seller at Closing	\$400,033.70
01 Sale Price of Property	\$400,000.00
02 Sale Price of Any Personal Property Included in Sale	
03	
04	
05	
06	
07	
08	
Adjustments for Items Paid by Seller in Advance	
09 Assessment Taxes	
10 City Property Taxes	
11 County Property Taxes	
12 Other Taxes	
13 Association Dues 8/31/2016 to 9/30/2016	\$33.70
14 School Property Taxes	
15	
16	
Due from Seller at Closing	\$352,293.66
01 Excess Deposit	
02 Closing Costs Paid at Closing (I)	\$26,339.66
03 Existing Loan(s) Assumed or Taken Subject to	
04 Payoff of first mortgage loan	\$323,654.00
05 Payoff of second mortgage loan	
06 Seller Credit	\$2,000.00
07	
08	
09	
10	
11	
12	
13	
Adjustments for Items Unpaid by Seller	
14 Assessment Taxes	
15 City Property Taxes	
16 County Property Taxes 7/1/2016 to 8/31/2016	\$300.00
17 Other Taxes	
18 Association Dues	
19 School Property Taxes	
CALCULATION	
Total Due to Seller at Closing	\$400,033.70
Total Due from Seller at Closing	-\$352,293.66
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$47,740.04

Contact Information

REAL ESTATE BROKER (B)

Name	Long & Foster Real Estate, Inc.
Address	9408 Grant Ave, Suite 205 Manassas, VA 20110
VA License ID	VA0225183353
Contact	
Contact VA License ID	
Email	
Phone	

REAL ESTATE BROKER (S)

Name	Long & Foster Real Estate, Inc.
Address	9408 Grant Ave, Suite 205 Manassas, VA 20110
VA License ID	VA0225183353
Contact	
Contact VA License ID	
Email	
Phone	

SETTLEMENT AGENT

Name	
Address	
VA License ID	
Contact	
Contact VA License ID	
Email	
Phone	



Questions? If you have questions about the loan terms or costs on this form, use the contact information above. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Closing Cost Details

Loan Costs	Seller-Paid	
	At Closing	Before Closing
A. Origination Charges		
01 0.25% of Loan Amount (Points)	to LOANS ARE US	
02 Processing	to LOANS ARE US	
B. Services Borrower Did Not Shop For		\$940.00
01 Appraisal	to	
02 Document Preparation	to Shreves,Schudel, Saunders, Jackson, & Parello, PLLC	\$195.00
03 Flood Cert Fee	to	
04 Insured Closing Letter	to First American Title Insurance Company	
05 Release Tracking	to reQUIRE, LLC	\$45.00
06 Tax Service Fee	to LOANS ARE US	
07 Title - Title/Escrow Services & Doc Prep	to RGS Title, LLC	\$700.00
C. Services Borrower Did Shop For		
01 Pest Inspection	to	
02 Survey Fee	to Surveys 4 U	
03 Title - Lender's Title Insurance	to RGS Title, LLC	
Other Costs		
E. Taxes and Other Government Fees		\$1,000.00
01 Recording Fees	Deed: \$43.00 Mortgage: \$56.00	
02 Transfer Tax	to Clerk of the Court	
03 Congestion Relief Fee	to Clerk of the Court	\$600.00
04 Grantor's Tax	to Clerk of the Court	\$400.00
F. Prepays		
01 Homeowner's Insurance Premium (12 mo.)	to	
02 Mortgage Insurance Premium (mo.)	to	
03 Prepaid Interest (\$75 per day from 08/31/2016 to 09/01/2016)	to LOANS ARE US	
04 Property Taxes (mo.)	to	
G. Initial Escrow Payment at Closing to LOANS ARE US		
01 Homeowner's Insurance	\$50.00 per month for 3 mo.	
02 Mortgage Insurance	per month for mo.	
03 Property Taxes	\$150.00 per month for 4 mo.	
04 Assessment Taxes	per month for mo.	
05 City Property Taxes	per month for mo.	
06 County Property Taxes	per month for mo.	
07 Other Taxes	per month for mo.	
08 Other Taxes	per month for mo.	
09 School Property Taxes	per month for mo.	
10 Aggregate Adjustment		
H. Other		\$24,399.66
01 Flat Commission	to Long & Foster Real Estate, Inc.	\$345.00
02 HOA 4th Quarter	to	
03 HOA Processing Fee	to	\$54.66
04 Real Estate Commission - Listing	to Real Estate Agent	\$12,000.00
05 Real Estate Commission - Selling	to Real Estate Agent	\$12,000.00
06 Title - Owner's Title Insurance (optional)	to RGS Title, LLC	
J. TOTAL CLOSING COSTS		\$26,339.66

TWO THINGS TO CONSIDER:

FIRST, the Closing Disclosure you received prior to settlement may be different from the one you receive at closing. Remember this when you go to wire your closing funds. It is a good idea that you have a conversation with your Lender and RGS Title office prior to initiating your wire.

SECOND, the Closing Disclosure will not include the Seller's side of the transaction. This means that you will not see the Seller costs, which appear on the ALTA Settlement Statement, on your Closing Disclosure.

WHAT HAPPENS AFTER CLOSING?

In order to complete the process of settlement, after receiving all necessary funds and documents, we do the following, as required:

- record the deed, deed of trust or assumption documents in the land records at the county courthouse
- audit the disbursement sheet
- disburse all funds as shown on the Settlement Statement/Closing Disclosure
- issue the title insurance policy
- send the lender the packet of all signed documents
- pay off the Seller's mortgage(s), if any, and obtain and record a release of the Seller's deeds of trust
- hold any funds required to be escrowed at closing and disburse as agreed

LASTLY, we welcome your questions. Not only are we happy to answer questions regarding our fees, or the services we perform, but we can also help you understand or solve most of the problems which can occur during the home buying process.

When choosing a settlement company, don't just compare prices—compare services. Most title companies will offer a basic range of services. These “basics” include preparation and recordation of the closing documents and disbursement of funds. Title companies who only offer these basic services may or may not be cheaper, but you need to ask yourself whether your best interest will be served by cutting corners. So ask questions: Will the title company work with your lender to avoid scheduling problems, to make sure all title and survey requirements are met, and to resolve any unexpected loan charges at settlement? Will the title company work with your real estate agent to ensure compliance with the sales contract and to alert them to any potential title or survey problems? Will the title company work with you to answer questions you have about the closing documents or the settlement process and provide you with your final settlement charges as soon as possible before settlement? How experienced is the company? Will they be available in the future long after your settlement has taken place? Finally, ask if the title company has experienced and licensed professionals available to you and your real estate agent to help avoid or resolve the potential problems which can occur during the home buying process?

Our licensed title professionals and attorneys who conduct settlements are employed by us only after thorough screening and vetting.

They have extensive experience in real estate transactions and have dealt with the issues that arise in the home buying process. We draw on the experience of our professional staff to make sure we offer you the services you need to ensure a smooth and efficient settlement.

IN EACH AND EVERY ASPECT of the closing process, we are committed to excellent service. We believe that is essential for an investment as important as your new home.

GLOSSARY

ADJUSTABLE RATE MORTGAGE (ARM): interest rates on this type of mortgage are periodically adjusted up or down, depending on a specified financial index.

AIR: Adjustable interest rate.

AGENT: acts on behalf of another, representing that person's interests and serving as intermediary.

AMORTIZATION: a method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of principal to interest changes over time. In the early part of the loan, principal repayment is very small and interest repayment very high; at the end of the loan, that relationship is reversed.

ANNUAL PERCENTAGE RATE (APR): the actual finance charge for a loan, including points and loan fees in addition to the stated interest rate.

AP: Adjustable Payment

APPLICATION: the submission of a consumer's financial information for the purposes of obtaining an extension of credit, and consists of the submission of the consumer's name, income, social security number, property address, estimate of the value of the property, mortgage loan amount sought.

APPRAISAL: an expert judgment of the value or worth of a property.

APPRAISER: works on behalf of a lender and provides a market analysis of the property.

ARM: see "Adjustable Rate Mortgage"

ASSESSED VALUE: value placed on property by a municipality for purposes of levying taxes which may differ widely from appraised or market value.

ASSIGNMENT OF FUNDS: a direction to a third party to transfer funds from the sale or mortgage of one property directly to the Settlement Agent for the specified contract property.

ASSUMPTION OF MORTGAGE: Buyer assumes liability for an existing mortgage note held by the Seller. This is subject to approval by the lender, who must be willing to approve the Buyer and release the Seller.

BALLOON PAYMENT: a large principal payment due all at once at the end of some loan terms.

BROKER: a real estate professional that has a higher level of training than an agent. Generally, this is one who is the legal representative or proprietor of the office.

BUSINESS DAY: defined differently for the Long Estimate (LE) vs. Closing Disclosure (CD). For the Loan Estimate, a business day is a day on which the creditor's offices are open to the public for carrying out substantially all of its business functions. For the Closing Disclosure, a business day refers to all calendar days except Sundays and federal holidays specified in 5 U.S.C. 6103(a) such as New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day.

BUYER'S AGENT (OR SELLING AGENT): works with the buyer to locate a suitable property and negotiate a successful home purchase.

CAP: limit on how much the interest rate can change in an ARM.

CFPB: Consumer Financial Protection Bureau, and entity created by the Dodd-Frank Act.

CLOSING: see "Settlement."

CLOSING DISCLOSURE (CD): CFPB mandated form replacing the HUD-1 and TIL (Truth in Lending) on impacted transactions designed to provide helpful disclosures to consumers in understanding all the costs of the transaction. This form is given to the buyer (consumer) three business days before closing.

COMMISSION: fee (usually a percentage of total transaction) paid to an agent or broker for services performed.

CONDOMINIUM (CONDO): type of real estate ownership where the owner has title to a specific unit and shared interest in common areas.

CONSUMMATION: when the consumer becomes contractually obligated to the creditor on the loan.

CONSUMER: Borrower/Buyer

CONTINGENCY: a condition in a contract that must be met for the contract to be binding.

CONTRACT: binding legal agreement between two or more

parties that delineates the conditions for the exchange of value (for example: money exchanged for title to property).

CONVERSION CLAUSE: a provision that allows converting an ARM to a fixed-rate loan after a specified interval.

DEED: legal document that formally conveys ownership of property from Seller to Buyer.

DOWN PAYMENT: percentage of the purchase price which the Buyer must pay in cash and may not borrow from the lender.

EARNEST MONEY: a large deposit paid when the sales contract is signed before the closing.

EQUITY: the value of the property actually owned free and clear by the homeowner: purchase price plus appreciation plus improvements, less mortgages and liens.

ESCROW: a fund or account held by a third-party custodian until conditions of a contract are met.

FANNIE MAE: see Federal National Mortgage Association.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FREDDIE MAC)/FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, CALLED "FANNIE MAE"): privately owned corporations created by Congress that buy mortgage notes from local lenders and are responsible for the guidelines a majority of lenders use to qualify borrowers.

FINANCE CHARGE: the total cost, including all fees, points and interest payments a borrower pays to obtain credit.

FIXED RATE MORTGAGE: interest rates on this type of mortgage remain the same over the life of the loan term. Compare to "Adjustable Rate Mortgage."

FIXTURE: a recognizable entity (such as a toilet bowl, kitchen cabinet, or light unit) that is permanently attached to property and belongs to the property when it is sold.

GFE: Good Faith Estimate provided by the lender on a federally mandated form to disclose to borrower the estimated charges for closing.

HAZARD INSURANCE: compensates for property damage from specified hazards such as fire and wind. More complete coverage is given by all-risk homeowner's insurance.

HOME INSPECTOR: provides an objective and independent comprehensive written report on a home's condition, major systems and components.

HOME INSPECTION REPORT: prepared by a qualified Home inspector to evaluate a property's structure and mechanical systems.

HUD-1: a precise breakdown of closing costs for both Sellers and Buyers (also known as HUD 1 Settlement Statement) required by RESPA until October 3, 2015, then only in the following transactions – HELOCs, reverse mortgages, mobile, homes, co-ops, consumer-purpose loan secured by commercial real estate.

IMPOUNDS: another term sometimes used for "Escrows" collected and held by a lender to pay taxes and insurance on the mortgaged property.

INTEREST: the cost of borrowing money, usually expressed as a percentage over time.

LIEN: a security claim on property until a debt is satisfied.

LISTING AGENT: through a broker forms a legal relationship with the homeowner to sell the property.

LISTING CONTRACT: agreement whereby an owner engages a real estate broker for a specified period to sell property, for which sale the agent and broker receives a commission.

LOAN ESTIMATE (LE): form replacing the GFE and early TIL designed to provide disclosures that will help consumers understanding the key features, costs, and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the consumer three business days after Application.

LOAN OFFICER/MORTGAGE CONSULTANT: Representative of a bank or other financial institution, who helps customers identify their borrowing options and helps them understand and secure the terms of their loan.

MARKET VALUE: the price that is established by present economic conditions, locations, and general trends.

MORTGAGE: security claim by a lender against property until the debt is paid.

METROPOLITAN REGIONAL INFORMATION SYSTEM (MRIS): a system that provides to its members detailed information about properties for sale.

NEGATIVE AMORTIZATION: a method of calculating fixed monthly payments in combination with a variable interest rate. When monthly payments are not enough to cover interest costs, unpaid interest is added to the principal balance.

ORIGINATION FEE: application fee(s) for processing a proposed mortgage loan.

PITI: principal, interest, taxes, and insurance forming the basis for monthly mortgage payments.

POINT: one percent of the loan principal. It's charged in addition to interest and fees.

PREPAYMENT PENALTY: a fee paid by a borrower who pays off the loan before it is due.

PREQUALIFICATION: informal estimate of how much financing a potential borrower might expect to obtain, done before paying substantial loan application fees.

PRINCIPAL: one of the parties to a contract; or the amount of money borrowed, for which interest is charged.

PRORATE: divide or assess proportionately.

REALTOR®: a licensed real estate agent and member of the National Association of Realtors®. They also belong to state and local Association of REALTORS.

REAL ESTATE AGENT: individual licensed by the state to represent parties in the transfer of property. Every Realtor is a real estate agent, but not every real estate agent has the professional designation of a realtor.

RESPA: Real Estate Settlement Procedures Act.

SETTLEMENT: all financial transactions required to complete contract performance/obligations.

SURVEY: a house location survey (also known as a physical improvement survey), which is the type of survey generally required by lenders and title insurance underwriters. If a purchaser plans on making improvements to the property, or wants to be able to see the property line on location, a boundary survey (also known as a staked survey) can be ordered. The cost of a boundary survey usually runs twice the cost or more of a location survey.

TIP: Total Interest Percentage: total amount of interest paid over the life of the loan, expressed as a percentage of amount borrowed.

TITLE: legal ownership and right to use and possession of a specific property.

TITLE INSURANCE: protects insured against covered loss resulting from defects in the title.

TITLE SEARCH: detailed examination of the recorded document history of a property to determine condition of title and any encumbrances.

UNRELEASED TRUST: a mortgage or lien recorded in the Court records that appears to be outstanding because no Certificate of Satisfaction/Deed of Release has been recorded.

VARIANCE: (also known as tolerance) the change between a good faith charge provided on the LE and the actual charge on the CD.



The forgoing is for general information purposes only, is not intended as legal advice and should not be relied upon as such. For specific advice, you must consult with an attorney or other professional pertaining to any specific circumstances.

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