

Even if you make payments on time, can your loan balance rise?	Check no or yes, as applicable. If you check yes, you must indicate the maximum amount it may raise to
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	Check no or yes, as applicable. If you check yes, you must indicate when the first increase may occur, what the first increase would change the monthly amount owed to, and the maximum the monthly payment could rise to
Does your loan have a prepayment penalty?	Check no or yes, as applicable. If you check yes, you must indicate the dollar amount of the maximum penalty
Does your loan have a balloon payment?	Check no or yes, as applicable. If you check yes, you must indicate the dollar amount of the balloon payment and the number of years in which it will be due

Escrow account information:

Indicate the amount of the monthly principal, interest and mortgage insurance (if applicable) payment. Check “no” if there is not an escrow account. Check “yes” if the loan will have an escrow account.

Summary of your settlement charges:

Block A – include all Origination Charges from Block A of Page 2 of the GFE.
 Block B – include all Other Settlement Service charges from Block B of Page 2 of the GFE.
 Blocks A+B – This is a total of Blocks A and B and should equal the same amount as the total on Page 2 of the GFE.

GFE PAGE TWO:

Your adjusted Origination Charges

1. Our origination charge

This block should include charges that all loan originators involved in the transaction will receive (including mortgage broker fees, if applicable), including any yield spread premium (YSP) paid to a mortgage broker. This must include all fees associated with getting the loan (i.e. application, processing, underwriting, administration, document prep (for the lender), wire (for the lender), mortgage broker fee, loan handling, and other miscellaneous fees).

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

Check only one of the three boxes, provide the interest rate chosen in the appropriate box and insert the dollar amount (or zero if none) in the box to the right. The box you check will depend on the type of transaction you have.

(With a yield spread premium) – Choose the second box and include the amount of the yield spread premium as a credit to the borrower (which will offset the charge included in the “our origination charge” box, creating a zero charge/credit to the borrower).

(With discount points being charged) – Include the amount of any discount points being charged as a result of the interest rate requested.

There may **NEVER** be a yield spread premium paid to the mortgage broker and discount points charged to the borrower at the same time.

- A. Your adjusted Origination Charges – this is the total amount of items 1 and 2. This amount is carried over to Page 1, Box A of the Good Faith Estimate.

Your Charges for All Other Settlement Services

3. Required services that we select

In this section, include third party settlement services that are required and that we, the lender, select. This would include (but not limited to):

Credit report fee
Appraisal fee
442 inspection fee
Flood cert fee
Tax service fee
VA funding fee
Upfront Mortgage Insurance Premium

4. Title services and lender's title insurance

Include all borrower title and escrow/settlement fees, regardless of who selects them or pays for them. This would include (but is not limited to):

Lender's title policy, including endorsements
Survey fee (if required by title company)
Settlement fee
Notary fee
Wire fee (for settlement agent)
Doc prep fee (for settlement agent)
Email fee
Courier fee
Payoff fee
Reconveyance fee

5. Owner's title insurance

For purchase transactions, enter the charge for the owner's title policy, including endorsements, regardless of who selects or pays for them. This fee **MUST** be included even if the seller is paying for it.

6. Required services that you can shop for

Include third party settlement services that the borrower is allowed to shop for, not including title/settlement services which are listed in Item No. 4. These fees may include items such as:

Pest inspection fee
Home inspection fee
Surveys (not required by the title company)

7. Government recording charges

This section should include state and local fees for recording the loan and title documents (i.e. deed of trust, warranty deed, power of attorney, quit claim deed, etc.).

8. Transfer taxes

Include state and local fees on mortgage and home sales that are likely to be charged at closing based on the proposed loan amount or sale price. Contact your title company or settlement agent if you are unsure if a transfer tax is charged.

9. Initial deposit for your escrow account

Include the estimated amount the borrower will be required to place into a reserve account at closing for recurring charges such as property taxes, hazard insurance, flood insurance, mortgage insurance, or other periodic charges. Do not include tax pro-rations between buyer and seller in this amount – this will only be reflected on the HUD-1.

10. Daily interest charges

Enter the per diem based on the interest rate listed on Page 1, the number of days of interest being charged, and the estimated date of closing.

11. Homeowner's insurance

Enter the estimated annual amount of the hazard insurance policy and flood insurance policy (if applicable).

B. Your Charges for All Other Settlement Services

This is the total of all fees entered in Boxes 3, 4, 5, 6, 7, 8, 9, 10 and 11. This figure should be carried over to Box B on Page 1 of the Good Faith Estimate.

A + B Total Estimated Settlement Charges

This is the total of Boxes A and B. This figure should be carried over to A + B on Page 1 of the Good Faith Estimate.

GFE PAGE THREE:

Using the tradeoff table

The first column (The loan in this GFE) must be completed by the loan originator. It is optional to complete the two additional columns. If you choose to complete them, they must be completed based on the same loan amount and fees, except the interest rate and discount points. The interest rate and corresponding charges must be taken off the same rate sheet used to prepare the GFE.

Using the shopping chart

The loan officer should complete the first column. The other columns are for the borrower to complete, comparing different lender's GFEs.

Things to keep in mind:

- Do not provide a GFE to the borrower unless you have the six items required.
 - ✓ Borrower(s) Name
 - ✓ Property Address
 - ✓ Loan Amount
 - ✓ Borrower(s) Income
 - ✓ Estimated Property Value
 - ✓ Social Security Number for Borrower(s)
- Changed circumstances must be fully documented and all documentation must be retained in the loan file.
- The GFE is binding if the borrower provides a fully executed notice of **Intent to Proceed** within 10 business days of the GFE being issued. Once you have received a fully executed **Intent to Proceed** document, you CANNOT change any fees unless there is a "changed" circumstance. A fully executed **Intent to Proceed** document is required before you can collect an appraisal deposit from the borrower and before we can order an appraisal.
- You will need to touch base with your title and settlement companies to ensure the fees provided on the GFE are accurate.