

LCHA Housing Counseling Presents

The Closing Documents De-Mystified



Liz Werning

Dir Housing Counseling Programs

LCHA

22843 N Lakewood Lane
Lake Zurich, IL 60047
847-223-1170 x 2404

housingcounselor@lakecountyha.org

Housing Counseling

- Financial Literacy
- Budgeting / Banking
- Rental Counseling
- Affordable Housing
- Pre-Purchase
- Fair Housing
- Eviction Prevention
- Credit
- Post Purchase
- Foreclosure Prevention

All Services Provided in Workshops and 1-on-1 Counseling
LCHA is HUD-Approved Housing Counseling Agency # 80113





Today's Workshop

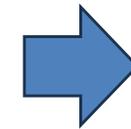
Before Closing

- Loan Estimate
- Closing Disclosure
- Property Taxes



On Closing Day

- Promissory Note
- The Mortgage
- Initial Escrow Disclosure
- Deed



Q&A



Participants are Muted - Please Turn Your Cameras Off



Before Closing Day



Before Closing Day

	Loan Info	Loan Details	Rate Lock	Interest Rate	Monthly Payment	Property Taxes & Insurance	Closing Costs	Cash to Close	Loan Comps	Other Considerations
Loan Estimate	YES	YES	YES	estimated	estimated	estimated	estimated	estimated	YES	YES
Closing Disclosure	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Property Taxes	NO	NO	NO	NO	NO	TAXES & EXEMPTIONS	NO	NO	NO	NO

Property Taxes: <https://tax.lakecountyiil.gov/forms/htmlframe.aspx?mode=content/home.htm>

Closing Disclosure: <https://www.consumerfinance.gov/owning-a-home/closing-disclosure/>

Loan Estimate: <https://www.consumerfinance.gov/owning-a-home/loan-estimate/>



The Loan Estimate

FIGUS BANK

4321 Random Boulevard • Somers, CT 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 2/15/2013
 APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
 PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
 SALE PRICE \$180,000

LOAN TERM 30 years
 PURPOSE Purchase
 PRODUCT Fixed Rate
 LOAN TYPE Conventional FHA VA
 LOAN ID # 123456789
 RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/14/2013 at 5:00 p.m. EDT

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments	Can this amount increase after closing?	
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase overtime</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	In escrow? YES YES
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Costs at Closing	Can this amount increase after closing?	
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.
 LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

Closing Cost Details

Loan Costs	Other Costs
A. Origination Charges \$1,802	E. Taxes and Other Government Fees \$85
25 % of Loan Amount (Points) \$405	Recording Fees and Other Taxes \$85
Application Fee \$300	Transfer Taxes
Underwriting Fee \$1,097	F. Prepaids \$867
	Homeowner's Insurance Premium (6 months) \$605
	Mortgage Insurance Premium (months) \$262
	Prepaid Interest: (\$17.44 per day for 15 days @ 3.875%) \$262
	Property Taxes (months)
B. Services You Cannot Shop For \$672	G. Initial Escrow Payment at Closing \$413
Appraisal Fee \$405	Homeowner's Insurance \$100.83 per month for 2 mo. \$202
Credit Report Fee \$30	Mortgage Insurance per month for mo.
Flood Determination Fee \$20	Property Taxes \$105.30 per month for 2 mo. \$211
Flood Monitoring Fee \$32	
Tax Monitoring Fee \$75	H. Other \$1,017
Tax Status Research Fee \$110	Title – Owner's Title Policy (optional) \$1,017
C. Services You Can Shop For \$3,198	I. TOTAL OTHER COSTS (E + F + G + H) \$2,382
Pest Inspection Fee \$135	J. TOTAL CLOSING COSTS \$8,054
Survey Fee \$65	D + I \$8,054
Title – Insurance Binder \$700	Lender Credits
Title – Lender's Title Policy \$535	
Title – Settlement Agent Fee \$502	Calculating Cash to Close
Title – Title Search \$1,261	Total Closing Costs (J) \$8,054
	Closing Costs Financed (Paid from your Loan Amount) \$0
	Down Payment/Funds from Borrower \$18,000
	Deposit – \$10,000
	Funds for Borrower \$0
	Seller Credits \$0
	Adjustments and Other Credits \$0
D. TOTAL LOAN COSTS (A + B + C) \$5,672	Estimated Cash to Close \$16,054

LOAN ESTIMATE PAGE 2 OF 3 • LOAN ID # 123456789

Additional Information About This Loan

LENDER	Ficus Bank	MORTGAGE BROKER
NMLS/_ LICENSE ID	Joe Smith	NMLS/_ LICENSE ID
LOAN OFFICER	Joe Smith	LOAN OFFICER
NMLS/_ LICENSE ID	12345	NMLS/_ LICENSE ID
EMAIL	joesmith@ficusbank.com	EMAIL
PHONE	123-456-7890	PHONE

Comparisons	Use these measures to compare this loan with other loans.
In 5 Years	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations	
Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
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.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Confirm Receipt	
By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.	
Applicant Signature	Date
Co-Applicant Signature	Date
LOAN ESTIMATE	PAGE 3 OF 3 • LOAN ID #123456789

<https://www.consumerfinance.gov/owning-a-home/loan-estimate/>

The Closing Disclosure

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	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street Anytown, ST 12345	Purpose	Purchase
Disbursement Date	4/15/2013	Seller	Steve Cole and Amy Doe	Product	Fixed Rate
Settlement Agent	Epsilon Title Co.		321 Somewhere Drive Anytown, ST 12345	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456	Lender	Ficus Bank	<input type="checkbox"/> VA <input type="checkbox"/>	
Property	456 Somewhere Ave Anytown, ST 12345			Loan ID #	123456789
Sale Price	\$180,000			MIC #	000654321

Loan Terms	Can this amount increase after closing?
Loan Amount	\$162,000 NO
Interest Rate	3.875% NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78 NO
Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i> <i>See page 4 for details</i>	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	In escrow? YES YES NO
\$356.13 a month		

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs - \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$14,147.26 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

CLOSING DISCLOSURE PAGE 1 OF 5 - LOAN ID # 123456789

Closing Cost Details

Loan Costs	Borrower-Paid	Seller-Paid	Paid by Others
	At Closing	Before Closing	At Closing
A. Origination Charges	\$1,802.00		
01 0.25 % of Loan Amount (Points)	\$405.00		
02 Application Fee	\$300.00		
03 Underwriting Fee	\$1,097.00		
04			
05			
06			
07			
08			
B. Services Borrower Did Not Shop For	\$236.55	\$29.80	\$405.00
01 Appraisal Fee to John Smith Appraisers Inc.			
02 Credit Report Fee to Information Inc.			
03 Flood Determination Fee to Info Co.	\$20.00		
04 Flood Monitoring Fee to Info Co.	\$31.75		
05 Tax Monitoring Fee to Info Co.	\$75.00		
06 Tax Status Research Fee to Info Co.	\$80.00		
07			
08			
09			
10			
C. Services Borrower Did Shop For	\$2,655.50		
01 Pest Inspection Fee to Pest Co.	\$120.50		
02 Survey Fee to Surveys Co.	\$65.00		
03 Title - Insurance Binder to Epsilon Title Co.	\$650.00		
04 Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00		
05 Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00		
06 Title - Title Search to Epsilon Title Co.	\$80.00		
07			
08			
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,994.05		
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80	
Other Costs			
E. Taxes and Other Government Fees	\$85.00		
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00		
02 Transfer Tax to Any State		\$950.00	
F. Prepays	\$2,320.80		
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96		
02 Mortgage Insurance Premium (mo.)	\$229.04		
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$631.80		
04 Property Taxes (6 mo.) to Any County USA			
05			
G. Initial Escrow Payment at Closing	\$412.25		
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66		
02 Mortgage Insurance per month for mo.			
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60		
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The Closing Disclosure

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 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

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.

- 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.

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
456 Somewhere Ave., Anytown, ST 12345

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	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section 6 on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- 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	Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
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.

\$285,803.36

Finance Charge. The dollar amount the loan will cost you.

\$118,830.27

Amount Financed. The loan amount available after paying your upfront finance charge.

\$162,000.00

Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.

4.174%

Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

69.46%

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 foreclosed 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

Name	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somerscity, ST 12340		789 Local Lane Somerscity, ST 12345	987 Suburb Ct. Somerscity, ST 12340	123 Commerce Pl. Somerscity, ST 12344
NMLS ID			2765416	261456	261616
ST License ID	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-7171	321-555-7171	987-555-4321

Confirm Receipt

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

Applicant Signature _____ Date _____ Co-Applicant Signature _____ Date _____

CLOSING DISCLOSURE

PAGE 5 OF 5 - LOAN ID # 123456789





On Closing Day



On Closing Day

	Borrower	Loan \$\$	Interest Rate	Payment Due Dates	Payment Amount	Loan Term	Payment Address	Payment Changes	Foreclosure Details / Borrowers Responsibilities
Promissory Note	YES	YES	YES	YES	YES	YES	YES	YES	NO
Mortgage / Security Instrument	YES	YES	YES	NO	NO	YES	NO	NO	YES
Initial Escrow Disclosure	YES	NO	NO	NO	YES	NO	NO	NO	NO
Deed	YES	NO	NO	NO	NO	NO	NO	NO	NO



The Promissory Note

NOTE

[Note Date], [City], [State]

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan in the amount of U.S. \$ _____ (the "Principal") that I have received from _____ (the "Lender"), I promise to pay the Principal, plus interest, to the order of the Lender. I will make all payments under this Note in U.S. currency in the form of cash, check, money order, or other payment method accepted by Lender.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid Principal until the full amount of the Principal has been paid. I will pay interest at a yearly rate of _____ %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments
I will pay principal and interest by making a payment every month. This amount is called my "Monthly Payment."

I will make my Monthly Payment on the _____ day of each month beginning on _____ I will make these payments every month until I have paid all of the Principal and interest and any other charges described below that I may owe under this Note. Each Monthly Payment will be applied as of its scheduled due date and will be applied to interest before the Principal. If, on _____, I still owe amounts under this Note, I will pay those amounts on that date, which is called the "Maturity Date."

I will make my Monthly Payments at _____ or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My Monthly Payment will be in the amount of U.S. \$ _____. This payment amount does not include any property taxes, insurance, or other charges that I may be required to pay each month.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "Prepayment." When I make a Prepayment, I will notify the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the Monthly Payments then due under this Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my Monthly Payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If applicable law sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any Monthly Payment by the end of _____ calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be _____ % of my overdue Monthly Payment. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each Monthly Payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of unpaid Principal, all the interest that I owe on that amount, and other charges due under this Note (the "Default Balance"). That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

If I am in default and the Note Holder does not require me to pay the Default Balance immediately as described above, the Note Holder will still have the right to do so if I continue to be in default or if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay the Default Balance immediately as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees and costs.

7. GIVING OF NOTICES

(A) Notice to Borrower

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it, or by mailing it by first class mail, to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. I will promptly notify the Note Holder of any change to my physical address and of any change to my mailing address. Unless applicable law requires otherwise, notice may instead be sent by e-mail or other electronic communication if agreed to by me and the Note Holder in writing and if I have provided the Note Holder with my current e-mail address or other electronic address. If I have agreed with the Note Holder that notice may be given by e-mail or other electronic communication, I will promptly notify the Note Holder of any changes to my e-mail address or other electronic address.

(B) Notice to Note Holder

Any notice that I must give to the Note Holder under this Note will be delivered by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety, or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety, or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument also describes how and under what conditions I may be required to make immediate payment of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, Lender will not exercise this option if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender will give Borrower notice of acceleration. The notice will provide a period of not less than 30 days from the date the notice is given in accordance with Section 16 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to, or upon, the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to: (a) reasonable attorneys' fees and costs, (b) property inspection and valuation fees; and (c) other fees incurred to protect Lender's interest in the Property and/or rights under this Security Instrument.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

(Seal)
- Borrower

(Seal)
- Borrower

(Seal)
- Borrower

[Sign Original Only]

<https://singlefamily.fanniemae.com/media/27086/display>

The Mortgage / Security Instrument

After Recording Return To:

[Space Above This Line For Recording Data]

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined under the caption TRANSFER OF RIGHTS IN THE PROPERTY and in Sections 3, 4, 10, 11, 12, 16, 19, 24, and 25. Certain rules regarding the usage of words used in this document are also provided in Section 17.

Parties

(A) "Borrower" is _____, currently residing at _____, Borrower is the mortgagor under this Security Instrument.

(B) "Lender" is _____, Lender is a _____ organized and existing under the laws of _____. Lender's address is _____. Lender is the mortgagee under this Security Instrument. The term "Lender" includes any successors and assigns of Lender.

Documents

(C) "Note" means the promissory note dated _____, and signed by each Borrower who is legally obligated for the debt under that promissory note, that is in either (i) paper form, using Borrower's written pen and ink signature, or (ii) electronic form, using Borrower's adopted Electronic Signature in accordance with the UETA or E-SIGN, as applicable. The Note evidences the legal obligation of each Borrower who signed the Note to pay Lender _____ Dollars (U.S. \$ _____) plus interest. Each Borrower who signed the Note has authorized to pay this debt in regular monthly payments and ~~to pay the debt~~ in full not later than _____.

(D) "Riders" means all Riders to this Security Instrument that are signed by Borrower. All such Riders are incorporated into and deemed to be a part of this Security Instrument. The following Riders are to be signed by Borrower [check box as applicable]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Other(s) [specify] _____ |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Planned Unit Development Rider | |
| <input type="checkbox"/> Second Home Rider | | |

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower will pay each Periodic Payment when due. Borrower will also pay any prepayment charges and late charges due under the Note, and any other amounts due under this Security Instrument. Payments due under the Note and this Security Instrument must be made in U.S. currency. If any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check, or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a U.S. federal agency, instrumentality, or entity; or (d) Electronic Fund Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 16. Lender may accept or return any Partial Payments in its sole discretion pursuant to Section 2.

Any offset or claim that Borrower may have now or in the future against Lender will not relieve Borrower from making the full amount of all payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Acceptance and Application of Payments or Proceeds.

(a) **Acceptance and Application of Partial Payments.** Lender may accept and either apply or hold in suspense Partial Payments in its sole discretion in accordance with this Section 2. Lender is not obligated to accept any Partial Payments or to apply any Partial Payments at the time such payments are accepted, and also is not obligated to pay interest on such unapplied funds. Lender may hold such unapplied funds until Borrower makes payment sufficient to cover a full Periodic Payment, at which time the amount of the full Periodic Payment will be applied to the Loan. If Borrower does not make such a payment within a reasonable period of time, Lender will either apply such funds in accordance with this Section 2 or return them to Borrower. If not applied earlier, Partial Payments will be credited against the total amount due under the Loan in calculating the amount due in connection with any foreclosure proceeding, payoff request, loan modification, or reinstatement. Lender may accept any payment insufficient to bring the Loan current without waiver of any rights under this Security Instrument or prejudice to its rights to refuse such payments in the future.

(b) **Order of Application of Partial Payments and Periodic Payments.** Except as otherwise described in this Section 2, if Lender applies a payment, such payment will be applied to each Periodic Payment in the order in which it became due, beginning with the oldest outstanding Periodic Payment, as follows: first to interest and then to principal due under the Note, and finally to Escrow Items. If all outstanding Periodic Payments then due are paid in full, any payment amounts remaining may be applied to late charges and to any amounts then due under this Security Instrument. If all sums then due under the Note and this Security Instrument are paid in full, any remaining payment amount may be applied, in Lender's sole discretion, to a future Periodic Payment or to reduce the principal balance of the Note.

If Lender receives a payment from Borrower in the amount of one or more Periodic Payments and the amount of any late charge due for a delinquent Periodic Payment, the payment may be applied to the delinquent payment and the late charge.

account for the payment of the Escrow Items. If there is a shortage or deficiency of Funds held in escrow, Lender will notify Borrower and Borrower will pay to Lender the amount necessary to make up the shortage or deficiency in accordance with RESPA.

Upon payment in full of all sums secured by this Security Instrument, or an earlier time if required by Applicable Law, Lender will promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower must pay (a) all taxes, assessments, charges, fines, and impositions attributable to the Property which have priority or may attain priority over this Security Instrument, (b) leasehold payments or ground rents on the Property, if any, and (c) Community Association Dues, Fees, and Assessments, if any. If any of these items are Escrow Items, Borrower will pay them in the manner provided in Section 3.

Borrower must promptly discharge any lien that has priority or may attain priority over this Security Instrument unless Borrower: (aa) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing under such agreement, (bb) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which Lender determines, in its sole discretion, to operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (cc) secures from the holder of the lien an agreement satisfactory to Lender that subordinates the lien to this Security Instrument (collectively, the "Required Actions"). If Lender determines that any part of the Property is subject to a lien that has priority or may attain priority over this Security Instrument and Borrower has not taken any of the Required Actions in regard to such lien, Lender may give Borrower a notice identifying the lien. Within 10 days after the date on which that notice is given, Borrower must satisfy the lien or take one or more of the Required Actions.

5. Property Insurance.

(a) **Insurance Requirement; Coverages.** Borrower must keep the improvements now existing or subsequently erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes, winds, and floods, for which Lender requires insurance. Borrower must maintain the types of insurance Lender requires in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan, and may exceed any minimum coverage required by Applicable Law. Borrower may choose the insurance carrier providing the insurance, subject to Lender's right to disapprove Borrower's choice, which right will not be exercised unreasonably.

(b) **Failure to Maintain Insurance.** If Lender has a reasonable basis to believe that Borrower has failed to maintain any of the required insurance coverages described above, Lender may obtain insurance coverage, at Lender's option and at Borrower's expense. Unless required by Applicable Law, Lender is under no obligation to advance premiums for, or to seek to reinstate, any prior lapsed coverage obtained by Borrower. Lender is under no obligation to purchase any particular type or amount of coverage and may select the provider of such insurance in its sole discretion. Before purchasing such coverage, Lender will notify Borrower if required to do so under Applicable Law. Any such coverage will insure Lender, but might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard, or liability and might provide greater or lesser coverage than was previously in effect, but not exceeding the coverage required under Section 5(a). Borrower acknowledges that the cost of the insurance coverage so obtained may significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender for costs associated with reinstating Borrower's

Riders to the Mortgage / Security Instrument

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this _____ day of _____, and is incorporated into and amends and supplements the Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to _____ (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in _____

(the "Declaration"). The

Property is a part of a planned unit development known as _____

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits, and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the representations, warranties, covenants, and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower will perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are: (i) Declaration; (ii) articles of incorporation, trust instrument, or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower will promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes, winds, and floods, for which Lender requires insurance, then (i) Lender waives the provision in Section 3 for the portion of the Periodic Payment made to Lender consisting of the yearly premium installments for property insurance on the Property, and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower will give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and will be paid to Lender. Lender will apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower will take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and will be paid to Lender. Such proceeds will be applied by Lender to the sums secured by the Security Instrument as provided in Section 12.

E. Lender's Prior Consent. Borrower will not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial

MULTISTATE PLANNED UNIT DEVELOPMENT RIDER Form 3150 07/2021
Single Family - Fannie Mae Freddie Mac UNIFORM INSTRUMENT Page 1 of 2

destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain, (ii) any amendment to any provision of the Constituent Documents unless the provision is for the express benefit of Lender, (iii) termination of professional management and assumption of self-management of the Owners Association, or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F will become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts will bear interest from the date of disbursement at the Note rate and will be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this PUD Rider.

(Seal)

- Borrower

(Seal)

- Borrower

MULTISTATE PLANNED UNIT DEVELOPMENT RIDER
Single Family - Fannie Mae Freddie Mac UNIFORM INSTRUMENT

Form 3150 07/2021
Page 2 of 2



Initial Escrow Disclosure

INITIAL ESCROW ACCOUNT DISCLOSURE STATEMENT

Your monthly mortgage payment until your next escrow analysis will consist of the following:

Principal and Interest: \$ 955.05
 Escrow: \$ 49.51
 Total Monthly Payment: \$1,004.56

The following are anticipated disbursements and deposits from your escrow account during the coming year:

Month	Deposits to Escrow	Disbursements From Escrow	Description	Escrow Account Balances
<i>Initial deposit</i>				\$ 58.95
SEPTEMBER	\$ 49.51	\$		\$ 108.46
OCTOBER	\$ 49.51	\$		\$ 157.97
NOVEMBER	\$ 49.51	\$		\$ 207.48
DECEMBER	\$ 49.51	\$		\$ 256.99
JANUARY	\$ 49.51	\$		\$ 286.50
FEBRUARY	\$ 49.51	\$		\$ 356.01
MARCH	\$ 49.51	\$ 177.03	CITY TAX	\$ 288.49
APRIL	\$ 49.51	\$		\$ 278.00
MAY	\$ 49.51	\$		\$ 327.51
JUNE	\$ 49.51	\$		\$ 377.02
JULY	\$ 49.51	\$ 240.00	HAZARD INSURANCE	\$ 186.53
AUGUST	\$ 49.51	\$ 177.03	CITY TAX	\$ 59.01

PLEASE KEEP THIS STATEMENT TO COMPARE WITH THE ACTUAL ACTIVITY THAT OCCUR IN YOUR ESCROW ACCOUNT DURING THE UPCOMING YEAR.

Cushion: \$ 59.01

Itemization of anticipated disbursements from your escrow account:

07/01/02	HAZARDINS	240.00
03/01/02	CITY TAX	177.03
	FLDINSUR	
	ANNUALPMI	
	CNTY TAX	
09/01/02	CITY TAX	177.03
	ANN ASSESS	

NOTE: The Real Estate Settlement Procedures Act (RESPA) establishes specific guidelines regarding the amount that lenders are permitted to collect for the payment of escrow items during the initial escrow computation year, i.e. the next twelve months. Unless authorized by you to do otherwise, your lender may collect only for disbursements that will occur during the coming year. If your monthly tax escrow amount has been based on unimproved (or low) tax amounts or if your taxes were prepaid at closing and the next disbursement is not within the initial 12 month escrow computation year, your initial escrow amount for taxes will be lower than normal or may be zero. This may cause a significant increase in your monthly payment when your escrow account is analyzed in the normal twelve month timeframe. In order to minimize the amount of this payment increase, you may request an early analysis of your escrow account prior to the scheduled annual analysis.

Borrower _____ Date _____

Co-Borrower _____ Date _____

Your monthly mortgage payment until your next escrow analysis will consist of the following:

Principal and Interest: \$ 955.05
 Escrow: \$ 49.51
 Total Monthly Payment: \$1,004.56

Month	Deposits to Escrow	Disbursements From Escrow	Description	Escrow Account Balances
<i>Initial deposit</i>				\$ 58.95
SEPTEMBER	\$ 49.51	\$		\$ 108.46
OCTOBER	\$ 49.51	\$		\$ 157.97
NOVEMBER	\$ 49.51	\$		\$ 207.48
DECEMBER	\$ 49.51	\$		\$ 256.99
JANUARY	\$ 49.51	\$		\$ 286.50
FEBRUARY	\$ 49.51	\$		\$ 356.01
MARCH	\$ 49.51	\$ 177.03	CITY TAX	\$ 288.49
APRIL	\$ 49.51	\$		\$ 278.00
MAY	\$ 49.51	\$		\$ 327.51
JUNE	\$ 49.51	\$		\$ 377.02
JULY	\$ 49.51	\$ 240.00	HAZARD INSURANCE	\$ 186.53
AUGUST	\$ 49.51	\$ 177.03	CITY TAX	\$ 59.01

The Deed



Anthony Vega
Lake County Clerk

LAKE COUNTY CLERK'S OFFICE
RECORDING DIVISION
19 N. COUNTY ST. - 8TH FLOOR
WAUKEGAN, IL 60085-4358
(847) 377-2575
fax (847) 984-5860
www.lakecountyl.gov/recordr

WARRANTY DEED

Space Above for County Clerk's Use

Return Recorded Document To:

**for return of original
form after processing**

Name & Address of Taxpayer

**where the tax bill
will be sent**

THE GRANTOR(s)

current owner(s)

of the City/Village of _____ County of _____ State of _____

for and in consideration of **\$10** Dollars, CONVEY and WARRANT to

THE GRANTEE(s)

new owner(s)

(Grantee's address)

of the City/Village of _____ County of _____ State of _____

in the form of ownership:

see ownership definitions

(Sole Ownership g Joint Tenancy with Right of Survivorship g Tenancy in Common g Tenancy by the Entirety)

all interest in the following described Real Estate situated in the County of Lake, in the State of Illinois, to wit:

(Note: If additional space is required for legal, attach on a separate 8 1/2 x 11 sheet)

Permanent Index Number(s) P.I.N. _____

Property Address _____

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

(Note: If Grantor is also Grantee, you may want to strike Release and Waiver of Homestead Rights.)

Dated this _____ day of _____, _____

Signature(s) of Grantor(s):

(Printed Name)

(Printed Name)

STATE OF ILLINOIS }
 } SS
County of Lake }

I, the undersigned, a Notary Public in and of said County, in the State aforesaid, DO HEREBY CERTIFY THAT

this area is to be completed by the notary

is personally known to me to be the same person whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed, sealed and delivered said instrument as his/her/their free and voluntary act, for the purposes therein set forth including the release and waiver of the right of homestead.

Given under my hand and notarial seal, this _____ day of _____, _____

Notary Public

My commission expires _____

Name & Address of Preparer

see exemption list

Affix: State of Illinois / Lake County Transfer Stamp

or

Exempt under 35 ILCS 200/31-45 paragraph _____

Section 4, Real Estate Transfer Act

Date: _____

Signature of Buyer, Seller or Representative

This copy is provided by the Lake County Clerk
for use in Lake County, Illinois
(revised December 1, 2022)

A legal opinion is recommended prior to taking
final action with this deed.

Changes in ownership may have tax,
inheritance and other legal ramifications.

Anthony Vega
Lake County Clerk



Q&A

