

§ 1026.38 Content of disclosures for certain mortgage transactions (Closing Disclosure).

For each transaction subject to § 1026.19(f), the creditor shall disclose the information in this section:

(a) *General information*—(1) *Form title*. The title of the form, “Closing Disclosure,” using that term.

(2) *Form purpose*. The following statement: “This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.”

(3) *Closing information*. Under the heading “Closing Information”:

(i) *Date issued*. The date the disclosures required by this section are delivered to the consumer, labeled “Date Issued.”

(ii) *Closing date*. The date of consummation, labeled “Closing Date.”

(iii) *Disbursement date*. The date the amounts disclosed pursuant to paragraphs (j)(3)(iii) and (k)(3)(iii) of this section are expected to be paid in a purchase transaction under § 1026.37(a)(9)(i) to the consumer and seller, respectively, as applicable, or the date the amounts disclosed pursuant to paragraphs (j)(2)(iii) or (t)(5)(vii)(B) of this section are expected to be paid to the consumer or a third party in a transaction that is not a purchase transaction under § 1026.37(a)(9)(i), labeled “Disbursement Date.”

(iv) *Settlement agent*. The name of the settlement agent conducting the closing, labeled “Settlement Agent.”

(v) *File number*. The number assigned to the transaction by the settlement agent for identification purposes, labeled “File #.”

(vi) *Property*. The address or location of the property required to be disclosed under § 1026.37(a)(6), labeled “Property.”

(vii) *Sale price*. (A) In credit transactions where there is a seller, the contract sale price of the property identified in paragraph (a)(3)(vi) of this section, labeled “Sale Price.”

(B) In credit transactions where there is no seller, the appraised value of the property identified in paragraph (a)(3)(vi) of this section, labeled “Appraised Prop. Value.”

(4) *Transaction information*. Under the heading “Transaction Information”:

(i) *Borrower*. The consumer’s name and mailing address, labeled “Borrower.”

(ii) *Seller*. Where applicable, the seller’s name and mailing address, labeled “Seller.”

(iii) *Lender*. The name of the creditor making the disclosure, labeled “Lender.”

(5) *Loan information*. Under the heading “Loan Information”:

(i) *Loan term*. The information required to be disclosed under § 1026.37(a)(8), labeled “Loan Term.”

(ii) *Purpose*. The information required to be disclosed under § 1026.37(a)(9), labeled “Purpose.”

(iii) *Product*. The information required to be disclosed under § 1026.37(a)(10), labeled “Product.”

(iv) *Loan type*. The information required to be disclosed under § 1026.37(a)(11), labeled “Loan Type.”

(v) *Loan identification number*. The information required to be disclosed under § 1026.37(a)(12), labeled “Loan ID #.”

(vi) *Mortgage insurance case number*. The case number for any mortgage insurance policy, if required by the creditor, labeled “MIC #.”

(b) *Loan terms*. A separate table under the heading “Loan Terms” that includes the information required by § 1026.37(b).

(c) *Projected payments*. A separate table, under the heading “Projected Payments,” that includes and satisfies the following information and requirements:

(1) *Projected payments or range of payments*. The information required to be disclosed pursuant to § 1026.37(c)(1) through (4), other than § 1026.37(c)(4)(vi). In disclosing estimated escrow payments as described in § 1026.37(c)(2)(iii) and (c)(4)(ii), the amount disclosed on the Closing Disclosure:

(i) For transactions subject to RESPA, is determined under the escrow account analysis described in Regulation X, 12 CFR 1024.17;

(ii) For transactions not subject to RESPA, may be determined under the escrow account analysis described in

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Regulation X, 12 CFR 1024.17 or in the manner set forth in §1026.37(c)(5).

(2) *Estimated taxes, insurance, and assessments.* A reference to the disclosure required by paragraph (1)(7) of this section.

(d) *Costs at closing*—(1) *Costs at closing table.* In a separate table, under the heading “Costs at Closing”:

(i) Labeled “Closing Costs,” the sum of the dollar amounts disclosed pursuant to paragraphs (f)(4), (g)(5), and (h)(3) of this section, together with:

(A) A statement that the amount disclosed pursuant to paragraph (d)(1)(i) of this section includes the amounts disclosed pursuant to paragraphs (f)(4), (g)(5), and (h)(3) of this section;

(B) The dollar amount disclosed pursuant to paragraph (f)(4) of this section, labeled “Loan Costs”;

(C) The dollar amount disclosed pursuant to paragraph (g)(5) of this section, labeled “Other Costs”;

(D) The dollar amount disclosed pursuant to paragraph (h)(3) of this section, labeled “Lender Credits”; and

(E) A statement referring the consumer to the tables disclosed pursuant to paragraphs (f) and (g) of this section for details.

(ii) Labeled “Cash to Close,” the sum of the dollar amounts calculated in accordance with paragraph (i)(9)(ii) of this section, together with:

(A) A statement that the amount disclosed pursuant to paragraph (d)(1)(ii) of this section includes the amount disclosed pursuant to paragraph (d)(1)(i) of this section; and

(B) A statement referring the consumer to the table required pursuant to paragraph (i) of this section for details.

(2) *Alternative table for transactions without a seller.* For transactions that do not involve a seller and where the creditor disclosed the optional alternative table pursuant to §1026.37(d)(2), the creditor shall disclose, with the label “Cash to Close,” instead of the sum of the dollar amounts described in paragraph (d)(1)(ii) of this section:

(i) The amount calculated in accordance with paragraph (e)(5)(ii) of this section;

(ii) A statement of whether the disclosed amount is due from or to the consumer; and

(iii) A statement referring the consumer to the table required pursuant to paragraph (e) of this section for details.

(e) *Alternative calculating cash to close table for transactions without a seller.* For transactions that do not involve a seller and where the creditor disclosed the optional alternative table pursuant to §1026.37(h)(2), the creditor shall disclose, instead of the table described in paragraph (i) of this section, in a separate table, under the heading “Calculating Cash to Close,” together with the statement “Use this table to see what has changed from your Loan Estimate”:

(1) *Loan amount.* Labeled “Loan Amount:”

(i) Under the subheading “Loan Estimate,” the loan amount disclosed on the Loan Estimate under §1026.37(b)(1);

(ii) Under the subheading “Final,” the loan amount disclosed under paragraph (b) of this section;

(iii) Disclosed more prominently than the other disclosures under paragraph (e)(1)(i) and (ii) of this section, under the subheading “Did this change?”:

(A) If the amount disclosed under paragraph (e)(1)(ii) of this section is different than the amount disclosed under paragraph (e)(1)(i) of this section (unless the difference is due to rounding), a statement of that fact along with a statement of whether this amount increased or decreased; or

(B) If the amount disclosed under paragraph (e)(1)(i) of this section is equal to the amount disclosed under paragraph (e)(1)(ii) of this section a statement of that fact.

(2) *Total closing costs.* Labeled “Total Closing Costs”:

(i) Under the subheading “Loan Estimate,” the amount disclosed on the Loan Estimate under §1026.37(h)(2)(ii);

(ii) Under the subheading “Final,” the amount disclosed under paragraph (h)(1) of this section, disclosed as a negative number; and

(iii) Disclosed more prominently than the other disclosures under this paragraph (e)(2)(i) and (ii) of this section, under the subheading “Did this change?”:

(A) If the amount disclosed under paragraph (e)(2)(ii) of this section is

different than the amount disclosed under paragraph (e)(2)(i) of this section (unless the difference is due to rounding):

(1) A statement of that fact;

(2) If the difference in the amounts disclosed under paragraphs (e)(2)(i) and (e)(2)(ii) is attributable to differences in itemized charges that are included in either or both subtotals, a statement that the consumer should see the total loan costs and total other costs subtotals disclosed under paragraphs (f)(4) and (g)(5) of this section (together with references to such disclosures), as applicable; and

(3) If the increase exceeds the limitations on increases in closing costs under §1026.19(e)(3), a statement that such increase exceeds the legal limits by the dollar amount of the excess and if any refund is provided pursuant to §1026.19(f)(2)(v), a statement directing the consumer to the disclosure required under paragraph (h)(3) of this section. Such dollar amount shall equal the sum total of all excesses of the limitations on increases in closing costs under §1026.19(e)(3), taking into account the different methods of calculating excesses of the limitations on increases in closing costs under §1026.19(e)(3)(i) and (ii).

(B) If the amount disclosed under paragraph (e)(2)(i) of this section is equal to the amount disclosed under paragraph (e)(2)(ii) of this section, a statement of that fact.

(3) *Closing costs paid before closing.* Labeled “Closing Costs Paid Before Closing:”

(i) Under the subheading “Loan Estimate,” the amount of \$0;

(ii) Under the subheading “Final,” any amount designated as borrower-paid before closing under paragraph (h)(2) of this section, disclosed as a positive number; and

(iii) Disclosed more prominently than the other disclosures under this paragraph (e)(3)(i) and (ii) of this section, under the subheading “Did this change?”:

(A) If the amount disclosed under paragraph (e)(3)(ii) of this section is different than the amount disclosed under paragraph (e)(3)(i) of this section (unless the difference is due to rounding), a statement of that fact, along

with a statement that the consumer paid such amounts prior to consummation of the transaction; or

(B) If the amount disclosed under paragraph (e)(3)(ii) of this section is equal to the amount disclosed under paragraph (e)(3)(i) of this section, a statement of that fact.

(4) *Payoffs and payments.* Labeled “Total Payoffs and Payments,”

(i) Under the subheading “Loan Estimate,” the total payoffs and payments disclosed on the Loan Estimate under §1026.37(h)(2)(iii);

(ii) Under the subheading “Final,” the total amount of payoffs and payments made to third parties disclosed pursuant to paragraph (t)(5)(vii)(B) of this section, to the extent known, disclosed as a negative number;

(iii) Disclosed more prominently than the other disclosures under this paragraph (e)(4)(i) and (ii), under the subheading “Did this change?”:

(A) If the amount disclosed under paragraph (e)(4)(ii) of this section is different than the amount disclosed under paragraph (e)(4)(i) of this section (unless the difference is due to rounding), a statement of that fact along with a reference to the table disclosed under paragraph (t)(5)(vii)(B) of this section; or

(B) If the amount disclosed under paragraph (e)(4)(ii) of this section is equal to the amount disclosed under paragraph (e)(4)(i) of this section, a statement of that fact.

(5) *Cash to or from consumer.* Labeled “Cash to Close:”

(i) Under the subheading “Loan Estimate,” the estimated cash to close on the Loan Estimate together with the statement of whether the estimated amount is due from or to the consumer as disclosed under §1026.37(h)(2)(iv);

(ii) Under the subheading “Final,” the amount due from or to the consumer, calculated by the sum of the amounts disclosed under paragraphs (e)(1)(ii), (e)(2)(ii), (e)(3)(ii), and (e)(4)(ii) of this section, disclosed as a positive number, together with a statement of whether the disclosed amount is due from or to the consumer.

(6) *Closing costs financed.* Labeled “Closing Costs Financed (Paid from your Loan Amount),” the sum of the amounts disclosed under paragraphs

(e)(1)(ii) and (e)(4)(ii) of this section, but only to the extent that the sum is greater than zero and less than or equal to the sum disclosed under paragraph (h)(1) of this section minus the sum disclosed under paragraph (h)(2) of this section designated borrower-paid before closing.

(f) *Closing cost details; loan costs.* Under the master heading “Closing Cost Details” with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing, or paid by others, all loan costs associated with the transaction, listed in a table under the heading “Loan Costs.” The table shall contain the items and amounts listed under four subheadings, described in paragraphs (f)(1) through (5) of this section.

(1) *Origination charges.* Under the subheading “Origination Charges,” and in the applicable columns as described in paragraph (f) of this section, an itemization of each amount paid for charges described in §1026.37(f)(1), the amount of compensation paid by the creditor to a third-party loan originator along with the name of the loan originator ultimately receiving the payment, and the total of all such itemized amounts that are designated borrower-paid at or before closing.

(2) *Services borrower did not shop for.* Under the subheading “Services Borrower Did Not Shop For” and in the applicable columns as described in paragraph (f) of this section, an itemization of the services and corresponding costs for each of the settlement services required by the creditor for which the consumer did not shop in accordance with §1026.19(e)(1)(vi)(A) and that are provided by persons other than the creditor or mortgage broker, the name of the person ultimately receiving the payment for each such amount, and the total of all such itemized amounts that are designated borrower-paid at or before closing. Items that were disclosed pursuant to §1026.37(f)(3) must be disclosed under this paragraph (f)(2) if the consumer was provided a written list of settlement service providers under §1026.19(e)(1)(vi)(C) and the consumer selected a settlement service provider contained on that written list.

(3) *Services borrower did shop for.* Under the subheading “Services Borrower Did Shop For” and in the applicable column as described in paragraph (f) of this section, an itemization of the services and corresponding costs for each of the settlement services required by the creditor for which the consumer shopped in accordance with §1026.19(e)(1)(vi)(A) and that are provided by persons other than the creditor or mortgage broker, the name of the person ultimately receiving the payment for each such amount, and the total of all such itemized costs that are designated borrower-paid at or before closing. Items that were disclosed pursuant to §1026.37(f)(3) must be disclosed under this paragraph (f)(3) if the consumer was provided a written list of settlement service providers under §1026.19(e)(1)(vi)(C) and the consumer did not select a settlement service provider contained on that written list.

(4) *Total loan costs.* Under the subheading “Total Loan Costs (Borrower-Paid),” the sum of the amounts disclosed as borrower-paid pursuant to paragraph (f)(5) of this section.

(5) *Subtotal of loan costs.* The sum of loan costs, calculated by totaling the amounts described in paragraphs (f)(1) through (3) of this section for costs designated borrower-paid at or before closing, labeled “Loan Costs Subtotals.”

(g) *Closing cost details; other costs.* Under the master heading “Closing Cost Details” disclosed pursuant to paragraph (f) of this section, with columns stating whether the charge was borrower-paid at or before closing, seller-paid at or before closing, or paid by others, all costs in connection with the transaction, other than those disclosed under paragraph (f) of this section, listed in a table with a heading disclosed as “Other Costs.” The table shall contain the items and amounts listed under five subheadings, described in paragraphs (g)(1) through (6) of this section.

(1) *Taxes and other government fees.* Under the subheading “Taxes and Other Government Fees,” and in the applicable column as described in paragraph (g) of this section, an itemization of each amount that is expected to be paid to State and local governments for taxes and government

fees and the total of all such itemized amounts that are designated borrower-paid at or before closing, as follows:

(i) Recording fees and the amounts paid in the applicable columns; and

(ii) An itemization of transfer taxes, with the name of the government entity assessing the transfer tax.

(2) *Prepays*. Under the subheading “Prepays” and in the applicable column as described in paragraph (g) of this section, an itemization of each amount for charges described in §1026.37(g)(2), the name of the person ultimately receiving the payment or government entity assessing the property tax, provided that the person ultimately receiving the payment need not be disclosed for the disclosure required by §1026.37(g)(2)(iii) when disclosed pursuant to this paragraph, and the total of all such itemized amounts that are designated borrower-paid at or before closing.

(3) *Initial escrow payment at closing*. Under the subheading “Initial escrow payment at closing” and in the applicable column as described in paragraph (g) of this section, an itemization of each amount for charges described in §1026.37(g)(3), the applicable aggregate adjustment pursuant to 12 CFR 1024.17(d)(2) along with the label “aggregate adjustment,” and the total of all such itemized amounts that are designated borrower-paid at or before closing.

(4) *Other*. Under the subheading “Other” and in the applicable column as described in paragraph (g) of this section, an itemization of each amount for charges in connection with the transaction that are in addition to the charges disclosed under paragraphs (f) and (g)(1) through (3) for services that are required or obtained in the real estate closing by the consumer, the seller, or other party, the name of the person ultimately receiving the payment, and the total of all such itemized amounts that are designated borrower-paid at or before closing.

(i) For any cost that is a component of title insurance services, the introductory description “Title —” shall appear at the beginning of the label for that actual cost.

(ii) The parenthetical description “(optional)” shall appear at the end of

the label for costs designated borrower-paid at or before closing for any premiums paid for separate insurance, warranty, guarantee, or event-coverage products.

(5) *Total other costs*. Under the subheading “Total Other Costs (Borrower-Paid),” the sum of the amounts disclosed as borrower-paid pursuant to paragraph (g)(6) of this section.

(6) *Subtotal of costs*. The sum of other costs, calculated by totaling the costs disclosed in paragraphs (g)(1) through (4) of this section designated borrower-paid at or before closing, labeled “Other Costs Subtotals.”

(h) *Closing cost totals*. (1) The sum of the costs disclosed as borrower-paid pursuant to paragraph (h)(2) of this section and the amount disclosed in paragraph (h)(3) of this section, under the subheading “Total Closing Costs (Borrower-Paid).”

(2) The sum of the amounts disclosed in paragraphs (f)(5) and (g)(6) of this section, designated borrower-paid at or before closing, and the sum of the costs designated seller-paid at or before closing or paid by others disclosed pursuant to paragraphs (f) and (g) of this section, labeled “Closing Costs Subtotals.”

(3) The amount described in §1026.37(g)(6)(ii) as a negative number, labeled “Lender Credits” and designated borrower-paid at closing, and if a refund is provided pursuant to §1026.19(f)(2)(v), a statement that this amount includes a credit for an amount that exceeds the limitations on increases in closing costs under §1026.19(e)(3), and the amount of such credit under §1026.19(f)(2)(v).

(4) The services and costs disclosed pursuant to paragraphs (f) and (g) of this section on the Closing Disclosure shall be labeled using terminology that describes the item disclosed, in a manner that is consistent with the descriptions or prescribed labels, as applicable, used for such items on the Loan Estimate pursuant to §1026.37. The creditor must also list the items on the Closing Disclosure in the same sequential order as on the Loan Estimate pursuant to §1026.37.

(i) *Calculating cash to close*. In a separate table, under the heading “Calculating Cash to Close,” together with

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the statement “Use this table to see what has changed from your Loan Estimate”:

(1) *Total closing costs.* (i) Under the subheading “Loan Estimate,” the “Total Closing Costs” disclosed on the Loan Estimate under §1026.37(h)(1)(i), labeled using that term.

(ii) Under the subheading “Final,” the amount disclosed under paragraph (h)(1) of this section.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(1):

(A) If the amount disclosed under paragraph (i)(1)(ii) of this section is different than the amount disclosed under paragraph (i)(1)(i) of this section (unless the difference is due to rounding):

(1) A statement of that fact;

(2) If the difference in the “Total Closing Costs” is attributable to differences in itemized charges that are included in either or both subtotals, a statement that the consumer should see the total loan costs and total other costs subtotals disclosed under paragraphs (f)(4) and (g)(5) of this section (together with references to such disclosures), as applicable; and

(3) If the increase exceeds the limitations on increases in closing costs under §1026.19(e)(3), a statement that such increase exceeds the legal limits by the dollar amount of the excess, and if any refund is provided pursuant to §1026.19(f)(2)(v), a statement directing the consumer to the disclosure required under paragraph (h)(3) of this section. Such dollar amount shall equal the sum total of all excesses of the limitations on increases in closing costs under §1026.19(e)(3), taking into account the different methods of calculating excesses of the limitations on increases in closing costs under §1026.19(e)(3)(i) and (ii).

(B) If the amount disclosed under paragraph (i)(1)(ii) of this section is equal to the amount disclosed under paragraph (i)(1)(i) of this section, a statement of that fact.

(2) *Closing costs paid before closing.* (i) Under the subheading “Loan Estimate,” the dollar amount “\$0,” labeled “Closing Costs Paid Before Closing.”

(ii) Under the subheading “Final,” the amount of “Total Closing Costs”

disclosed under paragraph (h)(2) of this section and designated as borrower-paid before closing, stated as a negative number.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(2):

(A) If the amount disclosed under paragraph (i)(2)(ii) of this section is different than the amount disclosed under paragraph (i)(2)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer paid such amounts prior to consummation of the transaction; or

(B) If the amount disclosed under paragraph (i)(2)(ii) of this section is equal to the amount disclosed under paragraph (i)(2)(i) of this section, a statement of that fact.

(3) *Closing costs financed.* (i) Under the subheading “Loan Estimate,” the amount disclosed under §1026.37(h)(1)(ii), labeled “Closing Costs Financed (Paid from your Loan Amount).”

(ii) Under the subheading “Final,” the actual amount of the closing costs that are to be paid out of loan proceeds, if any, stated as a negative number.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(3):

(A) If the amount disclosed under paragraph (i)(3)(ii) of this section is different than the amount disclosed under paragraph (i)(3)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer included the closing costs in the loan amount, which increased the loan amount; or

(B) If the amount disclosed under paragraph (i)(3)(ii) of this section is equal to the amount disclosed under paragraph (i)(3)(i) of this section, a statement of that fact.

(4) *Down payment/funds from borrower.* (i) Under the subheading “Loan Estimate,” the amount disclosed under §1026.37(h)(1)(iii), labeled “Down Payment/Funds from Borrower.”

(ii) Under the subheading “Final”:

(A) In a transaction that is a purchase as defined in §1026.37(a)(9)(i), the

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amount of the difference between the purchase price of the property and the principal amount of the credit extended, stated as a positive number, labeled “Down Payment/Funds from Borrower”; or

(B) In a transaction other than the type described in paragraph (i)(4)(ii)(A) of this section, the “Funds from Borrower” as determined in accordance with paragraph (i)(6)(iv) of this section, labeled “Down Payment/Funds from Borrower.”

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(4):

(A) If the amount disclosed under paragraph (i)(4)(ii) of this section is different than the amount disclosed under paragraph (i)(4)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer increased or decreased this payment and that the consumer should see the details disclosed under paragraph (j)(1) or (j)(2) of this section, as applicable; or

(B) If the amount disclosed under paragraph (i)(4)(ii) of this section is equal to the amount disclosed under paragraph (i)(4)(i) of this section, a statement of that fact.

(5) *Deposit.* (i) Under the subheading “Loan Estimate,” the amount disclosed under § 1026.37(h)(1)(iv), labeled “Deposit.”

(ii) Under the subheading “Final,” the amount disclosed under paragraph (j)(2)(ii) of this section, stated as a negative number.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(5):

(A) If the amount disclosed under paragraph (i)(5)(ii) of this section is different than the amount disclosed under paragraph (i)(5)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer increased or decreased this payment, as applicable, and that the consumer should see the details disclosed under paragraph (j)(2)(ii) of this section; or

(B) If the amount disclosed under paragraph (i)(5)(ii) of this section is equal to the amount disclosed under

paragraph (i)(5)(i) of this section, a statement of that fact.

(6) *Funds for borrower.* (i) Under the subheading “Loan Estimate,” the amount disclosed under § 1026.37(h)(1)(v), labeled “Funds for Borrower.”

(ii) Under the subheading “Final,” the “Funds for Borrower,” labeled using that term, as determined in accordance with paragraph (i)(6)(iv) of this section.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(6):

(A) If the amount disclosed under paragraph (i)(6)(ii) of this section is different than the amount disclosed under paragraph (i)(6)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer’s available funds from the loan amount have increased or decreased, as applicable; or

(B) If the amount disclosed under paragraph (i)(6)(ii) of this section is equal to the amount disclosed under paragraph (i)(6)(i) of this section, a statement of that fact.

(iv) The “Funds from Borrower” to be disclosed under paragraph (i)(4)(ii)(B) of this section and “Funds for Borrower” to be disclosed under paragraph (i)(6)(ii) of this section are determined by subtracting the principal amount of the credit extended (excluding any amount disclosed pursuant to paragraph (i)(3)(ii) of this section) from the total amount of all existing debt being satisfied in the real estate closing and disclosed under paragraph (j)(1)(v) of this section (except to the extent the satisfaction of such existing debt is disclosed under paragraph (g) of this section).

(A) If the calculation under this paragraph (i)(6)(iv) yields an amount that is a positive number, such amount shall be disclosed under paragraph (i)(4)(ii)(B) of this section, and \$0 shall be disclosed under paragraph (i)(6)(ii) of this section.

(B) If the calculation under this paragraph (i)(6)(iv) yields an amount that is a negative number, such amount shall be disclosed under paragraph (i)(6)(ii) of this section, stated as a negative

number, and \$0 shall be disclosed under paragraph (i)(4)(ii)(B) of this section.

(C) If the calculation under this paragraph (i)(6)(iv) yields \$0, \$0 shall be disclosed under paragraph (i)(4)(ii)(B) of this section and under paragraph (i)(6)(ii) of this section.

(7) *Seller credits.* (i) Under the subheading “Loan Estimate,” the amount disclosed under §1026.37(h)(1)(vi), labeled “Seller Credits.”

(ii) Under the subheading “Final,” the amount disclosed under paragraph (j)(2)(v) of this section, stated as a negative number.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(7):

(A) If the amount disclosed under paragraph (i)(7)(ii) of this section is different than the amount disclosed under paragraph (i)(7)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer should see the details disclosed under paragraph (j)(2)(v) of this section; or

(B) If the amount disclosed under paragraph (i)(7)(ii) of this section is equal to the amount disclosed under paragraph (i)(7)(i) of this section, a statement of that fact.

(8) *Adjustments and other credits.* (i) Under the subheading “Loan Estimate,” the amount disclosed on the Loan Estimate under §1026.37(h)(1)(vii) rounded to the nearest whole dollar, labeled “Adjustments and Other Credits.”

(ii) Under the subheading “Final,” the amount equal to the total of the amounts disclosed under paragraphs (j)(1)(iii) and (v) through (x) of this section reduced by the total of the amounts disclosed under paragraphs (j)(2)(vi) through (xi) of this section.

(iii) Under the subheading “Did this change?,” disclosed more prominently than the other disclosures under this paragraph (i)(8):

(A) If the amount disclosed under paragraph (i)(8)(ii) of this section is different than the amount disclosed under paragraph (i)(8)(i) of this section (unless the difference is due to rounding), a statement of that fact, along with a statement that the consumer should see the details disclosed under para-

graphs (j)(1)(iii) and (v) through (x) and (j)(2)(vi) through (xi) of this section; or

(B) If the amount disclosed under paragraph (i)(8)(ii) of this section is equal to the amount disclosed under paragraph (i)(8)(i) of this section, a statement of that fact.

(9) *Cash to close.* (i) Under the subheading “Loan Estimate,” the amount disclosed on the Loan Estimate under §1026.37(h)(1)(viii), labeled “Cash to Close” and disclosed more prominently than the other disclosures under this paragraph (i).

(ii) Under the subheading “Final,” the sum of the amounts disclosed under paragraphs (i)(1) through (i)(8) of this section under the subheading “Final,” and disclosed more prominently than the other disclosures under this paragraph (i).

(j) *Summary of borrower’s transaction.* Under the heading “Summaries of Transactions,” with a statement to “Use this table to see a summary of your transaction,” two separate tables are disclosed. The first table shall include, under the subheading “Borrower’s Transaction,” the following information and shall satisfy the following requirements:

(1) *Itemization of amounts due from borrower.* (i) The total amount due from the consumer at closing, calculated as the sum of items required to be disclosed by paragraph (j)(1)(ii) through (x) of this section, excluding items paid from funds other than closing funds as described in paragraph (j)(4)(i) of this section, labeled “Due from Borrower at Closing”;

(ii) The amount of the contract sales price of the property being sold in a purchase real estate transaction, excluding the price of any tangible personal property if the consumer and seller have agreed to a separate price for such items, labeled “Sale Price of Property”;

(iii) The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to paragraph (j)(1)(ii) of this section, labeled “Sale Price of Any Personal Property Included in Sale”;

(iv) The total amount of closing costs disclosed that are designated borrower-paid at closing, as the sum of the

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amounts calculated pursuant to paragraphs (h)(2) and (3) of this section, labeled "Closing Costs Paid at Closing";

(v) A description and the amount of any additional items that the seller has paid prior to the real estate closing, but reimbursed by the consumer at the real estate closing, and a description and the amount of any other items owed by the consumer at the real estate closing not otherwise disclosed pursuant to paragraph (f), (g), or (j) of this section;

(vi) The description "Adjustments for Items Paid by Seller in Advance";

(vii) The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled "City/Town Taxes";

(viii) The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled "County Taxes";

(ix) The prorated amount of any prepaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled "Assessments"; and

(x) A description and the amount of any additional items paid by the seller prior to the real estate closing that are due from the consumer at the real estate closing.

(2) *Itemization of amounts already paid by or on behalf of borrower.* (i) The sum of the amounts disclosed in this paragraph (j)(2)(ii) through (xi) of this section, excluding items paid from funds other than closing funds as described in paragraph (j)(4)(i) of this section, labeled "Paid Already by or on Behalf of Borrower at Closing";

(ii) Any amount that is paid to the seller or held in trust or escrow by an attorney or other party under the terms of the agreement for the sale of the property, labeled "Deposit";

(iii) The amount of the consumer's new loan amount or first user loan as disclosed pursuant to paragraph (b) of this section, labeled "Loan Amount";

(iv) The amount of any existing loans that the consumer is assuming, or any loans subject to which the consumer is

taking title to the property, labeled "Existing Loan(s) Assumed or Taken Subject to";

(v) The total amount of money that the seller will provide at the real estate closing as a lump sum not otherwise itemized to pay for loan costs as determined by paragraph (f) of this section and other costs as determined by paragraph (g) of this section and any other obligations of the seller to be paid directly to the consumer, labeled "Seller Credit";

(vi) The description "Other Credits," together with a description and amount of other items paid by or on behalf of the consumer and not otherwise disclosed pursuant to paragraphs (f), (g), (h), and (j)(2) of this section;

(vii) The description "Adjustments for Items Unpaid by Seller";

(viii) The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount, labeled "City/Town Taxes";

(ix) The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount, labeled "County Taxes";

(x) The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount, labeled "Assessments"; and

(xi) A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing.

(3) *Calculation of borrower's transaction.* Under the label "Calculation":

(i) The amount disclosed pursuant to paragraph (j)(1)(i) of this section, labeled "Total Due from Borrower at Closing";

(ii) The amount disclosed pursuant to paragraph (j)(2)(i) of this section, if any, disclosed as a negative number, labeled "Total Paid Already by or on Behalf of Borrower at Closing"; and

(iii) A statement that the disclosed amount is due from or to the consumer, and the amount due from or to the consumer at the real estate closing, calculated by the sum of the amounts disclosed under paragraphs (j)(3)(i) and (ii) of this section, labeled “Cash to Close.”

(4) *Items paid outside of closing funds.*

(i) Costs that are not paid from closing funds but that would otherwise be disclosed in the table required pursuant to paragraph (j) of this section, should be marked with the phrase “Paid Outside of Closing” or the abbreviation “P.O.C.” and include the name of the party making the payment.

(ii) For purposes of this paragraph (j), “closing funds” means funds collected and disbursed at real estate closing.

(k) *Summary of seller’s transaction.* Under the heading “Summaries of Transactions” required by paragraph (j) of this section, a separate table under the subheading “Seller’s Transaction,” that includes the following information and satisfies the following requirements:

(1) *Itemization of amounts due to seller.*

(i) The total amount due to the seller at the real estate closing, calculated as the sum of items required to be disclosed pursuant to paragraphs (k)(1)(ii) through (ix) of this section, excluding items paid from funds other than closing funds as described in paragraph (k)(4)(i) of this section, labeled “Due to Seller at Closing”;

(ii) The amount of the contract sales price of the property being sold, excluding the price of any tangible personal property if the consumer and seller have agreed to a separate price for such items, labeled “Sale Price of Property”;

(iii) The amount of the sales price of any tangible personal property excluded from the contract sales price pursuant to paragraph (k)(1)(ii) of this section, labeled “Sale Price of Any Personal Property Included in Sale”;

(iv) A description and the amount of other items paid to the seller by the consumer pursuant to the contract of sale or other agreement, such as charges that were not disclosed pursuant to § 1026.37 on the Loan Estimate or items paid by the seller prior to the real estate closing but reimbursed by

the consumer at the real estate closing;

(v) The description “Adjustments for Items Paid by Seller in Advance”;

(vi) The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled “City/Town Taxes”;

(vii) The prorated amount of any prepaid taxes due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled “County Taxes”;

(viii) The prorated amount of any prepaid assessments due from the consumer to reimburse the seller at the real estate closing, and the time period corresponding to that amount, labeled “Assessments”; and

(ix) A description and the amount of additional items paid by the seller prior to the real estate closing that are reimbursed by the consumer at the real estate closing.

(2) *Itemization of amounts due from seller.*

(i) The total amount due from the seller at the real estate closing, calculated as the sum of items required to be disclosed pursuant to paragraphs (k)(2)(ii) through (xiii) of this section, excluding items paid from funds other than closing funds as described in paragraph (k)(4)(i) of this section, labeled “Due from Seller at Closing”;

(ii) The amount of any excess deposit disbursed to the seller prior to the real estate closing, labeled “Excess Deposit”;

(iii) The amount of closing costs designated seller-paid at closing disclosed pursuant to paragraph (h)(2) of this section, labeled “Closing Costs Paid at Closing”;

(iv) The amount of any existing loans that the consumer is assuming, or any loans subject to which the consumer is taking title to the property, labeled “Existing Loan(s) Assumed or Taken Subject to”;

(v) The amount of any loan secured by a first lien on the property that will be paid off as part of the real estate closing, labeled “Payoff of First Mortgage Loan”;

(vi) The amount of any loan secured by a second lien on the property that

will be paid off as part of the real estate closing, labeled “Payoff of Second Mortgage Loan”;

(vii) The total amount of money that the seller will provide at the real estate closing as a lump sum not otherwise itemized to pay for loan costs as determined by paragraph (f) of this section and other costs as determined by paragraph (g) of this section and any other obligations of the seller to be paid directly to the consumer, labeled “Seller Credit”;

(viii) A description and amount of any and all other obligations required to be paid by the seller at the real estate closing, including any lien-related payoffs, fees, or obligations;

(ix) The description “Adjustments for Items Unpaid by Seller”;

(x) The prorated amount of any unpaid taxes due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount, labeled “City/Town Taxes”;

(xi) The prorated amount of any unpaid taxes due from the seller to the consumer at the real estate closing, and the time period corresponding to that amount, labeled “County Taxes”;

(xii) The prorated amount of any unpaid assessments due from the seller to reimburse the consumer at the real estate closing, and the time period corresponding to that amount, labeled “Assessments”; and

(xiii) A description and the amount of any additional items which have not yet been paid and which the consumer is expected to pay after the real estate closing, but which are attributable in part to a period of time prior to the real estate closing.

(3) *Calculation of seller’s transaction.* Under the label “Calculation”:

(i) The amount described in paragraph (k)(1)(i) of this section, labeled “Total Due to Seller at Closing”;

(ii) The amount described in paragraph (k)(2)(i) of this section, disclosed as a negative number, labeled “Total Due from Seller at Closing”; and

(iii) A statement that the disclosed amount is due from or to the seller, and the amount due from or to the seller at closing, calculated by the sum of the amounts disclosed pursuant to

paragraphs (k)(3)(i) and (ii) of this section, labeled “Cash.”

(4) *Items paid outside of closing funds.*

(i) Charges that are not paid from closing funds but that would otherwise be disclosed in the table described in paragraph (k) of this section, should be marked with the phrase “Paid Outside of Closing” or the acronym “P.O.C.” and include a statement of the party making the payment.

(ii) For purposes of this paragraph (k), “closing funds” are defined as funds collected and disbursed at real estate closing.

(1) *Loan disclosures.* Under the master heading “Additional Information About This Loan” and under the heading “Loan Disclosures”:

(1) *Assumption.* Under the subheading “Assumption,” the information required by §1026.37(m)(2).

(2) *Demand feature.* Under the subheading “Demand Feature,” a statement of whether the legal obligation permits the creditor to demand early repayment of the loan and, if the statement is affirmative, a reference to the note or other loan contract for details.

(3) *Late payment.* Under the subheading “Late Payment,” the information required by §1026.37(m)(4).

(4) *Negative amortization.* Under the subheading “Negative Amortization (Increase in Loan Amount),” a statement of whether the regular periodic payments may cause the principal balance to increase.

(i) If the regular periodic payments do not cover all of the interest due, the creditor must provide a statement that the principal balance will increase, such balance will likely become larger than the original loan amount, and increases in such balance lower the consumer’s equity in the property.

(ii) If the consumer may make regular periodic payments that do not cover all of the interest due, the creditor must provide a statement that, if the consumer chooses a monthly payment option that does not cover all of the interest due, the principal balance may become larger than the original loan amount and the increases in the principal balance lower the consumer’s equity in the property.

(5) *Partial payment policy.* Under the subheading “Partial Payments”:

(i) If periodic payments that are less than the full amount due are accepted, a statement that the creditor, using the term “lender,” may accept partial payments and apply such payments to the consumer’s loan;

(ii) If periodic payments that are less than the full amount due are accepted but not applied to a consumer’s loan until the consumer pays the remainder of the full amount due, a statement that the creditor, using the term “lender,” may hold partial payments in a separate account until the consumer pays the remainder of the payment and then apply the full periodic payment to the consumer’s loan;

(iii) If periodic payments that are less than the full amount due are not accepted, a statement that the creditor, using the term “lender,” does not accept any partial payments; and

(iv) A statement that, if the loan is sold, the new creditor, using the term “lender,” may have a different policy.

(6) *Security interest.* Under the subheading “Security Interest,” a statement that the consumer is granting a security interest in the property securing the transaction, the property address including a zip code, and a statement that the consumer may lose the property if the consumer does not make the required payments or satisfy other requirements under the legal obligation.

(7) *Escrow account.* Under the subheading “Escrow Account”:

(i) Under the reference “For now,” a statement that an escrow account may also be called an impound or trust account, a statement of whether the creditor has established or will establish, at or before consummation, an escrow account in connection with the transaction for the costs that will be paid using escrow account funds described in paragraph (1)(7)(i)(A)(I) of this section:

(A) A statement that the creditor may be liable for penalties and interest if it fails to make a payment for any cost for which the escrow account is established, a statement that the consumer would have to pay such costs directly in the absence of the escrow account, and a table, titled “Escrow” that contains, if an escrow account is

or will be established, an itemization of the following:

(1) The total amount the consumer will be required to pay into an escrow account over the first year after consummation for payment of the charges described in §1026.37(c)(4)(ii), labeled “Escrowed Property Costs over Year 1,” together with a descriptive name of each such charge, calculated as the amount disclosed under paragraph (1)(7)(i)(A)(4) of this section multiplied by the number of periodic payments scheduled to be made to the escrow account during the first year after consummation;

(2) The estimated amount the consumer is likely to pay during the first year after consummation for charges described in §1026.37(c)(4)(ii) that are known to the creditor and that will not be paid using escrow account funds, labeled “Non-Escrowed Property Costs over Year 1,” together with a descriptive name of each such charge and a statement that the consumer may have to pay other costs that are not listed;

(3) The total amount disclosed pursuant to paragraph (g)(3) of this section, a statement that the payment is a cushion for the escrow account, labeled “Initial Escrow Payment,” and a reference to the information disclosed pursuant to paragraph (g)(3) of this section;

(4) The amount the consumer will be required to pay into the escrow account with each periodic payment during the first year after consummation for payment of the charges described in §1026.37(c)(4)(ii), labeled “Monthly Escrow Payment.”

(5) A creditor complies with the requirements of paragraphs (1)(7)(i)(A)(I) and (1)(7)(i)(A)(4) of this section if the creditor bases the numerical disclosures required by those paragraphs on amounts derived from the escrow account analysis required under Regulation X, 12 CFR 1024.17.

(B) A statement of whether the consumer will not have an escrow account, the reason why an escrow account will not be established, a statement that the consumer must pay all property costs, such as taxes and homeowner’s insurance, directly, a statement that the consumer may contact the creditor to inquire about the availability of an

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escrow account, and a table, titled “No Escrow,” that contains, if an escrow account will not be established, an itemization of the following:

(1) The estimated total amount the consumer will pay directly for charges described in §1026.37(c)(4)(ii) during the first year after consummation that are known to the creditor and a statement that, without an escrow account, the consumer must pay the identified costs, possibly in one or two large payments, labeled “Property Costs over Year 1”; and

(2) The amount of any fee the creditor imposes on the consumer for not establishing an escrow account in connection with the transaction, labeled “Escrow Waiver Fee.”

(ii) Under the reference “In the future”:

(A) A statement that the consumer’s property costs may change and that, as a result, the consumer’s escrow payment may change;

(B) A statement that the consumer may be able to cancel any escrow account that has been established, but that the consumer is responsible for directly paying all property costs in the absence of an escrow account; and

(C) A description of the consequences if the consumer fails to pay property costs, including the actions that a State or local government may take if property taxes are not paid and the actions the creditor may take if the consumer does not pay some or all property costs, such as adding amounts to the loan balance, adding an escrow account to the loan, or purchasing a property insurance policy on the consumer’s behalf that may be more expensive and provide fewer benefits than what the consumer could obtain directly.

(m) *Adjustable payment table.* Under the master heading “Additional Information About This Loan” required by paragraph (1) of this section, and under the heading “Adjustable Payment (AP) Table,” the table required to be disclosed by §1026.37(i).

(n) *Adjustable interest rate table.* Under the master heading “Additional Information About This Loan” required by paragraph (1) of this section, and under the heading “Adjustable Interest Rate

(AIR) Table,” the table required to be disclosed by §1026.37(j).

(o) *Loan calculations.* In a separate table under the heading “Loan Calculations”:

(1) *Total of payments.* The “Total of Payments,” using that term and expressed as a dollar amount, and a statement that the disclosure is the total the consumer will have paid after making all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.

(2) *Finance charge.* The “Finance Charge,” using that term and expressed as a dollar amount, and the following statement: “The dollar amount the loan will cost you.” The disclosed finance charge and other disclosures affected by the disclosed financed charge (including the amount financed and the annual percentage rate) shall be treated as accurate if the amount disclosed as the finance charge:

(i) Is understated by no more than \$100; or

(ii) Is greater than the amount required to be disclosed.

(3) *Amount financed.* The “Amount Financed,” using that term and expressed as a dollar amount, and the following statement: “The loan amount available after paying your upfront finance charge.”

(4) *Annual percentage rate.* The “Annual Percentage Rate,” using that term and the abbreviation “APR” and expressed as a percentage, and the following statement: “Your costs over the loan term expressed as a rate. This is not your interest rate.”

(5) *Total interest percentage.* The “Total Interest Percentage,” using that term and the abbreviation “TIP” and expressed as a percentage, and the following statement: “The total amount of interest that you will pay over the loan term as a percentage of your loan amount.”

(p) *Other disclosures.* Under the heading “Other Disclosures”:

(1) *Appraisal.* For transactions subject to 15 U.S.C. 1639h or 1691(e), as implemented in this part or Regulation B, 12 CFR part 1002, respectively, under the subheading “Appraisal,” that:

(i) If there was an appraisal of the property in connection with the loan, the creditor is required to provide the

consumer with a copy at no additional cost to the consumer at least three days prior to consummation; and

(ii) If the consumer has not yet received a copy of the appraisal, the consumer should contact the creditor using the information disclosed pursuant to paragraph (r) of this section.

(2) *Contract details.* A statement that the consumer should refer to the appropriate loan document and security instrument for information about non-payment, what constitutes a default under the legal obligation, circumstances under which the creditor may accelerate the maturity of the obligation, and prepayment rebates and penalties, under the subheading “Contract Details.”

(3) *Liability after foreclosure.* A brief statement of whether, and the conditions under which, the consumer may remain responsible for any deficiency after foreclosure under applicable State law, a brief statement that certain protections may be lost if the consumer refinances or incurs additional debt on the property, and a statement that the consumer should consult an attorney for additional information, under the subheading “Liability after Foreclosure.”

(4) *Refinance.* Under the subheading “Refinance,” the statement required by §1026.37(m)(5).

(5) *Tax deductions.* Under the subheading “Tax Deductions,” a statement that, if the extension of credit exceeds the fair market value of the property, the interest on the portion of the credit extension that is greater than the fair market value of the property is not tax deductible for Federal income tax purposes and a statement that the consumer should consult a tax adviser for further information.

(q) *Questions notice.* In a separate notice labeled “Questions?”:

(1) A statement directing the consumer to use the contact information disclosed under paragraph (r) of this section if the consumer has any questions about the disclosures required pursuant to §1026.19(f);

(2) A reference to the Bureau’s Web site to obtain more information or to submit a complaint; and the link or uniform resource locator address to the

Web site: *www.consumerfinance.gov/mortgage-closing*; and

(3) A prominent question mark.

(r) *Contact information.* In a separate table, under the heading “Contact Information,” the following information for each creditor (under the subheading “Lender”), mortgage broker (under the subheading “Mortgage Broker”), consumer’s real estate broker (under the subheading “Real Estate Broker (B)”), seller’s real estate broker (under the subheading “Real Estate Broker (S)”), and settlement agent (under the subheading “Settlement Agent”) participating in the transaction:

(1) Name of the person, labeled “Name”;

(2) Address, using that label;

(3) Nationwide Mortgage Licensure System & Registry (NMLSR ID) identification number, labeled “NMLS ID,” or, if none, license number or other unique identifier issued by the applicable jurisdiction or regulating body with which the person is licensed and/or registered, labeled “License ID,” with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, for the persons identified in paragraph (r)(1) of this section;

(4) Name of the natural person who is the primary contact for the consumer with the person identified in paragraph (r)(1) of this section, labeled “Contact”;

(5) NMLSR ID, labeled “Contact NMLS ID,” or, if none, license number or other unique identifier issued by the applicable jurisdiction or regulating body with which the person is licensed and/or registered, labeled “Contact License ID,” with the abbreviation for the State of the applicable jurisdiction or regulatory body stated before the word “License” in the label, for the natural person identified in paragraph (r)(4) of this section,

(6) Email address for the person identified in paragraph (r)(4) of this section, labeled “Email”; and

(7) Telephone number for the person identified in paragraph (r)(4) of this section, labeled “Phone.”

(s) *Signature statement.* (1) At the creditor’s option, under the heading

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“Confirm Receipt,” a line for the signatures of the consumers in the transaction. If the creditor provides a line for the consumer’s signature, the creditor must disclose above the signature line the statement required to be disclosed under §1026.37(n)(1).

(2) If the creditor does not provide a line for the consumer’s signature, the statement required to be disclosed under §1026.37(n)(2) under the heading “Other Disclosures” required by paragraph (p) of this section.

(t) *Form of disclosures*—(1) *General requirements.* (i) The creditor shall make the disclosures required by this section clearly and conspicuously in writing, in a form that the consumer may keep. The disclosures also shall be grouped together and segregated from everything else.

(ii) Except as provided in paragraph (t)(5), the disclosures shall contain only the information required by paragraphs (a) through (s) of this section and shall be made in the same order, and positioned relative to the master headings, headings, subheadings, labels, and similar designations in the same manner, as shown in form H-25, set forth in appendix H to this part.

(2) *Headings and labels.* If a master heading, heading, subheading, label, or similar designation contains the word “estimated” or a capital letter designation in form H-25, set forth in appendix H to this part, that heading, label, or similar designation shall contain the word “estimated” and the applicable capital letter designation.

(3) *Form.* Except as provided in paragraph (t)(5) of this section:

(i) For a transaction subject to §1026.19(f) that is a federally related mortgage loan, as defined in Regulation X, 12 CFR 1024.2, the disclosures must be made using form H-25, set forth in appendix H to this part.

(ii) For any other transaction subject to this section, the disclosures must be made with headings, content, and format substantially similar to form H-25, set forth in appendix H to this part.

(iii) The disclosures required by this section may be provided to the consumer in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and

National Commerce Act (15 U.S.C. 7001 *et seq.*).

(4) *Rounding*—(i) *Nearest dollar.* The following dollar amounts are required to be rounded to the nearest whole dollar:

(A) The dollar amounts required to be disclosed by paragraph (b) of this section that are required to be rounded by §1026.37(o)(4)(i)(A) when disclosed under §1026.37(b)(6) and (7);

(B) The dollar amounts required to be disclosed by paragraph (c) of this section that are required to be rounded by §1026.37(o)(4)(i)(A) when disclosed under §1026.37(c)(1)(iii);

(C) The dollar amounts required to be disclosed by paragraphs (e) and (i) of this section under the subheading “Loan Estimate”;

(D) The dollar amounts required to be disclosed by paragraph (m) of this section; and

(E) The dollar amounts required to be disclosed by paragraph (c) of this section that are required to be rounded by §1026.37(o)(4)(i)(C) when disclosed under §1026.37(c)(2)(iv).

(ii) *Percentages.* The percentage amounts required to be disclosed under paragraphs (b), (f)(1), (n), and (o)(5) of this section shall not be rounded and shall be disclosed up to two or three decimal places. The percentage amount required to be disclosed under paragraph (o)(4) of this section shall not be rounded and shall be disclosed up to three decimal places. If the amount is a whole number then the amount disclosed shall be truncated at the decimal point.

(iii) *Loan amount.* The dollar amount required to be disclosed by paragraph (b) of this section as required by §1026.37(b)(1) shall be disclosed as an unrounded number, except that if the amount is a whole number then the amount disclosed shall be truncated at the decimal point.

(5) *Exceptions*—(i) *Unit-period.* Whenever the form or this section uses “monthly” to describe the frequency of any payments or uses “month” to describe the applicable unit-period, the creditor shall substitute the appropriate term to reflect the fact that the transaction’s terms provide for other than monthly periodic payments, such as bi-weekly or quarterly payments.

(ii) *Lender credits.* The amount required to be disclosed by paragraph (d)(1)(i)(D) of this section may be omitted from the form if the amount is zero.

(iii) *Administrative information.* The creditor may insert at the bottom of each page under the disclosures required by this section as illustrated by form H-25 of appendix H to this part, any administrative information, text, or codes that assist in identification of the form or the information disclosed on the form, provided that the space provided on form H-25 for any of the information required by this section is not altered.

(iv) *Closing cost details—(A) Additional line numbers.* Line numbers provided on form H-25 of appendix H to this part for the disclosure of the information required by paragraphs (f)(1) through (3) and (g)(1) through (4) of this section that are not used may be deleted and the deleted line numbers added to the space provided for any other of those paragraphs as necessary to accommodate the disclosure of additional items.

(B) *Two pages.* To the extent that adding or deleting line numbers provided on form H-25 of appendix H to this part, as permitted by paragraph (t)(5)(iv)(A) of this section, does not accommodate an itemization of all information required to be disclosed by paragraphs (f) through (h) on one page, the information required to be disclosed by paragraphs (f) through (h) of this section may be disclosed on two pages, provided that the information required by paragraph (f) is disclosed on a page separate from the information required by paragraph (g). The information required by paragraph (g), if disclosed on a page separate from paragraph (f), shall be disclosed on the same page as the information required by paragraph (h).

(v) *Separation of consumer and seller information.* The creditor or settlement agent preparing the form may use form H-25 of appendix H to this part for the disclosure provided to both the consumer and the seller, with the following modifications to separate the information of the consumer and seller, as necessary:

(A) The information required to be disclosed by paragraphs (j) and (k) of

this section may be disclosed on separate pages to the consumer and the seller, respectively, with the information required by the other paragraph left blank. The information disclosed to the consumer pursuant to paragraph (j) of this section must be disclosed on the same page as the information required by paragraph (i) of this section.

(B) The information required to be disclosed by paragraphs (f) and (g) of this section with respect to costs paid by the consumer may be left blank on the disclosure provided to the seller.

(C) The information required by paragraphs (a)(2), (a)(4)(iii), (a)(5), (b) through (d), (i), (l) through (p), (r) with respect to the creditor and mortgage broker, and (s)(2) of this section may be left blank on the disclosure provided to the seller.

(vi) *Modified version of the form for a seller or third-party.* The information required by paragraphs (a)(2), (a)(4)(iii), (a)(5), (b) through (d), (f), and (g) with respect to costs paid by the consumer, (i), (j), (l) through (p), (q)(1), and (r) with respect to the creditor and mortgage broker, and (s) of this section may be deleted from the form provided to the seller or a third-party, as illustrated by form H-25(I) of appendix H to this part.

(vii) *Transaction without a seller.* The following modifications to form H-25 of appendix H to this part may be made for a transaction that does not involve a seller and for which the alternative tables are disclosed pursuant to paragraphs (d)(2) and (e) of this section, as illustrated by form H-25(J) of appendix H to this part:

(A) The information required by paragraph (a)(4)(ii), and paragraphs (f), (g), and (h) of this section with respect to costs paid by the seller, may be deleted.

(B) A table under the master heading “Closing Cost Details” required by paragraph (f) of this section may be added with the heading “Payoffs and Payments” that itemizes the amounts of payments made at closing to other parties from the credit extended to the consumer or funds provided by the consumer in connection with the transaction, including designees of the consumer; the payees and a description of the purpose of such disbursements

under the subheading “To”; and the total amount of such payments labeled “Total Payoffs and Payments.”

(C) The tables required to be disclosed by paragraphs (j) and (k) of this section may be deleted.

(viii) *Translation.* The form may be translated into languages other than English, and creditors may modify form H-25 of appendix H to this part to the extent that translation prevents the headings, labels, designations, and required disclosure items under this section from fitting in the space provided on form H-25.

(ix) *Customary recitals and information.* An additional page may be attached to the form for the purpose of including customary recitals and information used locally in real estate settlements.

[78 FR 80120, Dec. 31, 2013, as amended at 80 FR 8776, Feb. 19, 2015; 80 FR 43920, July 24, 2015]

§ 1026.39 Mortgage transfer disclosures.

(a) *Scope.* The disclosure requirements of this section apply to any covered person except as otherwise provided in this section. For purposes of this section:

(1) A “*covered person*” means any person, as defined in § 1026.2(a)(22), that becomes the owner of an existing mortgage loan by acquiring legal title to the debt obligation, whether through a purchase, assignment or other transfer, and who acquires more than one mortgage loan in any twelve-month period. For purposes of this section, a servicer of a mortgage loan shall not be treated as the owner of the obligation if the servicer holds title to the loan, or title is assigned to the servicer, solely for the administrative convenience of the servicer in servicing the obligation.

(2) A “*mortgage loan*” means:

(i) An open-end consumer credit transaction that is secured by the principal dwelling of a consumer; and

(ii) A closed-end consumer credit transaction secured by a dwelling or real property.

(b) *Disclosure required.* Except as provided in paragraph (c) of this section, each covered person is subject to the requirements of this section and shall mail or deliver the disclosures required

by this section to the consumer on or before the 30th calendar day following the date of transfer.

(1) *Form of disclosures.* The disclosures required by this section shall be provided clearly and conspicuously in writing, in a form that the consumer may keep. The disclosures required by this section may be provided to the consumer in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act) (15 U.S.C. 7001 *et seq.*).

(2) *The date of transfer.* For purposes of this section, the date of transfer to the covered person may, at the covered person’s option, be either the date of acquisition recognized in the books and records of the acquiring party, or the date of transfer recognized in the books and records of the transferring party.

(3) *Multiple consumers.* If more than one consumer is liable on the obligation, a covered person may mail or deliver the disclosures to any consumer who is primarily liable.

(4) *Multiple transfers.* If a mortgage loan is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person, a single disclosure may be provided on behalf of both covered persons if the disclosure satisfies the timing and content requirements applicable to each covered person.

(5) *Multiple covered persons.* If an acquisition involves multiple covered persons who jointly acquire the loan, a single disclosure must be provided on behalf of all covered persons.

(c) *Exceptions.* Notwithstanding paragraph (b) of this section, a covered person is not subject to the requirements of this section with respect to a particular mortgage loan if:

(1) The covered person sells, or otherwise transfers or assigns legal title to the mortgage loan on or before the 30th calendar day following the date that the covered person acquired the mortgage loan which shall be the date of transfer recognized for purposes of paragraph (b)(2) of this section;

(2) The mortgage loan is transferred to the covered person in connection with a repurchase agreement that obligates the transferor to repurchase the