

## RESPA REFORM FREQUENTLY ASKED QUESTIONS

### \*\*\*GENERAL\*\*\*

- 1. Q: I have a loan application that was taken and disclosed in December 2009 using the old GFE. Do I need to send out a brand new loan package with the new GFE in January 2010, or do we still fall under old rules.**

A: If a GFE is issued on the old form prior to January 1, 2010, then the old HUD-1 form must be used even if closing occurs after January 1, 2010. For GFEs issued on the old form, the loan HUD gives the originator the option to reissue the GFE on the new form with the same terms and charges, and close the loan using the new HUD-1 form. However, PCM will not require that a new GFE should be re-issued in such cases.
- 2. Q: If PCM rejects an application in order to avoid being bound by a broker's GFE would that rejection be subject to ECOA adverse action requirements and HMDA reporting?**

A: PCM will not subject files to adverse action requirements if they are rejected and returned to the broke solely for incomplete or missing GFEs.
- 3. Q: I just printed the new GFE from and the 3rd page does not have a signature line. May a loan originator alter the GFE by adding signature lines to the GFE?**

A: No. HUD expressly forbids a loan originator from adding a signature line to the GFE. HUD allows internal practices and procedures to document the borrower's receipt of the GFE. *Note: Acknowledgement of receipt of a GFE and/or TIL is not considered a borrower's intent to proceed.*
- 4. Q: The definition of application includes the social security number as one of seven pieces of information. Foreign nationals do not have social security numbers. Is a Tax Identification Number (TIN) an acceptable substitution?**

A: Yes.
- 5. Q: Did I understand that if we get an "intent to proceed" we don't have to wait the 10 day GFE review period?**

A: YES!
- 6. Q: Does PCM have to give a borrower 10 business days 'to shop' and obtain a new Intent to Proceed each time a GFE is reissued due to a valid Changed Circumstance?**

A: No. A new Intent to Proceed is not required to proceed with the revised GFE if the borrower has previously expressed intent to move forward with the transaction. The loan originator must complete line 2 in the "Important Dates" section with the same date as the last GFE.
- 7. Q: Is a borrower's signature required on the "Certification of Receipt of GFE and Intent to Proceed" form?**

A: No. However, PCM has provided both forms (one with a borrower signature line and one without) so the loan originator has the option to obtain the borrower signature.
- 8. Q: When does a GFE expire?**

A: If a borrower does not express an intent to proceed with an application within ten business days after the GFE is provided (or such longer time period specified by the loan originator), the loan originator is no longer bound by the GFE.

**9. Q: Where can I find HUD's FAQs?**

A: <http://www.hud.gov/offices/hsg/ramh/res/resparulefaqs.pdf>

**10. Q: If a file is rejected by PCM because of an incorrect GFE, may the broker resubmit the same file again with a corrected GFE?**

A: A broker may only prepare a new GFE if the borrower has **not** issued an Intent to Proceed **and** the original GFE has expired. This would be treated as a new transaction by PCM and assigned a new loan number. If an Intent to Proceed has already been received from the borrower on the rejected submission package, a revised GFE may only be revised pursuant to a valid Changed Circumstance.

**11. Q: If a loan is locked and the property falls through and a new property is found, do we need to obtain a new loan number?**

A: No. A change in property is a valid Changed Circumstance so it is possible to proceed with the same loan number and issue a revised GFE. However, if the old GFE has expired, it is possible to close the first file and start with a new loan number. In this way, a new GFE can be issued which allows all fees and charges – including Block 1 charges – to be revised if necessary.

### **\*\*\*ISSUING AN INITIAL GFE\*\*\***

**12. Q: Does the borrower have to provide all required documentation before we issue a GFE?**

A: A GFE must be issued when the seven basic items that constitute a loan application are received (borrower's name, borrower's monthly income, borrower's social security number, property address, estimate of the value of the property, mortgage loan amount sought and a completed 1003). Additional information may be subsequently requested from the borrower.

**13. Q: If the borrower doesn't have to sign the GFE, as a wholesale lender how do we verify that the borrower actually received the GFE?**

A: Within the FAQs, HUD states that a signature line cannot be added to the GFE, but it does not prohibit a loan originator to set up procedures to track delivery.

**14. Q: If a broker or affiliate failed to provide the GFE, can PCM issue its own GFE?**

A: PCM requires that brokers and affiliates issue GFEs on a timely basis as a condition for accepting a loan application. PCM is ultimately responsible for ascertaining whether or not the GFE has been provided. If the GFE has not been provided by the mortgage broker, PCM may, at our option, provide one to the applicant if the file is received within 3 days of receipt of the broker's or affiliate's application date – or reject the file. Any file received with GFEs that were not issued within 3 days of receipt of the borrower's application will be rejected.

**15. Q: What happens if PCM or a broker issues a GFE before we have all of the information which constitutes an application (borrower's name, borrower's monthly income, borrower's social security number, property address, estimate of the value of the property, mortgage loan amount sought and completed 1003)? If the transaction changes when the information is received (e.g. property value) can it be considered a changed circumstance?**

A: No. An application includes information the loan originator requires the borrower to submit in anticipation of a credit decision. If a loan originator issues a GFE, the loan originator is presumed to have received all seven pieces of information.

**16. Q: Can PCM process a loan before we receive the borrower's Intent to Proceed?**

A: Yes. However, fees may not be charged for any services except for reasonable credit report fees until we have received the borrower's Intent to Proceed.

## **\*\*\*DISCLOSING INTEREST RATES\*\*\***

**17. Q: How long is the loan originator required to offer the interest rate on a GFE issued with a floating interest rate?**

A: There are no restrictions on the amount of time the interest rate must remain available.

**18. Q: If a broker issues a GFE showing the rate as locked, but does not lock the rate with PCM, can changes be made to Block 1 and Block 2 of the GFE when the rate is eventually locked?**

A: No. RESPA applies zero tolerance in this case. If PCM accepts the GFE issued by the mortgage broker, we will be bound to the loan terms and settlement charges on the original GFE.

**19. Q: If a GFE has been provided and the interest rate has not been locked, can PCM provide a revised GFE when the borrower later locks the interest rate?**

A: If a borrower who has been provided a GFE later locks the interest rate and there are any changes to interest rate dependent charges or loan terms, a revised GFE must be issued.

**20. Q: Do we need to re-disclose when a loan goes from a float to a lock?**

A: We must re-disclose when we go from float to lock since it is categorized as a "Changed Circumstance." The Important Dates section of the GFE will change to reflect the lock expiration date.

**21. Q: If the availability of the interest rate (shown in item 1 of "Important Dates" on page 1 of the GFE) expires, does a revised GFE have to be issued if the borrower locks a different interest rate before the expiration of the estimate for the settlement charges (shown in item 2 of "Important dates")?**

A: Yes. If the interest rate offered on the GFE expires and the borrower later locks the interest rate, before the expiration of the estimate for the settlement charges, a revised GFE must be issued if any interest rate dependent charges and terms change. If a revised GFE is issued only the following changes may be made: (1) —Charge or credit (points) for interest rate chosen; (2) —Adjusted origination charges; (3) —Daily interest charges; and (4) other interest rate related loan terms. —Our origination charge and all other charges must remain the same from the prior GFE — Written list of providers.

## **\*\*\*SETTLEMENT SERVICE PROVIDERS LIST (SSPL)\*\*\***

**22. Q: When do loan originators have to provide the borrower with a written list of identified providers?**

A: When a loan originator permits a borrower to shop for third-party settlement services, the loan originator must provide the borrower with a written list of settlement services providers at the time of the GFE, on a separate sheet of paper.

**23. Q: Are we required to provide a specific number of providers for the borrower to choose from?**

A: HUD requires that loan originators provide a Settlement Service Provider List (SSPL) showing at least 1 provider for each settlement service that the borrower is allowed to shop for – (Blocks 4,5 and 6 on the GFE).

**24. Q: Does the borrower have to select a settlement service provider from the loan originator's written list of settlement service providers?**

A: No. If the loan originator permits a borrower to shop for a settlement service provider, the borrower may choose a qualified provider that is not on the originator's written list.

**25. Q: If the borrower does not select a service provider on the SSPL are we held to the 10% variance?**

A: No, if the borrower chooses a settlement service provider that is not on the loan originator's written list of providers, the amount paid for that service is not subject to a tolerance.

**26. Q: May a loan originator include an affiliated business on the Settlement Service Providers List (SSPL) that must be provided with the GFE?**

A: Yes. A loan originator may identify an affiliated business on the SSPL. In such cases, an Affiliated Business Disclosure must be provided at the time the GFE is provided to the borrower or at the time of referral, whichever is earlier.

### **\*\*\*FEES\*\*\***

**27. Q: Does the GFE and HUD-1 have to show all loan fees, even if the all or a portion of any fee will be paid by PCM or a third party [seller/realtor/other]?**

A: Yes. The GFE and HUD-1/A must list all loan fees regardless of whether the charge is paid by the borrower, seller, loan originator or any other party. If any party other than the borrower is paying for a service that was on the GFE, the total amount of the actual charge must be shown in the borrower's column on the HUD-1. A credit from the paying party to the borrower to offset the charge should be listed on the first page of the HUD-1/A in Lines 204-209 and, if the service was paid by the seller, Lines 506-509 respectively. For a charge paid by the real estate agent, the name of the person paying the charge must also be listed.

**28. Q: If the actual fees in the 10% tolerance section on the HUD exceeded the tolerance, how should this be handled?**

A: Any amounts exceeding the allowable limit must be given back to the borrower as restitution and shown on the final HUD-1 or HUD-1A.

**29. Q: Our appraisal fees vary a little from our AMC's fees. For example, they charge more for a "complicated" appraisal. Since we don't view the property ourselves, we don't know if it is a complicated property, so why do we have to guarantee the fee?**

A: This is a RESPA requirement. We must attempt to obtain the best estimate available from the appraiser.

**30. Q: Will a mortgage broker be able to charge a YSP after January 1, 2010?**

A: RESPA Reform has eliminated the "Yield Spread Premium" or "Rebate" on Broker or Third-Party-Originated transactions from being paid directly to brokers. With the new regulation, loan originators must disclose the dollar amount of **all** origination fees in Block 1 "Our Origination Charge" of the Good Faith Estimate. Additionally, any "YSP" or "Rebate" earned as a result of locking a specific interest rate must be shown as a credit to the borrower. There is no exception to this rule.

**31. Q: What happens if the credit to borrower in Block 2 of the GFE changes after an interest rate is locked?**

A: Once a loan is locked, the GFE could be re-disclosed showing the new rate/price. An originator is bound to the fees they quote on a GFE, but not the rate until it is locked.

**32. Q: I understand that brokers will still get paid the YSP from the lender, they just have to increase and include it in the Origination Charges (Block 1) and show it as a credit to borrower in Block 2?**

A: The new RESPA rule requires that any YSP must be applied as a credit in Block 2 of the GFE to reduce the borrower's Adjusted Origination Charges in Section A. Brokers should include the total amount of their expected compensation in Block 1 as Origination charges. There is no exception to this rule.

**33. Q: Will brokers still receive a YSP? I understand it needs to be included into the Loan Origination fee in Block 1 then shown as a credit to the borrower in Block 2 but still paid to the broker at closing.**

A: Brokers need to include the total amount they want to make in Block 1, inclusive of Administration and Processing Fee, along with PCM's Fees. At closing, brokers will be paid the Origination Fees disclosed in Block 1 – net of PCM's fees.

**34. Q: Can there be both a credit for a lender paid YSP and a charge for discount points in Block 2 of the same GFE?**

A: No. There can't be a credit for a YSP a charge for discount points in the same transaction. Only one box in GFE Block 2 (Your credit or charge for the specific interest rate chosen) may be checked.

**35. Q: Is a broker allowed to keep the difference if the credit shown in Block 2 an initial GFE increases when the interest rate is locked?**

A: No. Brokers are not allowed to keep any additional credits due to an improving market. They are bound by the fees in Block 1 in this case. Any additional premiums become a larger credit to the borrower. They may also choose to offer better rate to the borrower in lieu of a larger credit in Block 2.

**36. Q: Can an originator change the Origination Fee in Block 1 if the loan amount on a refinance is changed because the appraised value comes in lower than the borrower's estimate?**

A: A change in value would constitute a changed circumstance. However, only fees associated directly with this change could be adjusted. Block 1 "Our Origination Fees" may only be changed if any portion of the fees were calculated as a percentage of the loan amount.

**37. Q: Is a loan amount change a Changed Circumstance? And if so, can GFE Block 1 "Our Origination Charge" and/or GFE Block 2 "Your credit or charge for the specific interest rate chosen" change in this instance?**

A: Any portion of Block 1 charges (Our Origination Charges) which are calculated as a percentage of the loan amount may be increased if there is a change in loan amount or loan program.

**38. Q: Can PCM increase "Our Origination Charge" in Block 1 of the GFE from the amount disclosed in the initial GFE, if the GFE is re-issued due to a Changed Circumstance?**

A: Based on recent commentaries from HUD, an increase in Block 1 fees are only permitted when a GFE is re-issued due to a change in loan amount or the overall loan program changes such as from a FRM to ARM or Conventional to FHA. Only fees that were "calculated as a percentage of the loan amount" may be changed.

**39. Q: What is a transfer tax?**

A: A transfer tax is a tax imposed on the passing of title from one person (or entity) to another.

**40. Q: Does transfer tax need to be disclosed to the borrower?**

A: Transfer tax (GFE Block 8) must be disclosed even if the purchase contract shows that the seller is paying. This is a zero tolerance fee, it cannot increase.

**41. Q: On a purchase transaction where the realtors choose title and escrow, do those fees fall in Block 3?**

A: If the borrower is not given the option to shop (i.e. if a provider is not offered on a SSPL), those 3rd party fees will fall within the 10% tolerance.

**42. Q: What if the tolerance violation is discovered after closing?**

A: HUD allows up to 30 days to cure tolerance violations if they are discovered after closing.

**43. Q: If a charge on the HUD-1 is less than the charge on the GFE, is this a tolerance violation?**

A: No. It is permissible for charges to the borrower to decrease. This is not considered a violation.

**44. Q: If a class of fees is over our tolerance limit, is the loan originator responsible for repayment?**

A: Ultimately yes. If a loan delivered to PCM exceeds tolerances, PCM would provide restitution and invoice the broker.

**45. Q: If I disclose an \$80,000/80 LTV loan with an \$800 origination charge, can I change the origination charge to \$700 if the loan amount is lowered to \$70,000 because the appraised value comes in lower than expected?**

A: Yes.

**46. Q: Can a loan originator e-mail a GFE to a borrower?**

A: Yes; as long as the borrower consents and the other specific requirements for consumer disclosures under the Electronic Signatures in Global and National Commerce Act (ESIGN) are met, a loan originator may e-mail, fax, or send by other electronic means the GFE

**47. Q: If a GFE is issued on the old form prior to January 1, 2010, and the loan will close after January 1, 2010, which HUD-1 form is to be completed by the settlement agent?**

A: If a GFE is issued on the old form prior to January 1, 2010, then the old HUD-1 form must be used even if closing will occur after January 1, 2010. For GFEs issued on the old form, the loan originator has the option to reissue the GFE (with the same terms and charges) on the new form, in which case the settlement agent must complete the new HUD-1 form.

**48. Q: What fees can a loan originator charge before issuing a GFE?**

A: Prior to issuing a GFE, the loan originator may, at its option, collect a fee limited to the cost of a credit report.

**49. Q: There are not enough lines on the GFE or the HUD-1 to show all of the charges that are appropriate for some of the categories. Where should these charges be listed?**

A: Additional lines may be added to Blocks 3, 6 and 11 of the GFE. Additional lines may also be added to the HUD-1.

**50. Q: At what point can a loan originator charge a loan applicant fees for services other than the cost of obtaining a credit report?**

A: After an applicant both receives a GFE and indicates an intent to proceed, the loan originator may collect fees beyond the cost of a credit report.

**51. Q: Can items be listed as —Paid Outside of Closing (P.O.C.) on the new GFE?**

A: No. The totals included in the column on page 2 of the GFE must be the sums of the prices or fees, by category, for all settlement services that are required to be shown on the GFE. See for exceptions see FAQ # 13 at: <http://www.hud.gov/offices/hsg/ramh/res/resparulefaqs.pdf>

**52. Q: If a GFE is issued and at that time it is known that the seller will pay settlement charges typically paid by the borrower, how are the charges disclosed on the GFE?**

A: All charges typically paid by the borrower must be disclosed on the GFE regardless of whether the charges will be paid for by the borrower, the seller, or other party.

**53. Q: How is a tolerance violation that is corrected by PCM shown on the HUD-1?**

A: The settlement agent must prepare a revised HUD-1 that states the actual charges paid by the borrower and seller. If PCM or the broker pays for a portion of a charge to cure a potential tolerance, this amount should be shown as a lump sum amount on a blank line in series 204 through 209 with a description of the tolerance category and a notation that the lender has made a P.O.C. payment of a specified amount to correct a potential tolerance violation.

**54. Q: Is the tolerance threshold for HUD-1 Lines 801, 802 and 803 separate or is the tolerance threshold the aggregate of the three lines?**

A: HUD-1 Lines 801, 802 and 803 each have a separate tolerance threshold.

**55. Q: If a settlement agent revises a HUD-1 to cure a technical error or to reflect a tolerance cure, may the settlement agent mark the HUD-1 as Amended to distinguish from the original HUD-1?**

A: Yes. If a settlement agent revises a HUD-1 to cure a technical error or to reflect a tolerance cure, the settlement agent may mark the HUD-1 as Amended to distinguish it from the original HUD-1.

**56. Q: I have a broker that uses a third party processing service. Should they include that fee in block 3 and not in their origination charge? They provide us with an invoice and we have title pay it direct to the processing company.**

A: Processing Fees must be included in Block 1 – even if the service is outsourced. The broker should include in their Block 1 fees and then pass it on to their vendor. All amounts paid to brokers are included in their 1099 statement at year end – so they will have to tease out any payments that they were ultimately distributed to vendors for tax purposes.

**57. Q: Under MDIA, the upfront appraisal fees could not be charged fee until 4 days after the TIL was mailed. Has this changed with the advent of REPA 2010?**

A: No. However, RESPA 2010 requires that borrowers may never be charged for appraisal fees until they have expressed 'Intent to Proceed' with the transaction.

**58. Q: Can PCM use brokers' initial TIL dates to determine the earliest date that a borrower may be charged for appraisal fees under MDIA?**

A: PCM may not use brokers' TIL issue dates to calculate MDIA wait periods for charging appraisal fees. MDIA wait periods are still triggered by the dates that PCM issues revised TILs, except that borrowers may never be charged for appraisal fees until they have expressed 'Intent to Proceed' with the transaction. RESPA trumps MDIA in this respect.

**59. Q: On a Retail loan where there is no premium pricing for the selected interest rate, where do we show any credits to the borrower for loan fees.**

A: In this scenario, credits to borrower do not have to appear on the GFE. They can be shown on lines 204-209 on HUD-1A only.

**60. Q: How should a loan originator disclose fees on the GFE for a no-cost loan?**

A: A credit equal to (Block 1) Origination Charges plus all third party fees should be shown in Block 2 of the GFE to offset all fees encompassed in a no cost loan - resulting in a negative number in Line A to cover all third party fees, listed in Blocks 3 through 11.

**61. Q: RESPA states that Block 2 and Line A of the GFE cannot be increased after the interest rate has been locked. On a no-cost loan that covers third-party costs - where the rate has been locked and the GFE shows a credit for the interest rate chosen (in an amount sufficient to cover the estimated origination and third party fees), if it is determined that the actual third party fees at**

**closing will be lower than stated on the GFE, may we reduce the amount of the credit to match what is needed to pay the actual cost and fees?**

A: No, the amount of the credit may not be reduced. We may choose to: 1) have the amount of the credit remain the same as stated on the GFE to cover additional closing costs not previously anticipated; 2) apply a reduction to the principal balance – if allowed by the loan program; 3) reduce the interest rate and the credit accordingly; or 4) have the credit remain the same, resulting in cash to the borrower.

**62. Q: If a lock has expired, can PCM increase Block 1 charges if the borrower requests a re-lock?**

A: Yes. PCM will retain the original loan number. For expired locks [where the cause for the closing delay was external – not PCM], a new GFE may be drawn with changes to Block 1. The loan will be treated as a new 'transaction' on account of the expired lock. The old loan number will be retained.

**63. Q: On Split Mortgage Insurance, can we allow the upfront Mortgage Insurance premium fee to be charged as a Mortgage Insurance Fee in Block 3 vs. that fee being charged as a price adjustment?**

A: The up-front portion of the Mortgage Insurance premium in Block 3 of the GFE. The HUD must show the charge being paid to the Mortgage Insurance company so the result is the same.

**64. Q: Can the Buyer, Seller, Real Estate Agent (or combination) pay for the cost of the Mortgage Insurance?**

A: The Seller or Real Estate Agent may pay all or a portion of the MI cost (within any IPC limits for the loan program, however the new RESPA guidelines require that all charges typically paid by the borrower, such as MI premiums, must be disclosed on the GFE as paid by the borrower, regardless of whether the charges will be paid for by the Borrower, Seller or other party. For a charge paid by the real estate agent, the name of the person paying the charge must also be listed.

**65. Q: Can we change Block 1 charges if we are extending a lock?**

A: No, Block 1 cannot change. When a borrower requests an extension of a locked interest rate, we may make adjustments to Block 2. In this case, the GFE should be reissued to revise Block 2 to show the increased charge for the selected interest rate.

**66. Q: Can Block 1 be increased to pass on the charge to a borrower for Loan Level Pricing Adjustments (such as LTV, CLTV, Credit Score, Occupancy, etc)?**

A: No. If a Loan Level Pricing Adjustment occurs after the interest rate has been locked, the loan originator should disclose the charges by adjusting Block 2 on the revised GFE.

**67. Q: How are Interested Party Contributions (IPCs) reflected on the HUD-1?**

A: If an Interested Party (other than the Seller) pays for a charge that was included on the GFE, this amount may be listed as a credit to the borrower on lines 204-209 of the HUD-1, identifying the name of the party paying the charge. If the Seller pays for a charge that was included on the GFE, this amount may be listed on lines 506-509 of the HUD-1. For a charge paid by the real estate agent, the name of the person paying the charge must also be listed.

**68. Q: Is YSP included in IPC totals?**

A: According to FNMA an Interested Party Contribution (IPC) is defined as follows: IPCs are costs that are normally the responsibility of the property purchaser that are paid directly or indirectly by someone else who has a financial interest in, or can influence the terms and the sale or transfer of, the subject property. A lender is not considered an interested party to a sales transaction unless it is the property seller or is affiliated with the property seller or another interested party to the transaction. In other words, Lender paid to Broker does not affect IPC.

Funds will be considered an IPC when the amount of Block 2 or 802 exceeds the component of YSP in Block 1 or 801. Please note the following RESPA Fee Sheet snapshot as an example of following scenario: \$5,000.00 YSP in Block 2, \$3,000.00 to Broker included in Block 1 and the remaining \$2,000 YSP is now counted towards IPC.

| <b>GFE BLOCK 1</b> (our origination charge)  |  | Fee Disclosed | Borrower    | Seller | Lender     | Broker      | TOTAL       |
|--|--|---------------|-------------|--------|------------|-------------|-------------|
| <i>Fees cannot increase at closing</i>   |  |               |             |        |            |             |             |
| <b>PCM Fees</b>  |  |               |             |        |            |             |             |
| PCM Administration Fee   |  | \$1,200.00    | \$1,200.00  |        |            |             | \$1,200.00  |
| Other (must specify)   |  |               |             |        |            |             | \$0.00      |
| Other (must specify)   |  |               |             |        |            |             | \$0.00      |
| <b>TOTAL PCM FEES</b>  |  | \$1,200.00    | \$1,200.00  | \$0.00 | \$0.00     | \$0.00      | \$1,200.00  |
| <b>Broker Fees</b>   |  | Fee Disclosed | Borrower    | Seller | Lender     | Broker      | TOTAL       |
| Origination Fee to Broker  |  |               |             |        |            |             | \$0.00      |
| Yield Spread Premium (YSP)   |  | \$3,000.00    | N/A         | N/A    | \$3,000.00 | N/A         | \$3,000.00  |
| Processing Fee to Broker   |  |               |             |        |            |             | \$0.00      |
| Mortgage Broker Fee  |  |               |             |        |            |             | \$0.00      |
| Other (must specify)   |  |               |             |        |            |             | \$0.00      |
| Other (must specify)   |  |               |             |        |            |             | \$0.00      |
| <b>TOTAL BROKER FEES</b>   |  | \$3,000.00    | \$0.00      | \$0.00 | \$3,000.00 | \$0.00      | \$3,000.00  |
| <b>TOTAL PCM FEES &amp; BROKER FEES - (TOTAL GFE BLOCK 1)</b>  |  | \$4,200.00    | \$1,200.00  | \$0.00 | \$3,000.00 | \$0.00      | \$4,200.00  |
| <b>GFE BLOCK 2</b> (credit or charge for the specific interest rate chosen)                              |  | Fee Disclosed | Borrower    | Seller | Lender     | Broker      | TOTAL       |
| <i>Fees cannot increase at closing</i>   |  |               |             |        |            |             |             |
| The credit for a specific interest rate (reducing borrowers settlement fees) (MUST BE A NEGATIVE #)      |  | -\$5,000.00   | -\$2,000.00 |        |            | -\$3,000.00 | -\$5,000.00 |
| The charge for a specific interest rate (increasing the total settlement charges) (MUST BE A POSITIVE #) |  | \$0.00        |             |        |            |             | \$0.00      |
| <b>TOTAL CREDIT OR CHARGE FOR SPECIFIC INTEREST RATE (TOTAL GFE BLOCK 2)</b>                             |  | -\$5,000.00   | -\$2,000.00 | \$0.00 | \$0.00     | -\$3,000.00 | -\$5,000.00 |
| <b>GFE SECTION A</b> (adjusted origination charges)  |  | Fee Disclosed | Borrower    | Seller | Lender     | Broker      | TOTAL*      |
| <b>ADJUSTED ORIGINATION CHARGES (TOTAL GFE BLOCK 1 + BLOCK 2)</b>  |  | -\$800.00     | -\$800.00   | \$0.00 | \$3,000.00 | -\$3,000.00 | -\$800.00   |