





To be used in accordance with RD Instruction 1940-I for the purpose of providing a uniform "Settlement Statement" Lines 100 - 300 which relate to the borrower's transaction may be deleted from the form which will be furnished to the seller and lines 400 - 600 which relate to the seller's transaction may be deleted from the form which will be furnished to the borrower.

INSTRUCTION FOR PREPARATION

- (1) Enter borrower's loan number.
- (2) Enter name and address of borrower.
- (3) Enter name and address of seller if a transfer of real estate is involved.
- (4) Insert Field Office address.
- (5) Enter location of property which is the subject of the loan.
- (6) Enter the name and address of settlement agent; address of "place of settlement".
- (7) Insert date of closing or settlement.
- (8) Enter purchase price only.
- (9) Completed when loan is made in part to build a structure.
- (10) Complete when the buyer will reimburse the seller for a pro rata portion of taxes, assessments or insurance paid in advance by the seller.
- (11) Fill in any downpayment made by borrower.
- (12) Insert in Line 202 the Agency loan. This is the amount of the Promissory Note. Items deducted from the loan check may be listed in Lines 801 - 810.
- (13) Lines 210 - 215 are for items not yet paid and which the buyer will pay; portions of which are chargeable to seller by proration.
- (14) Instructions for lines 106 - 111 in (item 10) also apply to lines 406.
- (15) If the seller's real estate broker holds an earnest money deposit exceeding the commission owed him, and will tender the excess deposit directly to the seller rather than through the settlement agent, enter the amount of excess deposit on line 501.
- (16) Lines 506 - 508 may be used for additional liens which may be paid off through settlement or to show funds withheld by the settlement agent in escrow for items incurred by the seller, which cannot be pro rated.
- (17) Instructions for 510 - 515 (Item 12) are same as those for lines 210 - 215.
- (18) Insert in lines 701 and 702 the commission that will be paid and to whom. Total Commission is listed in Line 703.
- (19) When credit report fee is paid through the Agency by deducting from loan check, insert "Agency" and amount deducted from loan check. Otherwise, insert name of agency and amount paid.

INSTRUCTIONS FOR PREPARATION (Cont'd)

- (20) (No entry will be made on line 805).
- (21) Insert in Line 809 the amount of Tax Service fee.
- (22) Insert name of carrier and premium paid.
- (23) Insert in Lines 1001 - 1008 escrow items.
- (24) Line 1100. In many jurisdictions the same person (e.g., an attorney or a title insurance company) performs several of the services listed in this section, and makes a single undifferentiated charge for so doing. In such cases, enter the overall fee on line 1107 (for attorneys) or line 1108 (for title companies and enter on the line provided the item numbers of the services listed which are covered in the overall fee. In such cases no amounts should be entered for the individual items which are covered by overall fees.
- (25) Enter here the fee of the person or firm conducting the settlement. In some jurisdictions this is termed a closing or escrow fee. If two or more persons or firms make charges in connection with the same transaction, enter total charges in the appropriate columns, and indicate the breakdown of charges on the line after the word "to".
- (26) Lines 1102 and 1103. In some jurisdictions the same person (e.g., an attorney) both searches the title (that is, performs the necessary research in the records) and examines title (that is, makes a determination as to what matters affect title, and provides a title report or opinion). If such a person charges only one fee for both services, searching and examination, they should be listed separately.
- (27) Enter charges for preparation of deeds, mortgages, notes, etc.. If more than one person receives a fee for such work in the same transaction, show the total paid in the appropriate column and the individual charges on the line following the word "to".
- (28) Lines 1108 - 1110. Enter the total charge for title insurance (except the cost of the title binder) on line 1108. Enter on line 1109 and 1110 the individual charges for the lender's and owner's policies.
- (29) Lines 1111 - 1112. These lines are for entry of other title charges not already itemized. Examples in some jurisdictions would include a fee to a private tax service, a fee to a county tax collector for a tax certificate, and a fee to a public title registrar for a certificate of title under a Torrens Act. Show the lender's attorney's fee, if any, on line 1107 and other attorney's fees, if any, on lines 1111 - 1112, if disbursed at settlement.
- (30) Line 1303 - 1304. Enter on these lines any other settlement charges not referable to the categories listed above on the form. Examples would include structural inspections for the buyer's benefit or pre-sale inspection of heating, plumbing, or electrical equipment. These inspection charges may include a fee for insurance or warranty coverage.
- (31) Line 1400. Enter the total settlement charges paid from borrower's funds and seller's funds. These totals are also entered on lines 103 and 502, respectively, in Section J and K.
- (32) Borrower and seller sign original settlement statement.
- (33) Closing agent must sign and date original.