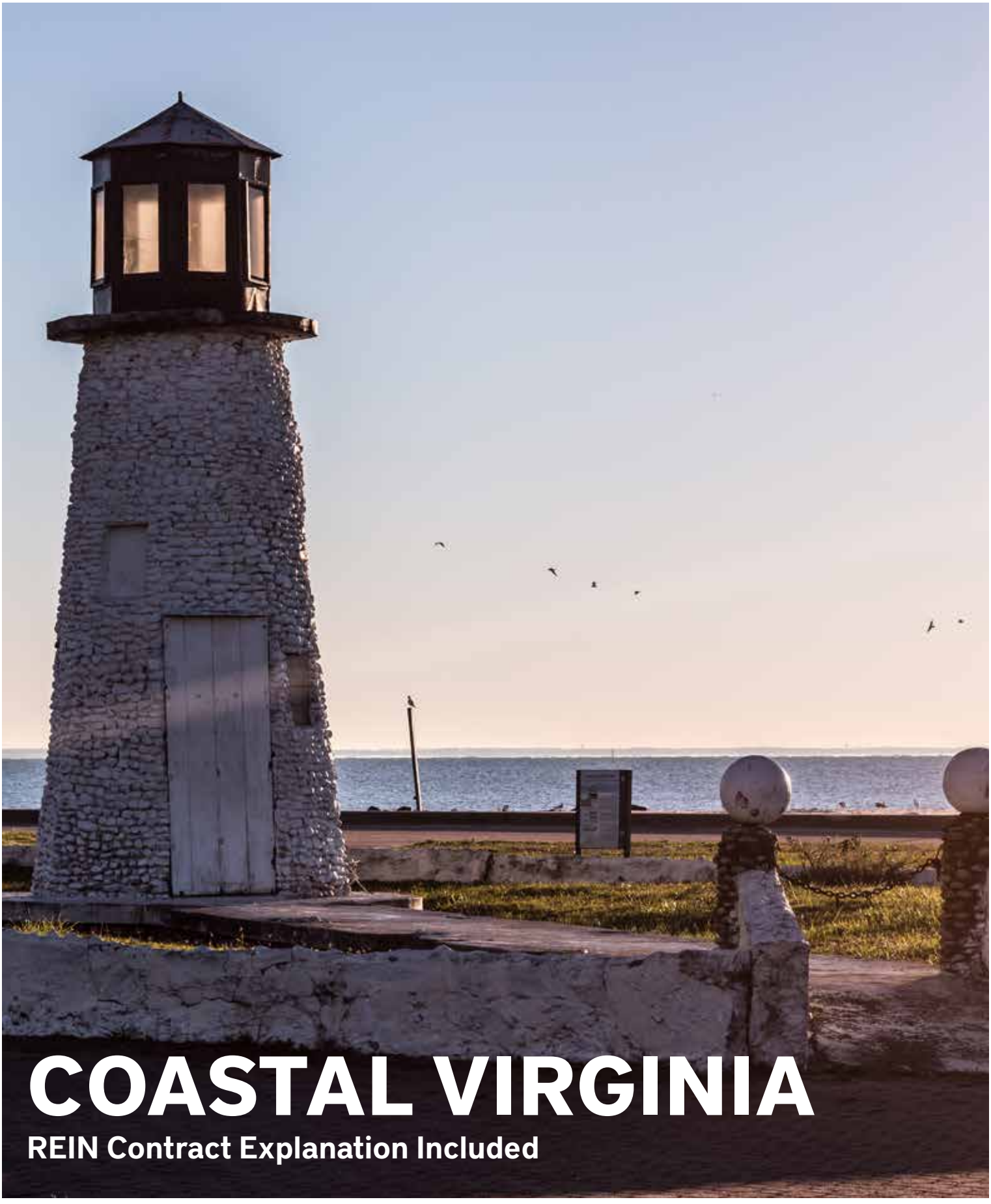
MBH Settlement Group

HOME BUYER GUIDE



COASTAL VIRGINIA

REIN Contract Explanation Included

Congratulations!

Over twenty-five years' experience in working with first-time home buyers, refinancers, and commercial real estate closings has taught us a lot, but one thing has never changed,
Our Clients Are Our #1 Priority.

We're proud of being named a top Title Company in the DC Metro Area by the Washington Business Journal for 5 years. Having handled well over 200,000 settlements since opening our doors in 1994 in McLean, VA, we've learned a lot about what it takes to have a quick, error-free closing. Our customers tell us that it's our "can-do" attitude, forward thinking, and customer-oriented service that keep them coming back to MBH. Whether it's our knowledge, service, or the overall management, we're dedicated to ensuring that your experience is a positive one!

Committed to serving residential and commercial clients, MBH has a real estate settlement attorney available in each of our twenty offices throughout the District of Columbia, Maryland, and Virginia. You can trust MBH for integrity, expertise, strength, and convenience whether you desire digital, hybrid, or traditional closings.

We're focused on investing in innovation to make your closings secure and convenient, expanding our reach and expertise to provide enhanced services where you need them, and maintaining a personal commitment to our communities because it's the people who matter. From contract to keys, MBH has you covered. We look forward to working with you!

Best Regards,
Fred Westerlund
CEO, MBH Settlement Group

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Wire Fraud

Safeguard your information

To our Valued Clients,

In an effort to advise you of the rise in real estate transaction related email hacking and fraud we are providing you with this notice. At MBH, we will *NEVER* request that you use any wiring instructions other than those received in the initial and official correspondence from one of our branch offices. In an effort to further secure any funds received via wire from our offices during the course of this transaction, we will also *NOT* accept any alteration of any pre or post-closing email delivery of wiring instructions that differ from those provided in original form in the presence of an MBH Settlement Agent.

Should you ever receive an email correspondence appearing to be from an MBH representative asking you to initiate a wire to an account (either matching the account noted or not matching the account noted in this correspondence), please contact that office and representative using a number from a verified source (not one provided in the body of an email you receive) and verbally confirm the validity of the request. We understand that this may sometimes be inconvenient, however, it is for your protection. While we at MBH have taken all measures currently available to us to secure our systems, we can't confirm or be responsible for the security of any other system that parties participating in the transaction use to communicate. Below you will find a summary of our wire policy noted above that will also appear on email correspondence that you receive from an MBH representative:

WARNING-FRAUDULENT WIRE INSTRUCTIONS:

Email hacking and fraud are on the rise to fraudulently misdirect funds for real estate transactions. Please call this office immediately, using reliable contact information found from an independent source, to verbally verify any wire or funding instructions received. We are not responsible for any wires sent by you to an incorrect bank account.

WE DO NOT ACCEPT OR REQUEST CHANGES TO WIRING INSTRUCTIONS VIA EMAIL OR FAX.

What To Expect

A lot will happen between now and your closing date. Understanding the process and what MBH Settlement Group is doing to protect you in the purchase of your new home will help ensure a smooth transaction!

Keeping It Smooth, Secure, & Convenient

Once MBH receives your contract, the process begins.

The Road Home infographic, provides a summary of the general timeline and what is happening during each part of the process. You, your lender, and MBH each play a role in ensuring a smooth, secure, on-time closing.

Process Overview The Road Home pages 14 & 15

STEP 1: Send Earnest Money Deposit ASAP

An earnest money deposit (EMD) is money that you put down as a good faith deposit. It shows the seller you are serious about closing the transaction. Most often your EMD money is due within 3 days of the contract! Your contract may note otherwise, check to be certain. If your contract stipulates that MBH is to hold the EMD, you have options to send to MBH: electronic deposit, wire, or check (drop off at office or overnight) .

Electronic EMD Instructions page 16

STEP 2: Secure Document Portal

Within the first week, you'll receive an email inviting you to create your account in MBH's secure closing document portal. It's how we ensure all communication and transactions are safe. With the instructions provided in that email:

Create Your Account:

- Review the files in the Documents tab and complete the Tasks as outlined in the portal.
- Track your closing progress online OR in the app.

Email hacking & fraud are on the rise to fraudulently misdirect funds for real estate. Wire Fraud Notice page 11

STEP 3: Gather Important Information

Take note of the information you will need to provide to MBH and what you'll need to bring to your closing. Collecting the required information, and keeping it in a safe, accessible location will help expedite the process.

Get It Together page 17

STEP 4: Regularly Check Your Portal To Maintain Communication

Set deadline reminders on your calendar so you don't delay your closing!

STEP 5: Complete the Mortgage Loan Process

There is a lot happening with your loan provider as well! Be sure to follow up regularly with your lender to ensure there is no missing information.

STEP 6: Protect Your Investment

Your home is likely to be the biggest investment you will make. Now is the time to take action to protect it! Title Insurance and property surveys are two of the most important steps you can take. Your MBH team is available to discuss the best options for you.

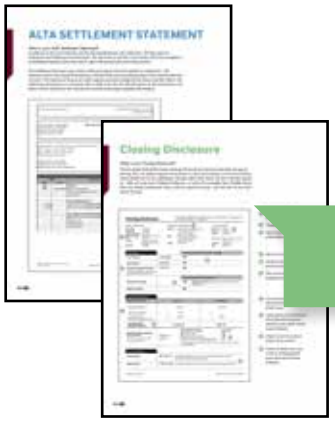
Title Insurance / Coverage Comparison pages 18 - 20
Property Survey page 21

STEP 7: Get Ready For Closing

It's almost closing day! One of the most important things you can do is to gather all of your documents and secure your closing funds. Your Lender will send your Closing Disclosure (CD) to you 3 business days before your scheduled closing date. Please review and acknowledge this document right away! This document includes:

- Your loan terms.
- Your projected monthly payments.
- How much you will pay in fees and other costs to get your mortgage (closing costs).

Your closing costs cannot be paid with a personal check. AHEAD of your closing date, you will need either a cashier's check or wire transfer. Your MBH representative can provide wire transfer information.



AT YOUR CLOSING

Closing day has arrived! For all of us, this is a GREAT DAY! Expect to Read & Sign several pages of documents, including your mortgage documents and all of the paperwork you've received and reviewed.

ALTA Settlement pages 44- 45
Closing Disclosure pages 46 - 48

If you have any questions, your MBH Settlement team is happy to answer! From Contract to Keys, MBH has you covered!

The Road Home

From Contract to Keys, MBH has you covered!

MBH Settlement Group

CONTRACT RECEIVED

BUYER SENDS EMD MONEY
Most buyers can now send their EMD (Earnest Money) Electronically.

RECEIVE EMAIL INVITATION TO SECURE PORTAL

CONTRACT REVIEW

TITLE SEARCH

TITLE EXAMINATION

CLEAR TITLE HISTORY

TITLE INSURANCE
Title Insurance helps protect your investment. Your MBH team can discuss the best options for you.

MORTGAGE COMPANY OR LENDER

LOAN APPLICATION
Make sure you send all requested info ASAP in order to meet the closing date!

CREDIT REPORT

LOAN UNDERWRITING
Missing info? Get it in quickly! This can hold up your closing date.

BUYER APPROVED

COORDINATE & COMMUNICATE WITH BUYER, SELLER, LENDER, & AGENTS

CLOSING DOCUMENTS PREPARED

CLOSING DISCLOSURE TO BUYER (LENDER SENDS 3 DAYS BEFORE CLOSING)
Look at this right away!

BUYERS GET CLOSING FUNDS BEFORE CLOSING
Make sure you wire or get your cashier's check BEFORE CLOSING.

$ $ $

CLOSING TIME! YOU GET THE KEYS!

The Road Home Explained

A lot will happen between now and your closing date. Understanding the process, what's needed from you, and what MBH Settlement Group is doing to protect you in the purchase of your new home will help ensure a smooth, secure, timely transaction!

MBH RECEIVES CONTRACT

Once your offer has been accepted, your real estate agent can begin the process by sending your contract to MBH!

BUYER SENDS EMD MONEY

Most buyers can now send their EMD (Earnest Money Deposit) electronically! Contact your MBH team for instructions.

BUYER RECEIVES EMAIL INVITATION TO SECURE PORTAL

Once you receive your login & password, follow the process in MBH's Secure Online Document Portal! NOTE: You can Log In from the MBH Buyer & Seller Resource Hub at MBH.com.

CONTRACT REVIEW

MBH Settlement Group will review your contract to ensure everything is in order.

COMMUNICATION & COORDINATION

Coordinate final details & communicate with buyers, sellers, lenders, & agents regarding missing info, closing times, etc.

PREPARE CLOSING DOCUMENTS

TITLE SEARCH

MBH's abstractors will research 40 – 50 years of historical records to review the "chain of title" to ensure you are free to buy the home.

TITLE EXAMINATION

MBH does a final examination and thorough review of the title search to ensure that the property being purchased is suitable for sale.

CLEAR TITLE HISTORY

MBH is making sure that any underwriting requirements are satisfied.

TITLE INSURANCE

Your home is one of your biggest investments. Title insurance is how you protect it! MBH is a licensed agent for some of the nation's largest and most trusted title insurance underwriters.

CLOSING DISCLOSURE TO BUYER

This comes from your Lender! NOTE: Lender sends 3 business days before closing. Review and acknowledge this right away!

BUYERS GET CLOSING FUNDS BEFORE CLOSING

NOTE: Your bank may require time to process either option be sure to contact them right away to understand their process and timing.

The Lender's Process

The lender's process happens simultaneously and in conjunction with the title and settlement process.

LOAN APPLICATION

Make sure you send all info requested by your lender ASAP. NOTE: Delays in your lender receiving all necessary information can impact your closing date.

CREDIT REPORT

Your lender is responsible for checking your credit report. Have questions? Your lender will be happy to answer them.

LOAN UNDERWRITING

Still Missing Info? Check to be sure your lender has everything they need in order to process your loan.

BUYER APPROVED

Your approved loan is a big step in getting the keys to your new home!

Electronic Earnest Money Deposit

An earnest money deposit (EMD) is money that you put down as a good faith deposit. It shows the seller you are serious about closing the transaction.

You must get your money to the entity designated in your contract by the date noted in the contract.

Often your EMD money is due within 3 days of the contract. Your contract may note otherwise, check to be certain.

If your contract stipulates that MBH is to hold the EMD, you have options to send to MBH:

- electronic deposit
- wire
- check (drop off at office or overnight)

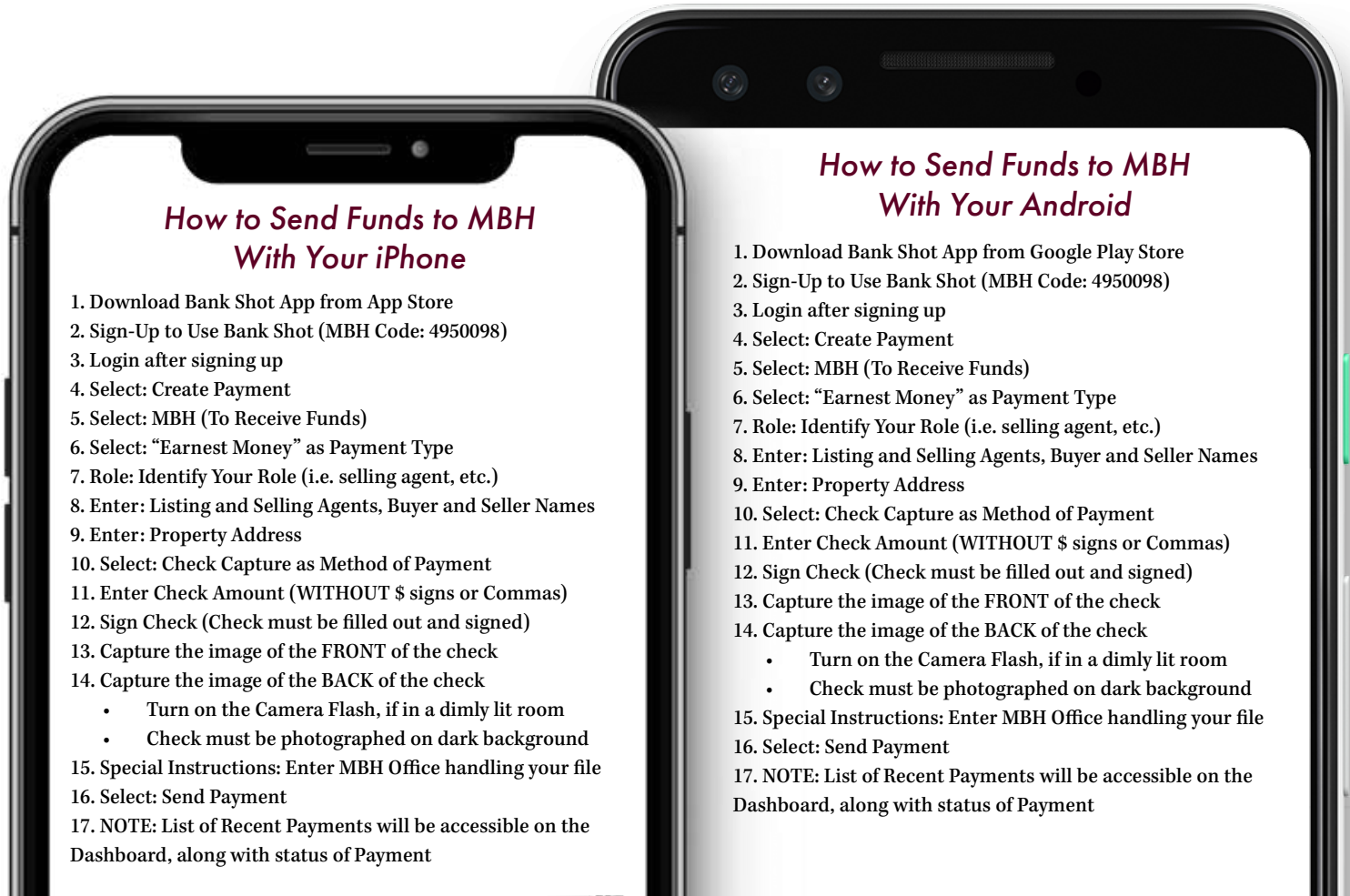
Because it's so convenient, most buyers now send their EMD (Earnest Money Deposit) electronically!

If you are not able to send the EMD electronically, your check must be received by MBH by the date detailed in your contract.

Ready to send your electronic EMD via your smart phone?

- Download the BankShot App at your App Store.
- Follow the Instructions to Send your EMD to MBH

*At this time BankShot does not accept NFCU Cashiers Checks.



How to Send Funds to MBH With Your iPhone

1. Download Bank Shot App from App Store
2. Sign-Up to Use Bank Shot (MBH Code: 4950098)
3. Login after signing up
4. Select: Create Payment
5. Select: MBH (To Receive Funds)
6. Select: "Earnest Money" as Payment Type
7. Role: Identify Your Role (i.e. selling agent, etc.)
8. Enter: Listing and Selling Agents, Buyer and Seller Names
9. Enter: Property Address
10. Select: Check Capture as Method of Payment
11. Enter Check Amount (WITHOUT $ signs or Commas)
12. Sign Check (Check must be filled out and signed)
13. Capture the image of the FRONT of the check
14. Capture the image of the BACK of the check
    - Turn on the Camera Flash, if in a dimly lit room
    - Check must be photographed on dark background
15. Special Instructions: Enter MBH Office handling your file
16. Select: Send Payment
17. NOTE: List of Recent Payments will be accessible on the Dashboard, along with status of Payment

How to Send Funds to MBH With Your Android

1. Download Bank Shot App from Google Play Store
2. Sign-Up to Use Bank Shot (MBH Code: 4950098)
3. Login after signing up
4. Select: Create Payment
5. Select: MBH (To Receive Funds)
6. Select: "Earnest Money" as Payment Type
7. Role: Identify Your Role (i.e. selling agent, etc.)
8. Enter: Listing and Selling Agents, Buyer and Seller Names
9. Enter: Property Address
10. Select: Check Capture as Method of Payment
11. Enter Check Amount (WITHOUT $ signs or Commas)
12. Sign Check (Check must be filled out and signed)
13. Capture the image of the FRONT of the check
14. Capture the image of the BACK of the check
    - Turn on the Camera Flash, if in a dimly lit room
    - Check must be photographed on dark background
15. Special Instructions: Enter MBH Office handling your file
16. Select: Send Payment
17. NOTE: List of Recent Payments will be accessible on the Dashboard, along with status of Payment

Get It Together

You've found your home and the offer has been accepted! Before you start packing, gather the important documents you'll need for the secure document portal and closing.

SECURE PORTAL INFO

- ○ Unexpired Drivers' License or Legal Form of Photo ID
- ○ Social Security Number
- ○ Citizenship
- ○ Lender Information
- ○ Property Survey Preference
- ○ Notification of Closing Using a Power of Attorney (Let MBH know this right away!)
- ○ Date of Birth
- ○ Marital Status
- ○ HOA Information
- ○ How You Will Take Ownership or Title
- ○ Current Address / Forwarding Address
- ○ Separated or Divorced? Upload your legal documents.
- ○ Purchasing as a Trust, LLC or Corporation? Upload your legal documents.

WHAT TO BRING TO CLOSING

- ○ Unexpired, Legal Photo ID (your lender may require 2 forms of identification).
- ○ Social Security number.
- ○ If Pre-Approved for a POA Closing: Original Power of Attorney documents.
- ○ Closing Funds (for the amount specified in the most recent Closing Disclosure).
  - Wire Transfer Receipt (wired funds must be sent prior to closing; get wiring instructions from MBH), OR
  - Cashier's Check (no personal checks).
- ○ Checkbook (there can be variances in the amount noted on the Closing Disclosure or incidental charges).
- ○ A big smile! We'll be celebrating with lots of pictures.

Protect Your Investment

WHAT IS TITLE INSURANCE?

Your home is likely to be the biggest investment you will make.
Title Insurance is how you protect it.

PROTECTION

Title insurance is your best protection against defects (a potential risk) to a current owner's full right or claim to sell a property. It protects against defects, which could remain hidden, despite the most thorough search of the public land records.
Lender's Title Insurance, which covers your mortgate lender, is typically paid for by the homebuyer. It is required by the lender and protects the lender's interest.
Owner's Title Insurance is purchased by the home buyer. It is the best way to protect your property rights, as well as your heirs, beneficiaries, and trustees.

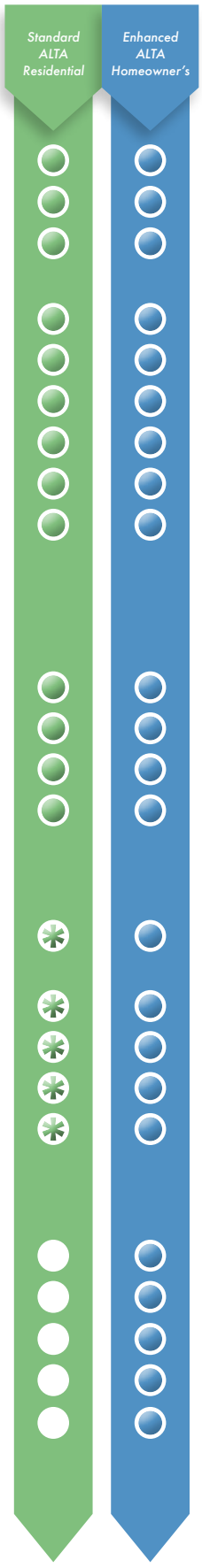
DEFENSE

In the event of a claim or lawsuit challenging ownership,
title insurance covers the policy owner for:
1. Legal Defense of your ownership interest
2. Claim Settlement if it proves valid
Owner's Title Insurance can be a home buyer's primary defense.

MBH HAS YOU COVERED

MBH is a licensed agent for some of the nation's largest and most trusted title insurance underwriters. Delivering the best protection against unknown risks, MBH has you covered!
Your MBH team is available to discuss the best options for you. Contact MBH today to protect your investment!

Coverage Comparison



Covered Risks

Standard ALTA Residential	Enhanced ALTA Homeowner's	
○	○	Third party claims an interest in the title
○	○	Prior forgery, fraud or duress affecting the title
○	○	Liens or encumbrances on the title (e.g., prior mortgage, or deed of trust, state or federal tax lien, condominium or homeowners' association lien)
○	○	Improperly executed documents
○	○	Defective recording of documents
○	○	Unmarketability of the title
○	○	Lack of a right of legal access to and from the land
○	○	Restrictive covenants limiting your use of the land
○	○	Gap Coverage (extending coverage from the closing to the recording of the deed)

Duration

○	○	Coverage continues as long as you own the property
○	○	Policy insures anyone who inherits the property from you
○	○	Policy insures the trustee of an estate-planning trust
○	○	Policy insures the beneficiaries of a trust upon your death

Extended Coverage

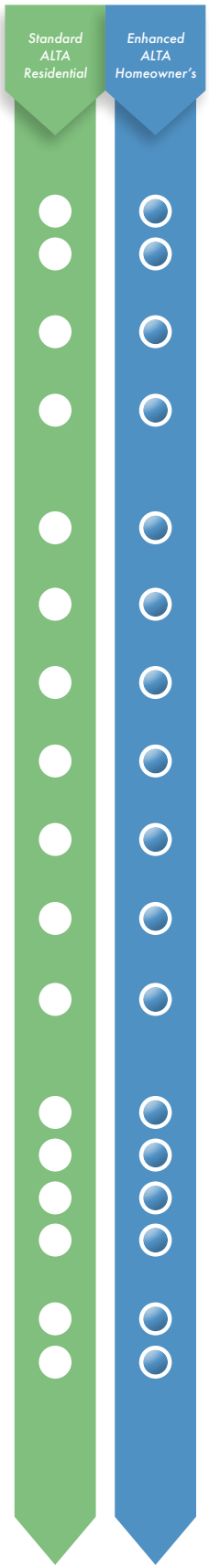
*	○	Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors)
*	○	Unrecorded easements (e.g., prescriptive easements) affecting the property
*	○	Encroachments and boundary line disputes that would be disclosed by a survey
*	○	Mechanic's liens (a lien against the property due to non-payment of work)
*	○	Taxes or special assessments that are not shown as liens by the public records

Post Policy Coverages

●	○	Forgery affecting the title
●	○	Unauthorized leases, contracts or options
●	○	Ownership claims
●	○	Easements or restrictions affecting your use of the land
●	○	Encroachment of neighbor's buildings onto your land

* Not automatically included in the basic policy, but may be available by extended coverage.

Coverage Comparison



Additional Coverages

Standard ALTA Residential	Enhanced ALTA Homeowner's	
●	●	Actual vehicular and pedestrian access, based upon a legal right
●	●	You must correct or remove an existing violation of certain covenants, conditions, or restrictions
●	●	Loss of your title resulting from a prior violation of a covenant, condition or restriction
●	●	Up to $10,000 if you are unable to obtain a building permit due to an existing violation of a subdivision law or regulation or you must correct an existing violation (subject to a deductible)
●	●	Up to $25,000 if you must remedy or remove an existing structure because it was built without a proper building permit (subject to a deductible)
●	●	Up to $25,000 if you must remedy or remove an existing structure due to an existing violation of a zoning law or zoning regulation (subject to a deductible)
●	●	Up to $5,000 if you must remove your existing structures if they encroach into your neighbor's land (subject to a deductible)
●	●	You cannot use the land as a single-family residence because such use violates an existing zoning law or zoning regulation
●	●	You are forced to remove existing structures because they encroach into an easement affecting the land
●	●	Damage to existing structures due to an exercise of an existing right to use any easement affecting the land
●	●	Damage to existing improvements due to an exercise of an existing right to use the surface of the land for the extraction or development of minerals, water or any other substance
●	●	Attempted enforcement of a discriminatory covenant
●	●	Supplemental taxes because of a prior construction or change of ownership or use
●	●	Damages if the residence is not located at the address stated in the policy
●	●	Pays substitute rent and relocation expenses, if you cannot use your home because of a claim covered by the policy
●	●	Automatic increase in policy amount up to 150% of policy amount over 5 year
●	●	Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors)

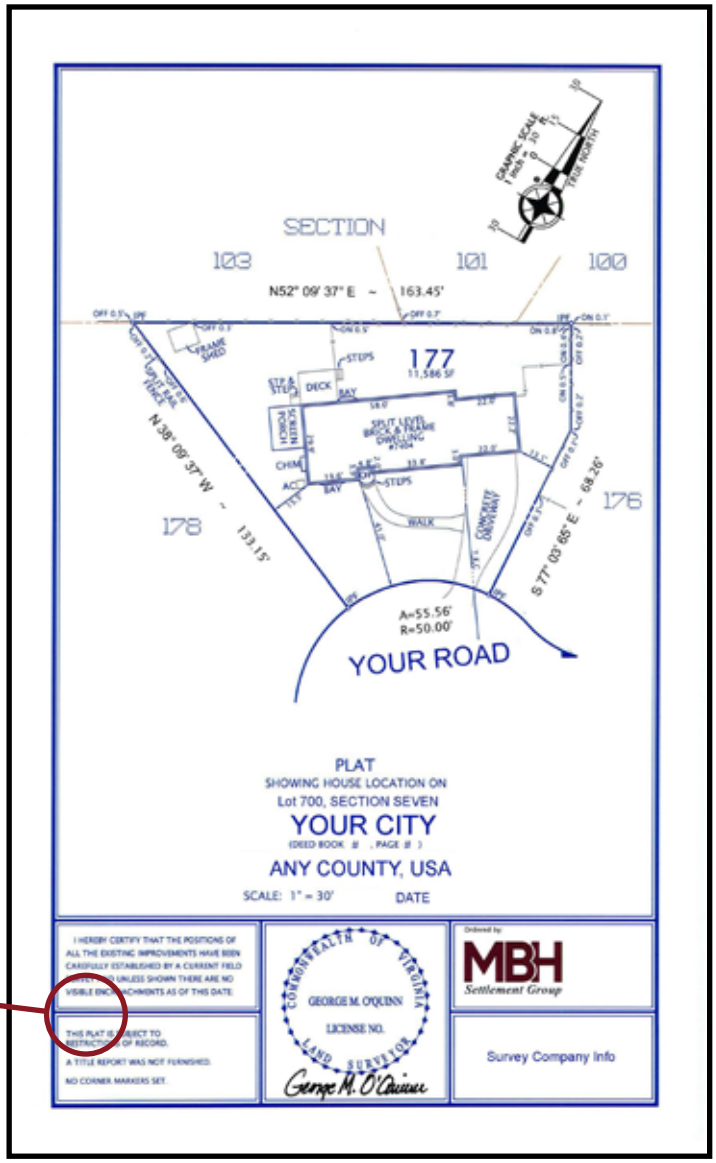
Protecting Your Investment: Property Survey

What Is A Survey?

A survey is a document which illustrates the property boundary lines, including structures, fences, possible encroachments onto or from neighboring properties, and easements on the property. A survey can affirm property size and make you aware of major issues concerning the property in time to have them remedied by the seller prior to closing.

Why Do You Need a Survey?

It is generally believed to be in your best interest to have a survey done, even if it's not required. Improperly placed fences, encroachment of neighboring structures, and development restrictions are a few of the potential issues that would be brought to light by a survey. All of which would be important to understand before you purchase. When a survey is done, the title insurance policy will contain an exception for anything that shows up when the survey is done.



NOTES

Understanding the REIN Standard Purchase Agreement

The following is an overview of the provisions of the Real Estate Information Network ("REIN") Standard Purchase Agreement, revised January 3, 2022 (the "Agreement"). Capitalized terms in this overview have the same meanings as set forth in the Agreement.

INTRODUCTORY PARAGRAPH:

This paragraph contains blanks for the date of the Agreement, the names of the Buyer(s) and Seller(s), the names of the Selling Firm and the Listing Firm, and the MLS Office numbers for the Selling Firm and the Listing Firm.

1. AGREEMENT TO SELL PROPERTY:

This paragraph includes blanks for a legal description and street address for the real property (the "Property"). It also indicates that the definition of "Property" includes the items listed and described in paragraph 15 of the Agreement (see below).

2. DEPOSIT:

This paragraph details information on the amount of the deposit (the "Deposit") and whether it is paid by personal check, federal wire transfer, certified bank check, Automated Clearing House (ACH) or some other form. The paragraph has a blank to identify the Escrow Agent who will hold the Deposit.

The Buyer must indicate whether the Deposit has been paid to the Escrow Agent or will be paid to the Escrow Agent within two (2) business days of the "Ratification Date", which is defined as the date of communication of final written acceptance by Buyer and Seller of all the terms of the Agreement, not the date of removal or expiration of any contingencies. The bottom of page 1 of the Agreement contains a box to be completed with the Ratification Date and the signature of the Listing Agent or Selling Agent.

In the event the Deposit is not made as set forth in this paragraph, or if the funds are dishonored, the Escrow Agent is to provide written notice to Buyer and Seller, Buyer will be in breach of the Agreement and Seller may terminate the Agreement by written notice to Buyer, in which case the parties have no further liability to one another.

3. PURCHASE PRICE:

This paragraph sets forth the Purchase Price and the manner in which it is paid: (a) down payment amount (cashier's or certified check or wire transfer at settlement), (b) loan amount and blank for type of loan, and (c) amount of cash or other financing terms.

4. SETTLEMENT EXPENSES:

This paragraph outlines the settlement and recording fees to be paid by Seller and Buyer at settlement. The paragraph also discusses seller contributions toward Buyer expenses.

5. DEPOSIT:

This paragraph contains additional provisions relating to the Deposit made in accordance with paragraph 2 of the Agreement. These include:

a) Duty of the Escrow Agent to place the Deposit in an escrow account. The escrow account may be interest-bearing, and Buyer and Seller waive any right to interest on the Deposit.

b) Duty of the Escrow Agent to hold the Deposit in escrow until settlement or termination of the Agreement. This subparagraph also outlines an option of a broker to send written notice for release of the Deposit.

c) This subparagraph recognizes that foreclosure shall be considered a termination of the Agreement, with the Deposit disbursed to Buyer, absent any Buyer default.

6. LOAN APPLICATION/LOAN DENIAL/INTENT TO OCCUPY:

a) Loan Application.

i) This subparagraph includes a blank for the name of the lender. Buyer will authorize and pay for a credit report, appraisal or other requirements of the lender. If Buyer wishes to change lenders, Buyer must obtain written permission from Seller.

ii) This subparagraph outlines Buyer's obligation to diligently and in good faith obtain financing. Failure to do so constitutes a default. Except as otherwise provided in the Agreement, Buyer is responsible for all costs associated with obtaining financing. Buyer is responsible for locking in the interest rate and discount points for the loan. Failure to have required cash to close (including down payment, closing costs and prepaids) constitutes a default.

iii) This subparagraph authorizes the lender to keep Listing Firm and Selling Firm apprised of the status of loan approval, including verification that the appraisal has been authorized by Buyer. In the event the appraisal reflects a value less than the Purchase Price or required repairs, Buyer instructs the lender to deliver a copy of the appraisal or portions of the appraisal or affidavit as to value and/or repairs to Listing Firm upon Seller's request.

iv) This subparagraph reiterates that Buyer's failure to comply with paragraph 6A of the Agreement constitutes a default with Seller's right to terminate the Agreement.

b) Loan Denial. This paragraph outlines (a) Buyer's authorization for the lender to notify Seller, Listing Firm and Selling Firm of a denial of the loan, (b) Buyer's obligation to provide written notice of denial, and (c) the right of Buyer or Seller to terminate the Agreement.

c) Intent to Occupy. Buyer is to indicate whether Buyer intends to occupy the Property as Buyer's principal residence.

7. REPRESENTATIONS:

This paragraph outlines representations of the parties. These include:

a) Buyer representation that the Agreement and financing are not contingent on the settlement or refinancing of other real property.

b) Buyer's obligation to notify Seller, Listing Firm and Selling Firm in writing of any material adverse change in Buyer's financial condition which prevents Buyer from obtaining the specified financing.

c) Seller representations that Seller (i) has good and marketable title to the Property, and (ii) has the right to convey to Buyer.

d) Seller representation that Seller is not considered a foreign individual or entity under the Internal Revenue Code and applicable regulations (and the obligation of Buyer to collect and file tax withholding if Seller is).

e) Seller representation as to any onsite septic system serving the Property.

f) Buyer's right to terminate the Agreement in the event any representation by Seller is materially untrue, and Buyer's right to recover any appraisal and property inspection expense, and attorney's fees, from Seller.

8. SETTLEMENT/POSSESSION:

This paragraph sets forth the Settlement Date, and allows the parties to extend the number of days for the Settlement Date (if not specified, deemed to be ten (10) days), solely for the purpose of (i) processing and closing the specified loan, and/or (ii) correcting any defects reported by a title examiner. Possession of the Property is to be given at settlement unless otherwise agreed in writing by Buyer and Seller. The paragraph outlines documents to be executed and delivered by Seller.

Buyer has the right under Virginia law to select the settlement agent, and this right may not be varied by agreement or waived. Seller may not require the use of a particular settlement agent.

Buyer and Seller authorize their respective attorneys, lenders and/or the settlement agent to furnish to all parties, including the Listing Firm and Selling Firm, copies of the draft and final ALTA Settlement Statement, Buyer's Closing Disclosure and Seller's Closing Disclosure.

9. DEED AND TITLE:

a) Seller is to convey title to the Property by General Warranty Deed, unless otherwise stated, subject to easements, covenants and restrictions of record which do not adversely affect the use of the Property for residential purposes. Except as expressly provided in writing, representations and warranties made by Seller and all provisions of the Agreement are merged in the deed and do not survive settlement. Title must be marketable with insurable access to a publicly-dedicated road.

b) Buyer is required to purchase a lender's title insurance policy if Buyer is obtaining a loan. Buyer may purchase and pay for an owner's title insurance policy, either "standard" or "enhanced". Nothing in the Agreement obligates Buyer to obtain an owner's title insurance policy. Buyer is cautioned to consult an attorney with respect to an owner's title insurance policy.

c) Buyer is to designate whether Buyer waives or desires to obtain a survey. Buyer shall obtain a survey if required by the lender or title company.

10. PRORATIONS/ESCROW:

This paragraph outlines the items to be prorated (real property taxes, insurance, rent, homeowner's association and condominium fees), and, in the case of an assumption, whether the items will be prorated or be current and transferred gratis at settlement.

11. VA/FHA/CONVENTIONAL FINANCING OR CASH CONTINGENCY:

This paragraph designates whether the transaction will have HUD/FHA or VA financing, conventional financing or be a cash settlement. In the case of HUD/FHA or VA financing, Buyer is not obligated to complete purchase unless Buyer receives a written statement setting forth the appraised value in an amount not less than the Purchase Price. In the case of Conventional financing, Buyer is not obligated to complete settlement if the Purchase Price exceeds the final appraised value and Seller does not agree to reduce the Purchase Price to the appraised value.

12. PROPERTY CONDITION:

Subject to the provisions of paragraphs 13 (inspections/repairs) and 14 (contingencies), Buyer has inspected the Property and accepts the Property in its present condition except for certain matters to be noted in this paragraph. Seller agrees to repair or replace the items noted in a workmanlike manner at Seller's expense prior to the walk-through inspection. Seller is to deliver the Property in substantially the same condition as of the date of the Agreement, free of personal property (other than stated in paragraph 15), debris and trash. Until settlement, Seller assumes all risk of loss or damage to the Property by fire, windstorm, casualty or other hazards.

13. INSPECTIONS/REPAIRS/TREATMENTS/CAP:

This paragraph outlines Seller's responsibility for a number of listed repairs and places a cap (the "Cap") on such repairs in an amount not to exceed a stated percentage of the Purchase Price to be set forth in the paragraph. If not specified, the Cap is deemed to be one percent (1%) of the Purchase Price. The repairs include:

a) Appraisal and Required Repairs. Any repairs required by the lender or governmental agencies as a result of the appraisal.

b) Wood Destroying Inspect Infestation (WDII)/Moisture Inspection/Repairs. The parties are to indicate whether Buyer or Seller will obtain a Wood Destroying Insect Infestation Inspection Report and a Moisture Inspection Report (the "Reports"), and the party responsible for expense of the Reports. Treatment is to be performed by the company issuing the Reports, and cost of treatment will be Seller's expense, subject to the Cap. Seller is to correct any standing water and damage identified in the Reports at Seller's expense (subject to the Cap) prior to the walk-through inspection.

c) Drinking Water and Septic.

1) Drinking Water. This subparagraph designates whether the Property is served by public/private utilities or a well/cistern. In the case of a well/cistern, the parties must designate whether, prior to the walk-through inspection, Buyer or Seller will obtain a test to confirm whether the water is safe for human consumption and the party responsible for the cost of the test. If the water is found to be unsafe, and the Property is not serviced by another potable water source, prior to the walk-through inspection, Seller is to remedy at Seller's expense (subject to the Cap) and provide a new test confirming the water is safe.

2) Septic. If the Property is served by a septic system, this subparagraph designates whether Buyer or Seller, prior to the walk-through inspection, will obtain a written statement regarding the condition of the system. The subparagraph also designates whether the inspection is to include pumping the system at the expense of the responsible party. If the septic system is found to be defective or not in compliance with governmental regulations, Seller is to correct and pay (subject to the Cap) for repairs prior to the walk-through inspection.

d) Walk-Through Inspection. Buyer reserves the right to perform a walk-through inspection prior to settlement to determine that the Property is in substantially the same condition as of the date of the Agreement. The paragraph sets forth an election as to which party will be responsible for providing utilities for the inspection. Subject to the Cap, Seller is to repair all non-working walk-through items.

14. CONTINGENCIES:

The Agreement is contingent on the conditions listed in this paragraph and those noted on any attached contingency addendum/addenda.

a) Condominium. This subparagraph designates whether the Property is subject to the Virginia Condominium Act, and, if a resale, sets forth the amount of the mandatory monthly fees, and references a Condominium Addendum to be attached.

b) Property Owners' Associations. This subparagraph designates whether the Property is subject to the Virginia Property Owners' Association Act, and, if so, the amount of the mandatory monthly fees, and references a Property Owners' Association Addendum to be attached.

c) Cooperative. This subparagraph designates whether the Property is subject to the Virginia Real Estate Cooperative Act, and, if so, the amount of the mandatory monthly fees, and references a Cooperative Interest Addendum to be attached.

d) Property Inspections. This paragraph lists several inspections Buyer may elect.

1) Property Inspection. This subparagraph designates whether Buyer wishes to obtain, at Buyer's expense, an inspection to determine the condition of the Property. If so, a Property Inspection Contingency Addendum is to be attached to the Agreement.

2) Exterior Insulation and Finish System (EIFS). This subparagraph designates whether the Buyer wishes to obtain an inspection and moisture test of the exterior insulation and finish system of the Property.

3) Lead-Based Paint Disclosure. This subparagraph designates whether Buyer wishes to obtain a risk assessment or inspection of the Property if constructed prior to 1978 for the presence of lead-based paint. If so, a Property Inspection Contingency Addendum is to be attached to the Agreement.

4) Other Inspections. This subparagraph allows Buyer to designate additional inspections referenced in a Property Inspection Contingency Addendum to be attached to the Agreement.

e) Other Contingencies. This subparagraph allows Buyer to list any other contingencies applicable to the transaction.

15. ITEMS TO CONVEY:

This paragraph contains an itemized list of personal property and fixtures, with the parties marking the items to convey with the Property. Additional items, which are not listed, can be added at the end of this paragraph.

16. CONFIRMATIONS AND DISCLOSURES:

Buyer and Seller acknowledge receipt of the REIN Consumer Disclosure Information Form and Summary of Rights and Obligations of Sellers and Purchasers under the Virginia Residential Property Disclosure Act Form prior to entering in the Agreement. The paragraph includes the following additional disclosures:

a) Confirmation of Brokerage Relationship. This subparagraph outlines the parties the Listing Firm and the Selling Firm represent in the transaction.

b) Aircraft Noise Zone/Accident Potential Zone Disclosure. This subparagraph designates whether the

Property is located in an Aircraft Noise Zone or Aircraft Accident Potential Zone, and, if applicable, references the disclosure form to be attached.

c) Virginia Residential Property Disclosure Act (the "Act"). The Act requires that sellers of residential real property disclose certain information known to sellers regarding the condition of the property. This subparagraph references a Residential Property Disclosure Statement attached to the Agreement, which is provided by Seller to Buyer prior to ratification of the Agreement.

d) Agency Interest Disclosure. Except as disclosed in the subparagraph, (i) neither the Listing Agent nor the Selling Agent or any member of such agent's family or firm, or any entities in which the agent has an ownership interest is acquiring, attempting to acquire, or selling the Property, and (ii) neither Seller nor Buyer is a licensed real estate agent.

e) Megan's Law Disclosure. This subparagraph cautions Buyer to exercise whatever due diligence deemed necessary with respect to any sexual offenders registered under provisions of the Virginia Code.

f) Mechanic's Liens. This subparagraph alerts Buyer that a mechanics' lien may be filed after settlement for work performed prior to settlement.

g) Square Footage/Acreage and/or Other Property Measurements. This subparagraph states that any representations as to square footage, acreage or other measurements are approximate and should be independently confirmed by Buyer.

h) Pending Building or Zoning Violations. Except as disclosed in the subparagraph, Seller has no actual knowledge that the Property has any pending enforcement actions pursuant to the Uniform Statewide Building Code set forth in the Virginia Code.

i) Property Previously Used to Manufacture Methamphetamine. This subparagraph acknowledges the obligation of Seller to advise if Seller has actual knowledge that the Property was previously used to manufacture methamphetamine and has not been cleaned up in accordance with state guidelines, and, if applicable, references the disclosure form to be attached.

17. BROKERAGE FEE:

This paragraph acknowledges that Listing Firm and Selling Firm are third-party beneficiaries of the Agreement with respect to payment of the brokerage fee and directs the settlement agent to disburse such fees at settlement.

18. DEFAULT:

This paragraph sets forth that, subject to paragraph 19 below, if either party defaults under the Agreement, the non-defaulting party may pursue all available remedies. In the event of default, the Escrow Agent is to pay the Deposit to the non-defaulting party in accordance with paragraph 5B (see above). All rights and remedies are cumulative. The defaulting party will be liable for the brokerage fee due to Listing Firm and Selling Firm. In any action, the prevailing party is entitled to receive reasonable attorney's fees, costs and expenses from the non-prevailing party.

19. DISPUTE RESOLUTION:

Prior to initiating any litigation, the parties agree that any dispute will be submitted to mediation. The paragraph sets forth the procedures for initiating mediation and rights of an asserting party in the event a non-asserting party does not submit to mediation. The paragraph lists several matters excluded from mediation. The terms of paragraph 19 survive settlement and conveyance of title for a period of five (5) years.

20. OTHER PROVISIONS:

This paragraph is blank and permits the parties to include other provisions applicable to the transaction.

21. NON-ASSIGNMENT:

The Agreement may not be assigned by Buyer without the written consent of Seller.

22. TAX-DEFERRED EXCHANGE:

Buyer and Seller agree to cooperate with one another if either desires for the conveyance of the Property to be part of a tax-deferred exchange. The non-exchanging party will not assume any additional liability with respect to the tax-deferred exchange. The parties agree to execute required documents, including an assignment of the Agreement, necessary to give effect to this provision, all at no cost to the non-exchanging party.

23. NOTICES:

This paragraph outlines the methods for providing required notices.

24. MISCELLANEOUS:

Miscellaneous provisions include: (a) paragraph headings are for convenience only; (b) the term "day" is deemed to mean any day of the week, regardless of legal or religious holiday, the term "business banking day" is deemed to mean Monday through Friday, except federal holidays, and the term "Day" shall mean 12:00 a.m. (midnight) until 11:59 p.m. Eastern Time, with any agreed upon timeframe beginning at 12:00 a.m. (midnight) after the event triggering the commencement of the timeframe; (c) any changes to the Agreement are to be made by written amendment; (d) the Agreement may be executed in counterparts; (e) in the event of any conflict between handwritten or typed provisions and the printed terms of the Agreement, the handwritten or typed provisions control; (f) the terms of the Agreement and any addenda, exhibits, modifications and amendments are the entire agreement between the parties; (g) Seller and Buyer authorize Listing Firm and Selling Firm to disclose financial information relating to the sale of the Property (but not personal financial information) to the multiple listing service and real estate appraisers; (h) if any provision of the Agreement is deemed illegal or invalid for any reason by a court of competent jurisdiction, the other terms of the Agreement remain in force and effect.

OPTIONAL PROVISION:

This section is located in a box at the end of the Agreement and provides that if both Seller and Buyer initial, digital signatures are acceptable for use in the transaction.

DISCLOSURES:

Immediately prior to the signature lines, there are two disclosures:

1) The property is offered without respect to race, color, religion, sex, handicap, familial status, source of funds, sexual orientation, gender identity, military status, elderliness, national origin, or any protected class under federal, state or local law.

2) The Agreement is a legally binding agreement. If not understood, seek legal advice.

ALTA Settlement Statement

What is your ALTA Settlement Statement?
In addition to the Loan Estimate and the Closing Disclosure, the settlement will also require a Settlement and Disbursement Statement. The American Land Title Association (ALTA) has designed a standardized industry form that can be used with transactions involving a lender.

This additional document may satisfy Settlement Agent state and regulatory compliance. The statement shows the actual disbursement of funds in the transaction pursuant to the Residential Sales Contract. The Settlement Statement will be signed and acknowledged by the Buyers and the Sellers. The Settlement Statement is a document that is able to be shared with all parties to the transaction and shows all fees involved in the transaction without disclosing nonpublic information.

American Land Title Association — ALTA Settlement Statement - Combined
Adopted 05-01-2015

File No./Escrow No.: MBH123456
Print Date & Time: **07/01/2019**
Officer/Escrow Officer: MBH
Settlement Location: MBH

MBH Settlement Group, L.C.

Property Address: 1111 Dreamhouse Lane, Dreamville, VA 12345
Buyer: Robert L. Brown, Mary H. Brown
Seller: William T. Jones, Julie H. Jones
Lender: Dreamtown Lending

Settlement Date: **07/12/2019**
Disbursement Date: **07/12/2019**
Additional dates per state requirements:

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
(1)		**Financial**	(1)	
	429,500.00	Sales Price of Property	429,500.00	
		Deposit including earnest money		2,000.00
		Loan Amount		339,500.00
		Prorations/Adjustments		
791.66		County Taxes from **7/1/2019 to 9/1/2019**		791.66
250.00		HOA dues from **7/1/2019 to 9/1/2019**		250.00
		Loan Charges to Dreamtown Lending		
		Application Fee to Dream Mortgage POC – B $200.00		
		Origination Fee	3,395.00	
		Underwriting Fee	295.00	
		Prepaid Interest	1,905.90	

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File #MBH123456
Printed on

(1)
Debits = Charges
Credits = Deposits

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Other Loan Charges		
		Appraisal Fee to Appraiseit! LLC (2)	450.00	
		Credit Report Fee to Equifax POC – B $29.50		
		Flood Determination Fee to NoFloodTownCompany, Co.	11.00	
		Impounds		
		Homeowner's Insurance 2 mo @ $ $76.66/mo	153.32	
		County Taxes 2 mo @ $ 395.83/mo	791.66	
		Aggregate Adjustment		23.45
		Title Charges & Escrow / Settlement Charges		
		ALTA Homeowner's Title Insurance to MBH Settlement Group	1294.00	
		ALTA 2006 Loan Policy to MBH Settlement Group	968.00	
		Title Search to JML Abstractors, LLC	135.00	
		Insurance Binder to MBH Settlement Group, L.C.	125.00	
		Settlement Fee to MBH Settlement Group, L.C.	695.00	
		Closing Protection Letter Fee to Title Insurance Company	20.00	
		Digital Archive Fee	25.00	
		Commission		
12,885.00		Real Estate Commission to A1SellerListing Broker		
12,885.00		Real Estate Commission to AAA Real Estate Company		
		Other – Credit for Home Warranty Fee to ABC Warranty		485.00
		Government Recording and Transfer Charges		
		Recording Fees (Deed) to Clerk of Court	43.00	
		Recording Fees (Mortgage/Deed of Trust) to Clerk of Court	56.00	
		City/County tax to Clerk of Court	640.84	
		State Tax to Clerk of Court (3)	1922.50	
429.50		Grantors Tax to Clerk of Court		
		Payoff(s)		
250,766.00		Lender: Payoff Lender Co.		
		Principal Balance as of 7/01/2019 $250,766.00		
		Interest on Payoff Loan 0 days @ $31.25/day		

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(2) POC = Paid Outside of Closing and refers to a fee that is not being disbursed at closing.

(3) As disclosed on the Closing Disclosure (CD).

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Miscellaneous		
35.00		Pest Inspection Fee to Bad Bugs Inc.		
		Survey Fee to ABC Survey, Inc.	350.00	
		Homeowner's insurance premium to Insure me! Inc.	919.92	
695.00		Settlement Services Fee to MBH Settlement Group, L.C.		
150.00		Lien Release Processing Fee to MBH Settlement Group, L.C.		
175.00		Seller Attorney fees to DeedFeeFirm, LLC		
		Home Warranty fee to ABC Warranty	485.00	
Seller			**Borrower/Buyer**	
Debit	**Credit**		**Debit**	**Credit**
$279,087.16	$429,500.00	**Subtotals**	$444,181.14	$343,050.11
		Due From Borrower	$101,131.03	
$150,412.84		Due To Seller		
$429,500.00	$429,500.00	**Totals**	$444,181.14	$444,181.14

(4) (4)

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize MBH Settlement Group, L.C. to cause the funds to be disbursed in accordance with this statement.

_____
Buyer

_____
Buyer (5)

_____
Seller

_____
Escrow Officer

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File #MBH123456
Printed on 07/01/2019

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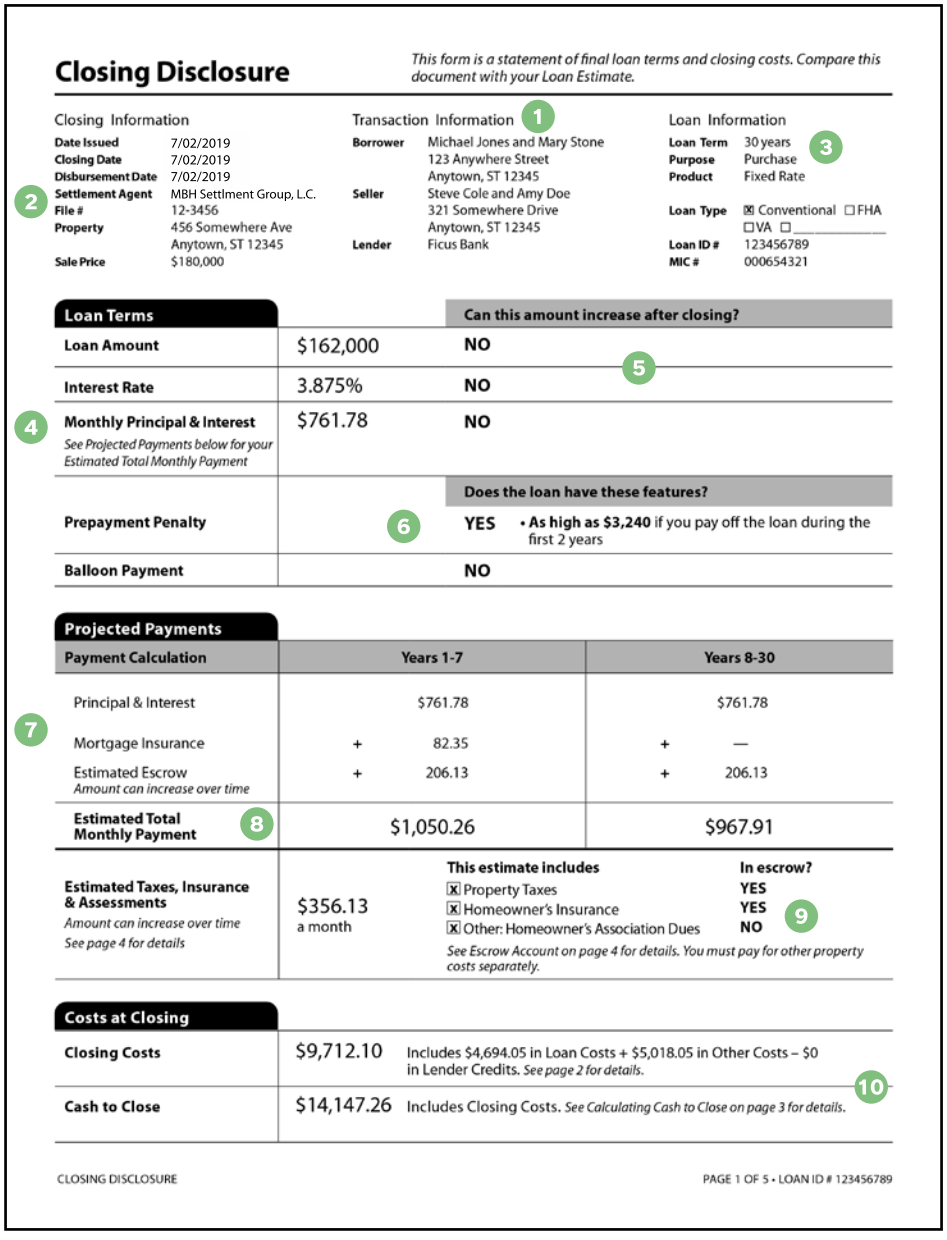
(4) Total of Funds.

(5) Signatures need to be obtained from both the Buyer and Seller to authorize disbursements related to the transaction.

Closing Disclosure

What is your Closing Disclosure?

The five-page Closing Disclosure sums up the terms of your loan and what you pay at closing. You can easily compare the numbers to the Loan Estimate you received earlier. There should not be any significant changes other than those you have already agreed to. Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you'll be expected to pay—over the life of your loan and at closing.



Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued	7/02/2019
Closing Date	7/02/2019
Disbursement Date	7/02/2019
Settlement Agent	MBH Settlment Group, L.C.
File #	12-3456
Property	456 Somewhere Ave Anytown, ST 12345
Sale Price	$180,000

Transaction Information (1)

Borrower	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345
Seller	Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345
Lender	Ficus Bank

Loan Information (3)

Loan Term	30 years
Purpose	Purchase
Product	Fixed Rate
Loan Type	☒ Conventional ☐ FHA ☐ VA ☐ _____
Loan ID #	123456789
MIC #	000654321

Loan Terms		**Can this amount increase after closing?**
Loan Amount	$162,000	**NO** (5)
Interest Rate	3.875%	**NO**
Monthly Principal & Interest (4) *See Projected Payments below for your Estimated Total Monthly Payment*	$761.78	**NO**
		Does the loan have these features?
Prepayment Penalty (6)		**YES** • **As high as $3,240** if you pay off the loan during the first 2 years
Balloon Payment		**NO**

Projected Payments (7)

Payment Calculation	**Years 1-7**	**Years 8-30**
Principal & Interest	$761.78	$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow *Amount can increase over time*	+ 206.13	+ 206.13
Estimated Total Monthly Payment (8)	$1,050.26	$967.91

		This estimate includes	**In escrow?**
Estimated Taxes, Insurance & Assessments *Amount can increase over time* *See page 4 for details*	$356.13 a month	☒ Property Taxes	YES
		☒ Homeowner's Insurance	YES
		☒ Other: Homeowner's Association Dues (9)	NO

See Escrow Account on page 4 for details. You must pay for other property costs separately.

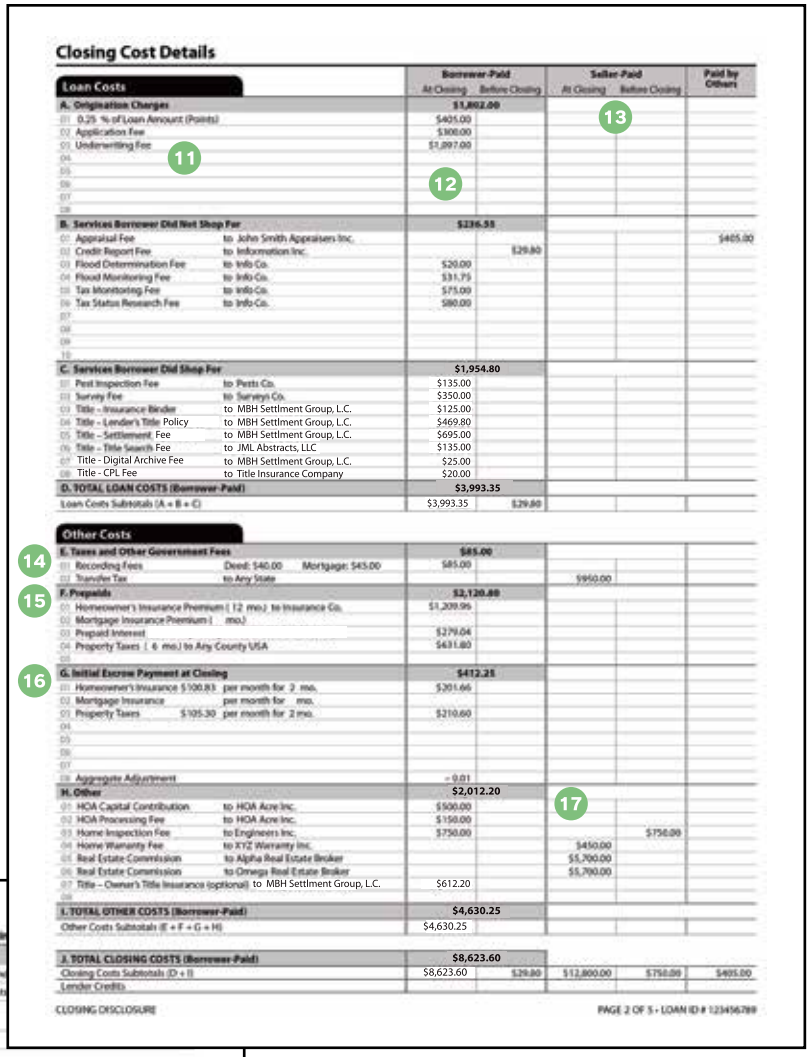
Costs at Closing		
Closing Costs	$9,712.10	Includes $4,694.05 in Loan Costs + $5,018.05 in Other Costs – $0 in Lender Credits. *See page 2 for details.*
Cash to Close	$14,147.26	Includes Closing Costs. *See Calculating Cash to Close on page 3 for details.* (10)

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789

1. Check the spelling of your name.
2. Transaction Information.
3. Verify your loan information is accurate.
4. Basic Loan Terms.
5. Verify the loan amount and interest rate are accurate.
6. Does your loan have a prepayment penalty?
7. An overview of Mortgage Payments Over the Life of the Loan.
8. Check that your Estimated Total Monthly Payment matches your most recent Loan Estimate.
9. Check to see if you have items not in escrow.
10. Check to make sure your Costs at Closing match your most recent Loan Estimate.

On page 2 of 5

11. Up front charges from your lender for making the loan.
12. An itemized accounting of the Buyer's Closing Costs.
13. An itemized accounting of the Seller's Closing Costs.
14. Costs associated with transferring the property to you.
15. Prepaid interest and your first year's homeowners insurance premium.
16. This payment will establish an initial balance in your escrow account.
17. Costs for other services you have chosen. Review these amounts to make sure they match what you are expecting.



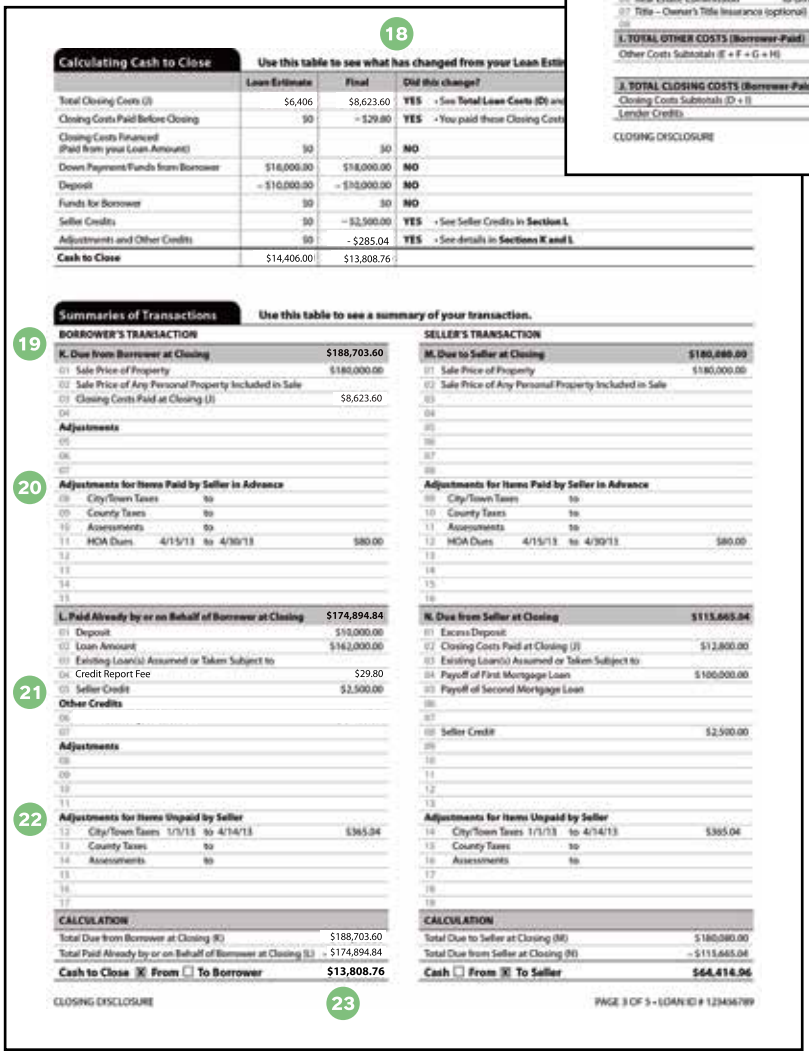
Closing Cost Details

Loan Costs		Borrower-Paid At Closing	Borrower-Paid Before Closing	Seller-Paid At Closing	Seller-Paid Before Closing	Paid by Others
A. Origination Charges		**$1,802.00**				
01 0.25 % of Loan Amount (Points)		$405.00				
02 Application Fee		$300.00				
03 Underwriting Fee		$1,097.00				
B. Services Borrower Did Not Shop For		**$236.55**				
01 Appraisal Fee	to John Smith Appraisers Inc.					$405.00
02 Credit Report Fee	to Information Inc.		$29.80			
03 Flood Determination Fee	to Info Co.	$20.00				
04 Flood Monitoring Fee	to Info Co.	$31.75				
05 Tax Monitoring Fee	to Info Co.	$75.00				
06 Tax Status Research Fee	to Info Co.	$80.00				
C. Services Borrower Did Shop For		**$1,954.80**				
01 Pest Inspection Fee	to Pests Co.	$135.00				
02 Survey Fee	to Surveys Co.	$350.00				
03 Title – Insurance Binder	to MBH Settlment Group, L.C.	$125.00				
04 Title – Lender's Title Policy	to MBH Settlment Group, L.C.	$469.80				
05 Title – Settlement Fee	to MBH Settlment Group, L.C.	$695.00				
06 Title – Title Search Fee	to JML Abstracts, LLC	$135.00				
07 Title - Digital Archive Fee	to MBH Settlment Group, L.C.	$25.00				
08 Title - CPL Fee	to Title Insurance Company	$20.00				
D. TOTAL LOAN COSTS (Borrower-Paid)		**$3,993.35**				
Loan Costs Subtotals (A + B + C)		$3,993.35	$29.80			

Other Costs						
E. Taxes and Other Government Fees		**$85.00**				
01 Recording Fees	Deed: $40.00 Mortgage: $45.00	$85.00				
02 Transfer Tax	to Any State			$950.00		
F. Prepaids		**$2,120.80**				
01 Homeowner's Insurance Premium (12 mo.)	to Insurance Co.	$1,209.96				
02 Mortgage Insurance Premium (mo.)						
03 Prepaid Interest		$279.04				
04 Property Taxes (6 mo.)	to Any County USA	$631.80				
G. Initial Escrow Payment at Closing		**$412.25**				
01 Homeowner's Insurance $100.83	per month for 2 mo.	$201.66				
02 Mortgage Insurance	per month for mo.					
03 Property Taxes $105.30	per month for 2 mo.	$210.60				
08 Aggregate Adjustment		-$0.01				
H. Other		**$2,012.20**				
01 HOA Capital Contribution	to HOA Acre Inc.	$500.00				
02 HOA Processing Fee	to HOA Acre Inc.	$150.00				
03 Home Inspection Fee	to Engineers Inc.	$750.00				
04 Home Warranty Fee	to XYZ Warranty Inc.			$450.00		
05 Real Estate Commission	to Alpha Real Estate Broker			$5,700.00		
06 Real Estate Commission	to Omega Real Estate Broker			$5,700.00		
07 Title – Owner's Title Insurance (optional)	to MBH Settlment Group, L.C.	$612.20				
I. TOTAL OTHER COSTS (Borrower-Paid)		**$4,630.25**				
Other Costs Subtotals (E + F + G + H)		$4,630.25				

J. TOTAL CLOSING COSTS (Borrower-Paid)		**$8,623.60**				
Closing Costs Subtotals (D + I)		$8,623.60	$29.80	$12,800.00	$750.00	$405.00
Lender Credits						

CLOSING DISCLOSURE PAGE 2 OF 5 • LOAN ID # 123456789



Calculating Cash to Close — Use this table to see what has changed from your Loan Estimate

	Loan Estimate	Final	Did this change?	
Total Closing Costs (J)	$6,406	$8,623.60	YES	• See Total Loan Costs (D) and
Closing Costs Paid Before Closing	$0	- $29.80	YES	• You paid these Closing Costs
Closing Costs Financed (Paid from your Loan Amount)	$0	$0	NO	
Down Payment/Funds from Borrower	$16,000.00	$16,000.00	NO	
Deposit	- $10,000.00	- $10,000.00	NO	
Funds for Borrower	$0	$0	NO	
Seller Credits	$0	- $2,500.00	YES	• See Seller Credits in Section L
Adjustments and Other Credits	$0	- $285.04	YES	• See details in Sections K and L
Cash to Close	$14,406.00	$13,808.76		

Summaries of Transactions — Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
K. Due from Borrower at Closing	$188,703.60	**M. Due to Seller at Closing**	$180,000.00
01 Sale Price of Property	$180,000.00	01 Sale Price of Property	$180,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	$8,623.60		
Adjustments			
Adjustments for Items Paid by Seller in Advance		**Adjustments for Items Paid by Seller in Advance**	
09 City/Town Taxes to		09 City/Town Taxes to	
10 County Taxes to		10 County Taxes to	
11 Assessments to		11 Assessments to	
12 HOA Dues 4/15/13 to 4/30/13	$80.00	12 HOA Dues 4/15/13 to 4/30/13	$80.00
L. Paid Already by or on Behalf of Borrower at Closing	$174,894.84	**N. Due from Seller at Closing**	$115,665.04
01 Deposit	$10,000.00	01 Excess Deposit	
02 Loan Amount	$162,000.00	02 Closing Costs Paid at Closing (J)	$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04 Credit Report Fee	$29.80	04 Payoff of First Mortgage Loan	$100,000.00
05 Seller Credit	$2,500.00	05 Payoff of Second Mortgage Loan	
Other Credits			
08 Seller Credit	$2,500.00
Adjustments	
Adjustments for Items Unpaid by Seller		**Adjustments for Items Unpaid by Seller**	
12 City/Town Taxes 1/1/13 to 4/14/13	$365.04	14 City/Town Taxes 1/1/13 to 4/14/13	$365.04
13 County Taxes to		15 County Taxes to	
14 Assessments to		16 Assessments to	
CALCULATION		**CALCULATION**	
Total Due from Borrower at Closing (K)	$188,703.60	Total Due to Seller at Closing (M)	$180,000.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	- $174,894.84	Total Due from Seller at Closing (N)	- $115,665.04
Cash to Close ☒ From ☐ To Borrower	**$13,808.76**	**Cash** ☐ From ☒ To Seller	**$64,434.96**

CLOSING DISCLOSURE PAGE 3 OF 5 • LOAN ID # 123456789

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18. A comparison of the Loan Estimate vs. the Closing Disclosure.
19. Total cost of home purchase. It includes your house price and closing costs.
20. Costs that have been prepaid by the Seller that you are now reimbursing the Seller for.
21. Check that your Seller Credit reflects what you agreed upon with the Seller.
22. Prior taxes and other fees owed by the Seller that you will pay in the future. The Seller is reimbursing you now to cover these expenses.
23. Actual amount you will have to pay at closing.

Additional Information About This Loan

Loan Disclosures

Assumption
If you sell or transfer this property to another person, your lender
24 ☐ will allow, under certain conditions, this person to assume this loan on the original terms.
☒ will not allow assumption of this loan on the original terms.

Demand Feature
Your loan
25 ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
☒ does not have a demand feature.

Late Payment
If your payment is more than *15* days late, your lender will charge a late fee of *5%* of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)
Under your loan terms, you
26 ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
☒ do not have a negative amortization feature.

Partial Payments
Your lender
☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
☐ does not accept any partial payments.
If this loan is sold, your new lender may have a different policy.

Security Interest
27 You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account
For now, your loan
☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

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

☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,
Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

CLOSING DISCLOSURE

Loan Calculations

28 **Total of Payments.** Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	$285,803.36
29 **Finance Charge.** The dollar amount the loan will cost you.	$118,830.27
30 **Amount Financed.** The loan amount available after paying your upfront finance charge.	$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at **www.consumerfinance.gov/mortgage-closing**

Other Disclosures

Appraisal
If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details
See your note and security instrument for information about
- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure
If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,
☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
☐ state law does not protect you from liability for the unpaid balance.

Refinance
Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions
If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	MBH Settlement Group, L.C.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	4230 Lafayette Center Dr., Suite I, Chantilly, VA 20151
NMLS ID					
ST License ID			Z765416	Z61456	
Contact	Joe Smith		Samuel Green	Joseph Cain	John Smith
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	mbhinfo@mbh.com
Phone	123-456-7890		123-555-1717	321-555-7171	703-277-6800

Confirm Receipt

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

Applicant Signature Date | Co-Applicant Signature Date

CLOSING DISCLOSURE PAGE 5 OF 5 • LOAN ID # 123456789

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24 If you sell the home the buyer may be allowed to take over your loan on the same terms.

25 A demand feature allows the lender to demand immediate payment of the entire loan at any time.

26 Negative amortization means your loan balance can increase even if you make your payments on time and in full.

27 The security interest allows the lender to foreclose on your home if you don't pay back the money you borrowed.

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28 Amount of money you will pay over the life of the loan.

29 Interest and loan fees you will pay over the life of the loan.

30 Net amount of money you are borrowing.

NOTES

Terms You Should Know

Glossary and Definitions

Appraisal - A written valuation of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

Assessed Value - The valuation placed on property by a public tax assessor for purposes of taxation.

Assignment - When ownership of your mortgage is transferred from one company or individual to another.

Bankruptcy - By filing in federal bankruptcy court, an individual or individuals can restructure or relieve themselves of debts and liabilities. Bankruptcies are of various types, but the most common for an individual seem to be a "Chapter 7 No Asset" bankruptcy which relieves the borrower of most types of debts.

Chain of Title - An analysis of the transfers of title to a piece of property over the years.

Clear Title - A title that is free of liens or legal questions as to ownership of the property.

Closing - The "closing" is a meeting where all of the documents are signed and money changes hands.

Closing Costs - Closing costs are separated into what are called "non-recurring closing costs" and "pre-paid items." Non-recurring closing costs are any items which are paid just once as a result of buying the property or obtaining a loan. "Pre-paids" are items which recur over time, such as property taxes and homeowners insurance. A lender makes an attempt to estimate the amount of non-recurring closing costs and prepaid items on the Good Faith Estimate which they must issue to the borrower within three days of receiving a home loan application.

Closing Disclosure (CD) - A form designed to provide disclosures that will be helpful to consumers in understanding all the costs of the transaction. Items that appear on the statement include real estate commissions, loan fees, points, and initial escrow (impound) amounts. The CD will provide totals for the seller's net proceeds and the buyer's net payment at closing. The lender is required to provide the CD to the borrower at least 3 days prior to the settlement.

Cloud on Title - Any conditions revealed by a title search that adversely affect the title to real estate. Usually clouds on title cannot be removed except by deed, release, or court action.

Common Area Assessments - In some areas they are called Homeowners Association Fees. They are charges paid to the Homeowners Association by the owners of the individual units in a condominium or planned unit development (PUD) and are generally used to maintain the property and common areas.

Common Areas - Those portions of a building, land, and amenities owned (or managed) by a planned unit development (PUD) or condominium project's homeowners' association (or a cooperative project's cooperative corporation) that are used by all of the unit owners, who share in the common expenses of their operation and maintenance. Common areas include swimming pools, tennis courts, and other recreational facilities, as well as common corridors of buildings, parking areas, means of ingress and egress, etc.

Contingency - A condition that must be met before a contract is legally binding. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

Contract - An oral or written agreement to do or not to do a certain thing.

Deed - The legal document conveying title to a property.

Deed of Trust - Some states, like Virginia, do not record mortgages. Instead, they record a deed of trust which pledges a property to the lender as security for payment of a debt.

Default - Failure to make the mortgage payment within a specified period of time. For first mortgages or first trust deeds, if a payment has still not been made within 30 days of the due date, the loan is considered to be in default.

Down Payment - The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

Earnest Money Deposit - A deposit made by the potential home buyer.

Easement - A right of way giving persons other than the owner access to or over a property.

Eminent Domain - The right of a government to take private property for public use upon payment of its fair market value. Eminent domain is the basis for condemnation proceedings.

Encroachment - An improvement that intrudes illegally on another's property.

Encumbrance - Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

Equity - A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

Escrow Account - Once you close your purchase transaction, you may have an escrow account or impound account with your lender. This means the amount you pay each month includes an amount above what would be required if you were only paying your principal and interest. The extra money is held in your impound account (escrow account) for the payment of items like property taxes and homeowner's insurance when they come due. The lender pays them with your money instead of you paying them yourself.

Executor - A person named in a will to administer an estate. The court will appoint an administrator if no executor is named. "Executrix" is the feminine form.

Fixture - Personal property that becomes real property when attached in a permanent manner to real estate.

Flood Insurance - Insurance that compensates for physical property damage resulting from flooding. It is required for properties located in federally designated flood areas.

Foreclosure - The legal process by which a borrower in default under a mortgage is deprived of his or her interest in the mortgaged property. This usually involves a forced sale of the property at public auction with the proceeds of the sale being applied to the mortgage debt.

Grantee - The person to whom an interest in real property is conveyed.

Grantor - The person conveying an interest in real property.

Hazard Insurance - Insurance coverage that in the event of physical damage to a property from fire, wind, vandalism, or other hazards.

Home Inspection - A thorough inspection by a professional that evaluates the structural and mechanical condition of a property. A satisfactory home inspection is often included as a contingency by the purchaser.

Homeowners' Association - An association that manages the common areas of a planned unit development (PUD) or condominium project. In a condominium project, it has no ownership interest in the common elements. In a PUD project, it holds title to the common elements.

Homeowner's Insurance - An insurance policy that combines personal liability insurance and hazard insurance coverage for a dwelling and its contents.

Homeowner's Warranty - A type of insurance often purchased by homebuyers that will cover repairs to certain items, such as heating or air conditioning, should they break down within the coverage period. The buyer often requests the seller to pay for this coverage as a condition of the sale, but either party can pay.

Joint Tenancy - A form of ownership or taking title to property which means each party owns the whole property and that ownership is not separate. In the event of the death of one party, the survivor owns the property in its entirety.

Judgment - A decision made by a court of law. In judgments that require the repayment of a debt, the court may place a lien against the debtor's real property as collateral for the judgment's creditor.

Legal Description - A property description, recognized by law, that is sufficient to locate and identify the property without oral testimony.

Lender - A term which can refer to the institution making the loan or to the individual representing the firm.

Lien - A legal claim against a property that must be paid off when the property is sold. A mortgage or first trust deed is considered a lien.

Loan - A sum of borrowed money (principal) that is generally repaid with interest.

Loan Estimate - A form designed to provide disclosures that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying. The form must be provided to consumers no later than three business days after they submit a loan application.

Loan Officer - Also referred to by a variety of other terms, such as lender, loan representative, loan "rep," account executive, and others. The loan officer serves several functions and has various responsibilities: they solicit loans, they are the representative of the lending institution, and they represent the borrower to the lending institution.

Mortgage - A legal document that pledges a property to the lender as security for payment of a debt. Instead of mortgages, some states use Deeds of Trust.

Mortgage Broker - A mortgage company that originates loans, then places those loans with a variety of other lending institutions with whom they usually have pre-established relationships.

Note - A legal document that obligates a borrower to repay a mortgage loan at a stated interest rate during a specified period of time.

Owner Financing - A property purchase transaction in which the property seller provides all or part of the financing.

Planned Unit Development (PUD) - A type of ownership where individuals actually own the building or unit they live in, but common areas are owned jointly with the other members of the development or association. Contrast with condominium, where an individual actually owns the airspace of his unit, but the buildings and common areas are owned jointly with the others in the development or association.

Power of Attorney - A legal document that authorizes another person to act on one's behalf. A power of attorney can grant complete authority or can be limited to certain acts and/or certain periods of time.

Pre-approval - A loosely used term which is generally taken to mean that a borrower has completed a loan application and provided debt, income, and savings documentation which an underwriter has reviewed and approved. A pre-approval is usually done at a certain loan amount and making assumptions about what the interest rate will actually be at the time the loan is actually made, as well as estimates for the amount that will be paid for property taxes, insurance and others. A pre-approval applies only to the borrower. Once a property is chosen, it must also meet the underwriting guidelines of the lender. Contrast with pre-qualification.

Pre-qualification - This usually refers to the loan officer's written opinion of the ability of a borrower to qualify for a home loan, after the loan officer has made inquiries about debt, income, and savings. The information provided to the loan officer may have been presented verbally or in the form of documentation, and the loan officer may or may not have reviewed a credit report on the borrower.

Public Auction - A meeting in an announced public location to sell property to repay a mortgage that is in default.

Purchase Agreement - A written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold.

Purchase Money Transaction - The acquisition of property through the payment of money or its equivalent.

Quitclaim Deed - A deed that transfers without warranty whatever interest or title a grantor may have at the time the conveyance is made.

Real Estate Settlement Procedures Act (RESPA) - A Federal consumer protection law.

Real Property - Land and appurtenances, including anything of a permanent nature such as structures, trees, minerals, and the interest, benefits, and inherent rights thereof.

Recording - The noting in the registrar's office of the details of a properly executed legal document, such as a deed, a mortgage note, a satisfaction of mortgage, or an extension of mortgage, thereby making it a part of the public record.

Right of First Refusal - A provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before he or she offers it for sale or lease to others.

Right of Ingress or Egress - The right to enter or leave designated premises.

Right of Survivorship - In joint tenancy, the right of survivors to acquire the interest of a deceased joint tenant.

Security - The property that will be pledged as collateral for a loan.

Subdivision - A housing development that is created by dividing a tract of land into individual lots for sale or lease.

Survey - A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, rights of way, encroachments, and other physical features.

Tenancy in Common - As opposed to joint tenancy, when there are two or more individuals on title to a piece of property, this type of ownership does not pass ownership to the others in the event of death.

Title - A legal document evidencing a person's right to or ownership of a property.

Title Company - A company that specializes in examining and insuring titles to real estate.

Title Insurance - Insurance that protects the lender (lender's policy) or the buyer (owner's policy) against loss arising from disputes over ownership of a property.

Title Search - A check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

Transfer Tax - State or local tax payable when title passes from one owner to another.

MBH Settlement Group

Map of Locations

Virginia

Alexandria (Old Town)
228 S. Washington St., Suite 100
Alexandria, VA 22314
703-739-0100
mbholdtown@mbh.com

Arlington
2101 Wilson Boulevard, Suite 1250
Arlington, VA 22201
703-237-1100
mbharlington@mbh.com

Burke
5641 Burke Centre Pkwy, Suite 230
Burke, VA 22015
703-913-8080
mbhburke@mbh.com

Chantilly
4530 Walney Road, Suite 100
Chantilly, VA 20151
703-277-6800

Fair Oaks
12150 Monument Dr., Suite 850
Fairfax, VA 22033
703-279-1500
mbhfairoaks@mbh.com

Fredericksburg
1956 William St
Fredericksburg, VA 22401
540-373-1300
mbhfredericksburg@mbh.com

Front Royal
824 John Marshall Highway
Front Royal, VA 22630
540-878-4210
mbhfrontroyal@mbh.com

Gainesville
7470 Limestone Dr.
Gainesville, VA 20155
703-468-2020
mbhgainesville@mbh.com

Kingstowne
5911 Kingstowne Village Pkwy.,
Suite 140
Kingstowne, VA 22315
703-417-5000
mbhkingstowne@mbh.com

Lake Ridge
4500 Pond Way, Suite 200
Lake Ridge, VA 22192
703-492-7900
mbhlakeridge@mbh.com

Loudoun County
20135 Lakeview Center Pza., Suite150
Ashburn, VA 20147
703-840-2000
mbhloudoun@mbh.com

Manassas
8140 Ashton Ave., Suite 108
Manassas, VA 20109
703-393-0333
mbhmanassas@mbh.com

McLean
6862 Elm St., Suite 200
McLean, VA 22101
703-734-8900
mbhmclean@mbh.com

Reston
12020 Sunrise Valley Dr., Suite 100
Reston, VA 20191
703-318-9333
mbhreston@mbh.com

Stafford
9 Center St., Suite 105
Stafford, VA 22556
540-658-0992
mbhstafford@mbh.com

Vienna
1945 Old Gallows Rd., Suite 615
Vienna, VA 22182
703-242-2860
mbhvienna@mbh.com

Warrenton
484 Blackwell Rd., Suite 108
Warrenton, VA 20186
540-349-7990
mbhwarrenton@mbh.com

Winchester
817 Cedar Creek Grade, Suite 203
Winchester, VA 22601
540-546-0615
mbhwinchester@mbh.com

Maryland & D.C.

Bethesda
8120 Woodmont Ave, Suite 810,
Bethesda, MD 20814
301-941-4990
mbhmaryland@mbh.com

District of Columbia
1775 Eye Street NW, Suite 560
Washington, DC 20006
202-749-8420
mbhdc@mbh.com

Maryland
Virginia
District of Columbia
Winchester
Front Royal
Warrenton
Gainesville
Manassas
Chantilly
Loudoun
Reston
Bethesda
McLean
Vienna
Fair Oaks
Arlington
D.C.
Alexandria
Kingstowne
Burke
Lake Ridge
Stafford
Fredericksburg
270
70
495
66
17
340
211
7
267
28
7100
234
610
95
301

OUR FOCUS IS ON YOUR NEEDS

"MBH IS TOP NOTCH!
THEY ARE RIGHT ON EVERY
ISSUE OF SETTLEMENT AND
VERY COMMUNICATIVE.
I RECOMMEND THEM HIGHLY."

- FACEBOOK | MARSHA W.

"THE STAFF AT MBH WERE
AMAZINGLY EFFICIENT, FRIENDLY
AND PROFESSIONAL IN PROCESSING
MY CLOSING! I HAVE AND WILL
CONTINUE TO USE THEM FOR MY
REAL ESTATE CLIENTS AND MYSELF
IN THE FUTURE!"

- GOOGLE | BRIAN H.

Looking For Exceptional Service And
A Smooth, Secure, Convenient Closing
That Is Focused On Your Needs?

Contact MBH at one of our 20 offices across VA, MD & DC.

From Contract To Keys, MBH Has You Covered.™

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Settlement Group
MBH.com