

MBH HOME BUYER GUIDE

Settlement Group



VIRGINIA

NVAR 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:

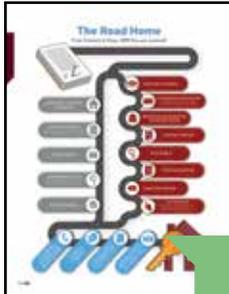
WARNING-FRAUDULENT WIRE INSTRUCTIONS:

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 6 & 7



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 8



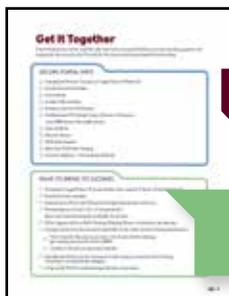
STEP 2: Secure Document Portal

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 3



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.

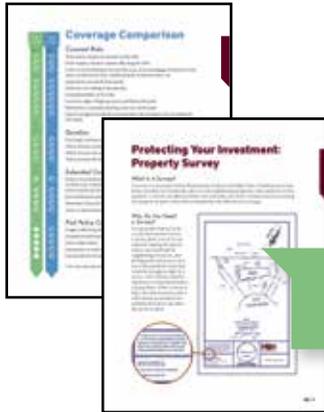
Get It Together page 9

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.

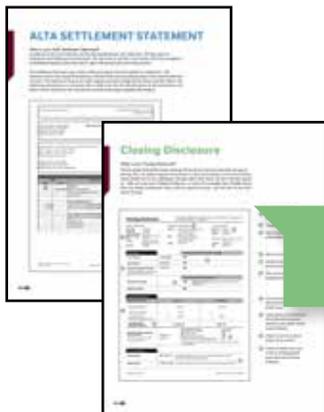
Title Insurance / Coverage Comparison pages 10 - 12
Property Survey page 13

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

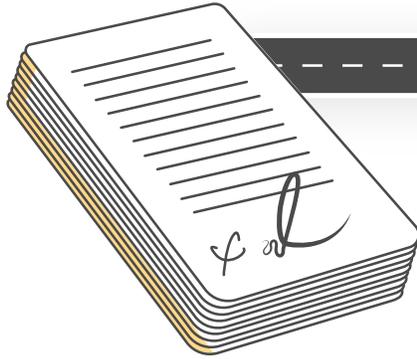
Closing day has arrived! For all of us, this is a GREAT DAY! Expect to Read & Sign several pages of documents, including your mortgage documents and all of the paperwork you've received and reviewed.

ALTA Settlement pages 19 - 20
Closing Disclosure pages 21 - 23

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!



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

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.

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.



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.



LOAN UNDERWRITING

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



CREDIT REPORT

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



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 mortgage 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

Standard
ALTA
Residential

Enhanced
ALTA
Homeowner's

Covered Risks

- 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

Standard
ALTA
Residential

Enhanced
ALTA
Homeowner's

Additional Coverages

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Actual vehicular and pedestrian access, based upon a legal right |
| <input type="checkbox"/> | You must correct or remove an existing violation of certain covenants, conditions, or restrictions |
| <input type="checkbox"/> | Loss of your title resulting from a prior violation of a covenant, condition or restriction |
| <input type="checkbox"/> | 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) |
| <input type="checkbox"/> | 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) |
| <input type="checkbox"/> | 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) |
| <input type="checkbox"/> | Up to \$5,000 if you must remove your existing structures if they encroach into your neighbor's land (subject to a deductible) |
| <input type="checkbox"/> | You cannot use the land as a single-family residence because such use violates an existing zoning law or zoning regulation |
| <input type="checkbox"/> | You are forced to remove existing structures because they encroach into an easement affecting the land |
| <input type="checkbox"/> | Damage to existing structures due to an exercise of an existing right to use any easement affecting the land |
| <input type="checkbox"/> | 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 |
| <input type="checkbox"/> | Attempted enforcement of a discriminatory covenant |
| <input type="checkbox"/> | Supplemental taxes because of a prior construction or change of ownership or use |
| <input type="checkbox"/> | Damages if the residence is not located at the address stated in the policy |
| <input type="checkbox"/> | Pays substitute rent and relocation expenses, if you cannot use your home because of a claim covered by the policy |
| <input type="checkbox"/> | Automatic increase in policy amount up to 150% of policy amount over 5 year |
| <input type="checkbox"/> | Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors) |

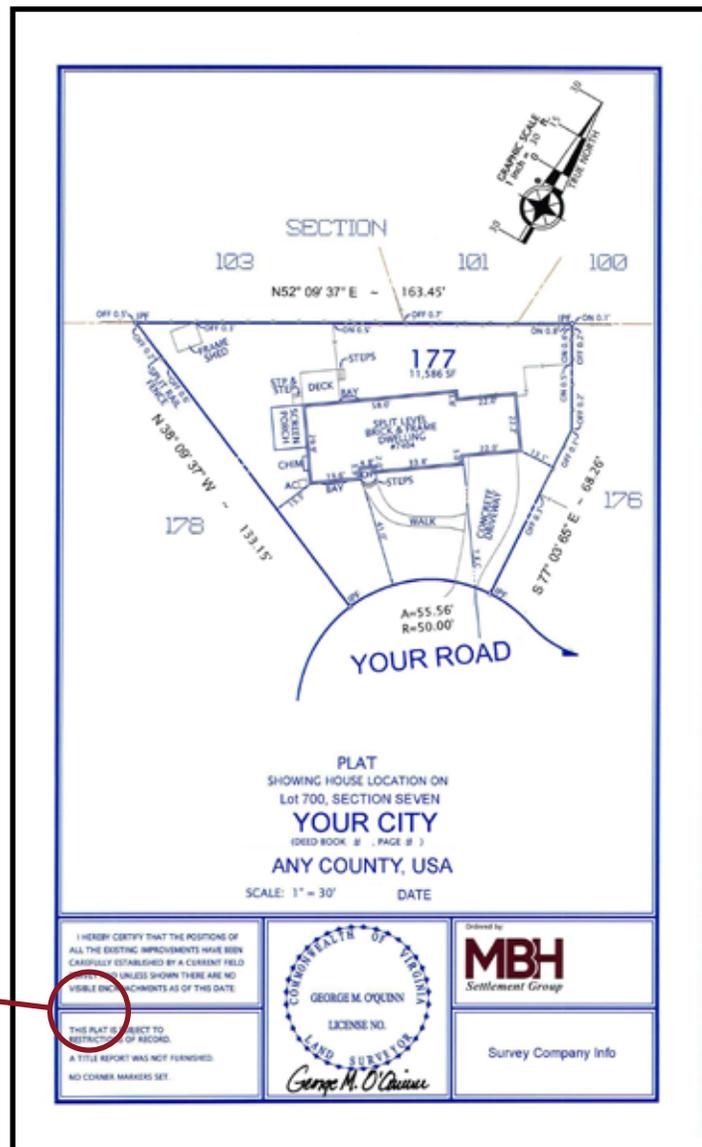
Protecting Your Investment: Property Survey

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.



I HEREBY CERTIFY THAT THE POSITIONS OF ALL THE EXISTING IMPROVEMENTS HAVE BEEN CAREFULLY ESTABLISHED BY A CURRENT FIELD SURVEY AND UNLESS SHOWN THERE ARE NO VISIBLE ENCROACHMENTS AS OF THIS DATE:

THIS PLAT IS SUBJECT TO RESTRICTIONS OF RECORD.

A TITLE REPORT WAS NOT FURNISHED.

CORNER MARKERS SET.

Understanding the VA Residential Sales Contract

The following is an overview of each provision of the Residential Sales Contract (Virginia), effective July 1, 2022:

PREAMBLE:

The preamble is the section of the Contract containing blanks for the Buyer to insert the Date of Offer and to identify the parties to the Contract (Buyer(s) and Seller(s)). This section also provides space for the parties to specify the Listing Company and Selling Company.

1. REAL PROPERTY:

The first paragraph of the Contract details, with specificity, the Property that is being conveyed.

2. PRICE AND SPECIFIED FINANCING:

Subparagraphs 2(A)-2(D): The sales price, down payment, and financing terms for the transaction are included in these subparagraphs. The Buyer is able to indicate the amount(s) of financing in dollar amounts or percentages of the sales price. There are provisions for the Buyer to obtain a first Deed of Trust, a second Deed of Trust or a Seller Held Trust. The contract also has a section for a Seller Subsidy which can be a specific dollar amount or a percentage of the sales price.

Subparagraphs 2(E) and 2(F): This is where the parties would note if there will be a: 1) Financing Contingency and/or a 2) Appraisal Contingency. Additionally, the parties will select if the Seller will provide reasonable access to an Appraiser if there is no financing or appraisal contingency.

Subparagraph 2(G): The correct box should be checked to note whether the Buyer will occupy the Property as a principal residence.

3. DEPOSIT:

This paragraph details the amount of the earnest money deposit. The Buyer will also select whether the earnest money deposit has 1) been delivered to the selected Escrow Agent at or prior to contract ratification, or 2) whether it will be delivered to the Escrow Agent within the selected number of days. In the event the Buyer does not deliver the Deposit within the deadline, the Seller has the option to declare the Contract Void. Buyers can send in the deposit late and cure the default if the Seller has not already voided the contract. (See paragraph 28 below for definition of “Date of Ratification.”)

4. SETTLEMENT:

The Settlement paragraph sets forth the settlement date and the settlement agent. It also gives notice to the Buyers of their right to choose the settlement agent in accordance with the Real Estate Settlement Agents Act (“RESAA”).

This paragraph details the sufficient tender of performance under the Contract. Compliance with the Contract can help to preserve a non-breaching party’s right to damages.

5. DOWN PAYMENT:

The balance of all money due from the Buyer, the down payment, must be paid at closing by certified funds or bank wired funds (no personal checks). If the Buyer plans to use an assignment of funds at settlement (typically from the sale of another property immediately prior to their purchase settlement), the Seller's written consent must be obtained.

6. DELIVERY:

This paragraph specifies the general delivery requirements under the Contract (except for delivery of documents pursuant to the Virginia Property Owners' Association Act and the Virginia Condominium Act). The parties select the allowable method(s) of delivery and fill in the blanks with the corresponding physical address, email address and/or fax number.

7. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT:

The Seller must deliver a disclosure statement prior to acceptance of the Contract (unless the property is exempt). If the disclosure is delivered to the Buyer after the Date of Ratification, the Buyer will have a limited right to terminate the contract subject to the provisions of the Act.

8. VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT:

The Seller must obtain an Association Disclosure Packet and provide it to the Buyer. The Buyer provides an address for delivery of the Disclosure Packet by both electronic means and hard copy. The Seller may then choose the address to which to deliver the Disclosure Packet. This section also provides for the Buyer's right to cancel the Contract following receipt (or prior to receipt) of the Disclosure Packet, subject to the time periods defined in the Act. More information is available in an additional form entitled "Understanding Your Rights Under the Virginia Condominium Act/Property Owners' Association Act."

9. VIRGINIA CONDOMINIUM ACT:

The Seller must obtain a Resale Certificate and provide it to the Buyer. The Buyer provides an address for delivery of the Resale Certificate by both electronic means and hard copy. The Seller may then choose the address to which to deliver the Resale Certificate. This section also provides for the Buyer's right to cancel the Contract following receipt of the Resale Certificate, subject to the time periods defined in the Act. More information is available in an additional form entitled "Understanding Your Rights Under the Virginia Condominium Act/Property Owners' Association Act."

10. PROPERTY MAINTENANCE AND CONDITION:

The Seller must deliver the Property in "substantially the same physical condition" as on the date specified in the contract, and "broom clean with all trash and debris removed." This paragraph recites that except as otherwise specified in the Contract, "the property, including electrical, plumbing, existing appliances, heating, air conditioning, equipment and fixtures shall convey in its AS-IS condition as of the date specified."

There are also checkboxes to indicate whether the Contract is contingent on a Home Inspection. Some suggestions for addressing this provision include the following:

- a) The condition of the Property must be verified on the date specified in this paragraph.
- b) If the contract is contingent on an inspection(s), the Seller will provide Broker, Buyer, and inspector(s) reasonable access to Property to conduct the inspection(s). If the contract is not contingent on an inspection(s) the parties can negotiate if and when (specific dates) in which access will be provided.

c) Walk-through inspection(s) may be done within 7 days prior to settlement and/or occupancy even when there are no inspection contingencies. The walk-through inspection is intended to be a quick check of major systems/appliances; it is not a new “home inspection.”

11. POSSESSION DATE:

Unless otherwise agreed to in writing, the Buyer gets possession of the property at Settlement and the Seller must deliver any keys, mail box keys, key fobs, codes, and digital keys. The Seller must provide exclusive control of any Smart Devices at Settlement.

12. UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING:

There are several checkboxes to describe the water system, sewage, disposal system, heating, and air conditioning for the Property. If the Seller discloses that a Septic Waiver has been granted on the property, the Buyer should review the regulatory requirements and cost associated with repairing the sewage system. State Board of Health Septic System Waivers are not transferable.

13. PERSONAL PROPERTY AND FIXTURES:

This section contains an itemized list of various personal property and fixtures that will convey with the Property. The parties check the box for the item(s) that conveys and note the quantity. Additionally, other conveyances, which are not listed, can be written in. A section is also available to list the items that will not convey.

14. FIRPTA - WITHHOLDING TAXES FOR FOREIGN SELLERS:

This section requires the Seller to disclose whether they are a US Citizen or a Lawful Permanent Resident. If not, mandatory withholding may be required.

15. SMOKE DETECTORS:

The Seller must deliver the Property with smoke detectors installed and functioning pursuant to applicable regulations.

16. TARGET LEAD-BASED PAINT HOUSING:

The Seller shall disclose whether any part of the house or condominium was built prior to January 1, 1978. If so, a Lead-Based Paint Disclosure shall be required, and shall be attached to the Contract.

17. WOOD-DESTROYING INSECT INSPECTION:

The parties can choose who will be responsible for the initial expense of the Pest Inspection. The Seller shall provide reasonable access for the inspection and be responsible for any treatment of any wood-destroying insect infestation, and any repairs noted on the inspection report shall be made at the Seller's expense, with Seller providing written evidence of said treatment or repair prior to Settlement.

18. HOME WARRANTY:

A home warranty typically protects the systems and appliances in the home for the term of one year following Settlement. A check next to “Yes” or “No,” defines if a warranty is included in the contract. Additionally, there is a section to select who is paying for and selecting the home warranty and the maximum allowable cost.

19. DAMAGE OR LOSS:

The Seller is responsible for the risk of loss or damage to the property until delivery of the deed to the Buyer at Settlement.

20. TITLE:

Buyer is responsible for promptly ordering title report and survey, if desired. The Seller must convey title that is good, marketable, and insurable with no additional risk premium to Buyer or non-standard exceptions. If action is required to meet these criteria by the Seller, it must be done promptly. The Seller shall convey the Property by General Warranty Deed with English Covenants of Title.

21. NOTICE OF POSSIBLE FILING OF MECHANICS' LIENS:

This section alerts the Buyer that a mechanics' lien may be filed after settlement for work performed prior to settlement.

22. FEES:

This section discusses the settlement and recording fees to be paid by the Seller and the Buyer at Settlement.

23. BROKER'S FEE:

This paragraph is authorization from the Seller to pay Broker compensation at Settlement pursuant to the terms in the listing agreement as of the date of the offer.

24. ADJUSTMENTS:

Rent, taxes, sewer, water, HOA/condo dues are prorated as of the Settlement Date.

25. ATTORNEY'S FEES:

If a dispute arises concerning the Contract, the non-breaching party is entitled to receive reimbursement of reasonable legal expenses from the breaching party.

26. DEFAULT:

Even if the Financing Contingency has not been removed, the Buyer may be in default if Settlement does not occur on the Settlement Date for any reason other than a default by the Seller. In the event the Buyer is in default, the Buyer's deposit may be at risk. Further, the Buyer is provided notice that the earnest money deposit may not be the limit of the Buyer's liability upon default.

27. VOID CONTRACT:

If the Contract becomes void and neither party has defaulted, the parties will immediately execute a release, and the deposit, if any, will be returned to the Buyer.

28. DEFINITIONS:

This section defines certain terms as they are used in the Contract. Of particular importance is the definition of "Days" which is defined as calendar days (unless otherwise specified). "Date of Ratification" is the date of delivery of the final written acceptance by the parties to all of the terms of the contract.

29. TIME IS OF THE ESSENCE:

This provision means that the parties to the transaction must perform their obligations diligently and in a timely manner.

30. REAL ESTATE LICENSED PARTIES:

This paragraph contains a required disclosure noting whether the Buyer or the Seller, or someone related to the parties in the transaction, is a licensed real estate agent.

31. ENTIRE AGREEMENT:

Pursuant to this provision, the Contract will survive the execution of the deed, meaning that even after Settlement, the provisions within are still legally binding. Verbal statements and agreements may not be enforceable. Finally, the governing law is that of the jurisdiction where the Property is located. The contract may be signed in one or more counterparts, and all will be considered an original. Any provision which is typed or handwritten into the contract will take precedence over the pre-printed provisions that are in conflict.

33. ASSIGNABILITY:

The Contract cannot be assigned without the written permission of the Seller and the Buyer. (An assignment allows the Buyer to substitute another Buyer in his/her place).

34. ADDITIONS:

Lists additional addenda (non-exclusive) with check boxes, which may be part of the Contract.

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		MBH Settlement Group, L.C.		
Print Date & Time: 07/01/2019				
Officer/Escrow Officer: MBH				
Settlement Location: MBH				
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
		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	

①
Debits = Charges
Credits = Deposits

On page 2 of 3

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Other Loan Charges		
		Appraisal Fee to Appraisel1 LLC	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 @ \$ 576.66/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	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		

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	\$444,181.14	\$343,050.11	
		Subtotals		
		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 _____

Seller _____

5

Escrow Officer _____

On page 3 of 3

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.

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

Closing Information		Transaction Information 1		Loan Information	
Date Issued	7/02/2019	Borrower	Michael Jones and Mary Stone	Loan Term	30 years 3
Closing Date	7/02/2019		123 Anywhere Street	Purpose	Purchase
Disbursement Date	7/02/2019		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	MBH Settlement Group, L.C.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456		321 Somewhere Drive	<input type="checkbox"/> VA <input type="checkbox"/>	
Property	456 Somewhere Ave	Lender	Anytown, ST 12345	Loan ID #	123456789
Sale Price	Anytown, ST 12345		Ficus Bank	MIC #	000654321
	\$180,000				

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO 5
Interest Rate	3.875%	NO
Monthly Principal & Interest	\$761.78	NO
<i>See Projected Payments below for your Estimated Total Monthly Payment</i>		
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		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
Estimated Total Monthly Payment 8	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i> <i>See page 4 for details</i>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	In escrow? YES YES 9 NO
---	---------------------	---	--

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$14,147.26 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i> 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		Seller Paid		Paid by Other
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				13
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				12
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$136.55				
01 Appraisal Fee	to John Smith Appraisers Inc.				
02 Credit Report Fee	to Information Inc.	\$29.80			\$465.00
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 Station Research Fee	to Info Co.	\$80.00			
07					
08					
09					
C. Services Borrower Did Shop For	\$1,954.80				
01 Pest Inspection Fee	to Pests Co.	\$135.00			
02 Survey Fee	to Survey Co.	\$350.00			
03 Title - Insurance Binder	to MBH Settlement Group, L.C.	\$125.00			
04 Title - Lender's Title Policy	to MBH Settlement Group, L.C.	\$469.80			
05 Title - Settlement Fee	to MBH Settlement Group, L.C.	\$605.00			
06 Title - Title Search Fee	to JML Abstracts, LLC	\$135.00			
07 Title - Digital Archive Fee	to MBH Settlement 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 Subtotal (A + B + C)	\$3,993.35	\$29.80			
Other Costs	\$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.	\$1,200.00			
02 Mortgage Insurance Premium (mo.)		\$276.04			
03 Prepaid Interest		\$612.20			
04 Property Taxes (6 mo.)	to Any County USA	\$612.20			
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner's Insurance \$100.83 per month for 2 mo.		\$201.66			
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.		\$210.60			
04					
05					
06					
07					
08 Aggregate Adjustment		- 0.01			
H. Other	\$2,012.20				
01 HOA Capital Contribution	to HOA Assn Inc.	\$500.00			
02 HOA Processing Fee	to HOA Assn Inc.	\$150.00			
03 Home Inspection Fee	to Engineers Inc.	\$750.00			\$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 Settlement Group, L.C.	\$612.20			
08					
I. TOTAL OTHER COSTS (Borrower Paid)	\$4,630.25				
Other Costs Subtotal (E + F + G + H)	\$4,630.25				
J. TOTAL CLOSING COSTS (Borrower Paid)	\$8,623.60				
Closing Costs Subtotal (D + I)	\$8,623.60	\$29.80	\$12,800.00	\$750.00	\$495.00
Lender Credits					

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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
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	\$18,000.00	\$18,000.00	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	\$180,080.00
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		
04			
05			
06			
07			
Adjustments			
08			
09			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
L. Paid Already by or on Behalf of Borrower at Closing	\$174,894.84	N. Due from Seller at Closing	\$118,665.04
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 Credits	\$2,500.00	05 Payoff of Second Mortgage Loan	
06		06	
07		07	
08		08	
09		09 Seller Credit	\$2,500.00
10		10	
11		11	
12		12	
13		13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
Adjustments for Items Paid by Seller in Advance		Adjustments for Items Paid by Seller in Advance	
01 City/Town Taxes to		01 City/Town Taxes to	
02 County Taxes to		02 County Taxes to	
03 Assessments to		03 Assessments to	
04 HCA Dues 4/15/13 to 4/30/13	\$80.00	04 HCA Dues 4/15/13 to 4/30/13	\$80.00
05		05	
06		06	
07		07	
08		08	
09		09	
10		10	
11		11	
12		12	
13		13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
Adjustments for Items Unpaid by Seller		Adjustments for Items Unpaid by Seller	
01 City/Town Taxes 1/3/13 to 4/14/13	\$365.04	01 City/Town Taxes 1/3/13 to 4/14/13	\$365.04
02 County Taxes to		02 County Taxes to	
03 Assessments to		03 Assessments to	
04		04	
05		05	
06		06	
07		07	
08		08	
09		09	
10		10	
11		11	
12		12	
13		13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
CALCULATION		CALCULATION	
Total Due from Borrower at Closing (K)	\$188,703.60	Total Due to Seller at Closing (M)	\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$174,894.84	Total Due from Seller at Closing (N)	-\$118,665.04
Cash to Close From <input type="checkbox"/> To Borrower	\$13,808.76	Cash From <input checked="" type="checkbox"/> To Seller	\$64,414.04

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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

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

Demand Feature

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

Late Payment

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

Negative Amortization (Increase in Loan Amount)

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

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

On page 5 of 5

- 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.

On page 4 of 5

- 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.

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. \$116,830.27
- 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 (R)	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, Somerscity, ST 12340		789 Local Lane, Somerscity, ST 12345	987 Suburb Ct, Somersplace, ST 12340	4230 Lafayette Center Dr., Suite 1, Chantilly, VA 20151
NMLS ID					
ST License ID			2765416	261456	
Contact	Joe Smith		Samuel Green	Joseph Cain	John Smith
Contact NMLS ID	12345				
Contact ST License ID			P16435	P51465	
Email	joesmith@ficusbank.com		sam@gomergare.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

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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)

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Maryland



Virginia

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IN THE FUTURE!"**

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