



Becoming a homeowner

Bank on your success™

Participant workbook



Bank on your success: Becoming a homeowner

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Welcome

We're happy you've made the decision to join *Becoming a homeowner*, part of the *Bank on your success™* program at Truist.

In this course, you'll learn key steps to homeownership and the mortgage process, finding the right home for your budget, and the advantages of buying a home.

In this participant workbook, you'll get the tips and tools you need to help master these topics.

We look forward to spending this time with you, and encourage you to ask your coach any questions you have. We hope when you complete this course, you'll feel more confident on your journey to homeownership.

Truist Purpose

Inspire and build better lives and communities

Mission

Client

Provide distinctive, secure, and successful client experiences through touch and technology.

Teammates

Create an inclusive and energizing environment that empowers teammates to learn, grow, and have meaningful careers.

Stakeholders

Optimize long-term value for stakeholders through safe, sound, and ethical practices.

Values



Trustworthy

We serve with integrity.



Caring

Everyone and every moment matters.



One Team

Together, we can accomplish anything.



Success

When our clients win, we all win.



Happiness

Positive energy changes lives.

Agenda

In this *Becoming a homeowner* course, you'll learn how to:

- Determine if homeownership is right for you
- Develop budgeting and saving strategies
- Plan for homeownership
- Navigate the mortgage process

This course is designed to give you a basic overview of the homeownership process and provide you with tools and resources for future use.

Is
homeownership
right for you?

Am I ready for home ownership?

Buying a home takes strategic planning.

There are many factors to consider when making a big purchase, including buying a home. You might need to adjust your spending and saving patterns and consider how owning a home will affect your long-term goals.

Renting vs. buying a home

Renting or buying a home is a personal choice. Some people rent because they assume homeownership is out of reach. Others rent because they enjoy the flexibility. Whatever you decide, make sure to consider your overall finances and other goals. Here are a few reasons why people choose to rent or buy their home.

Benefits of renting a home:

- **Flexibility to live in a place** for as little or as long as you want.
- **No maintenance responsibilities** like sewer or snow removal.
- **Free from added costs** like repairs and taxes.

Benefits of buying a home:

- **Opportunity to build equity** with every payment.
- **Potential tax advantages*** to reduce taxable income.
- **Predictable monthly payments** for easier budgeting.
- **Pass your home along to your children** or other relatives as an inheritance.

¹ Consult your tax advisor about potential tax advantages. Truist and its associates do not offer tax or legal advice.

Are you ready to buy a home?

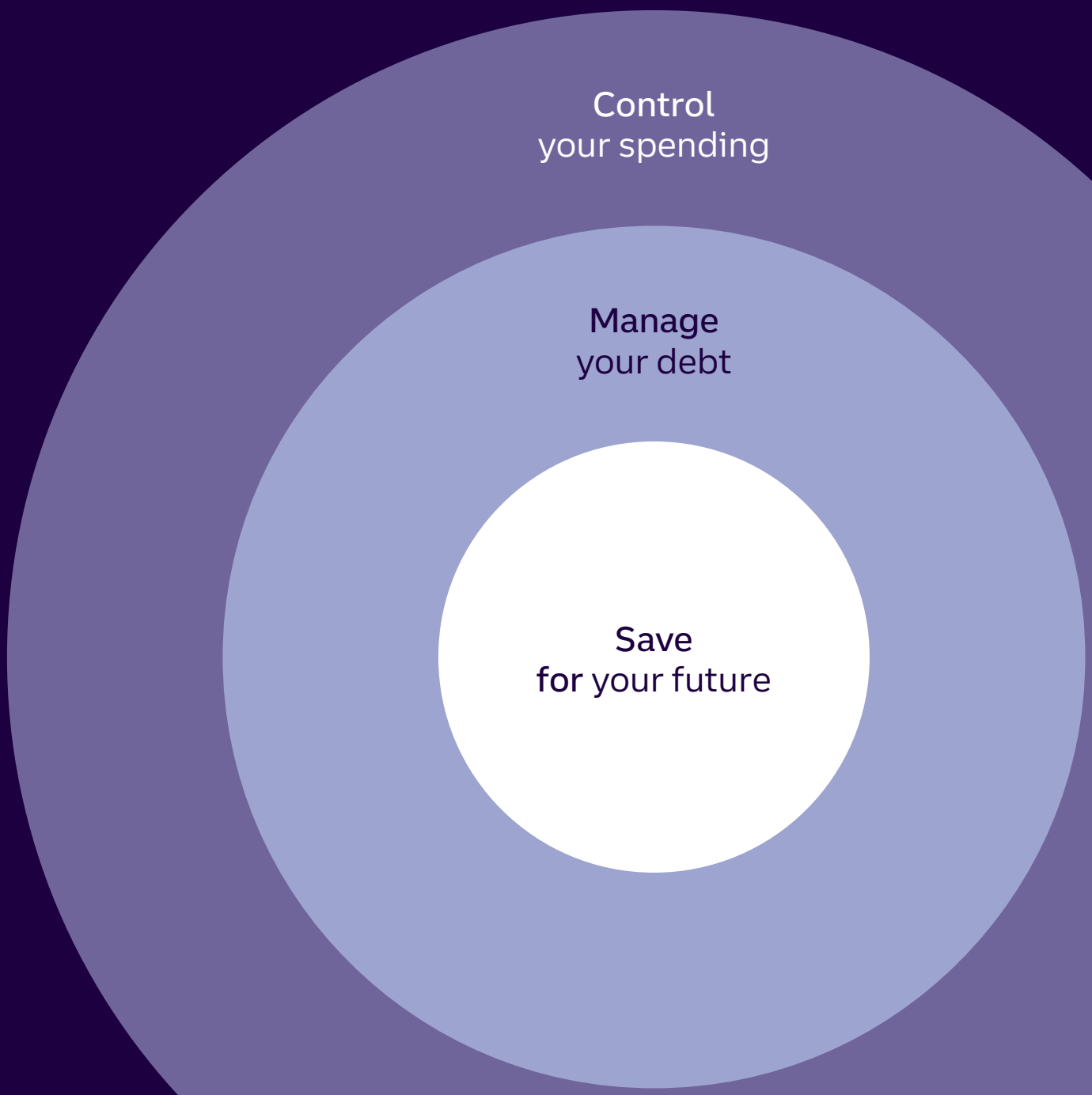
Answer “yes” or “no” to help you decide.

- | | | |
|---|------------------------------|-----------------------------|
| Do you have a reliable income source? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Have you been continuously employed for the last two years, and is it likely to continue? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have a checking and/or savings account? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you file an income tax return with the IRS each year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you pay your bills on time? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is your total monthly debt manageable, including all credit cards, car loan, student loans, etc.? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have any other ongoing financial obligations? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have enough money saved for a down payment? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have money saved for closing costs? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Can you afford the mortgage payment as well as other expenses, including electricity, water, repair, and maintenance? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have time to take care of a house—including yard upkeep and repairs? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have time to devote to buying a home right now? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you have enough money to cover moving expenses? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Budgeting and savings strategies

Three main budgeting strategies

Your budget is a map, and your buying and savings habits are directions. If you pay attention to your directions, you'll get where you're going.



Budgeting strategy #1:

Control your spending

- Make your budget real and reasonable.
- Cutting costs is usually the easiest way to increase your disposable income.
- You can also consider ways to make more money.
- Periodic checkups help make sure you're getting the best deal and are a great way to cut costs (insurance, cable, cell phone, internet, or other regular service providers).

Monthly household budget worksheet

	Projected	Actual	Difference
Net monthly income			
Source 1			
Source 2			
Other income			
Total income (A)			
Monthly fixed expenses			
Rent/mortgage			
Electric			
Gas/oil			
Water/sewer			
Telephone			
Cellular phone			
Trash/recycling pickup			
Cable (including internet service)			
Auto insurance			
Life insurance			
Child support/alimony			
Medical insurance			
Child care			
Other			
Total fixed expenses (B)			
Monthly creditor payments (monthly debt payments)			
Auto loan payment(s)			
Installment/bank loans			
Credit card payments			
Total creditor payments (C)			

Monthly household budget worksheet (continued)

	Projected	Actual	Difference
Monthly flexible expenses			
Savings			
Groceries			
Lunch (work/school)			
Eating out			
Entertainment/hobbies			
Laundry/dry cleaning			
Clothing			
Gasoline/bus/taxi/subway			
Newspapers/magazines			
Church/charity			
Tuition/books			
Salon/haircuts			
Auto maintenance			
Home maintenance			
Doctor/dentist			
Pets			
Parking/tolls			
Other			
Total flexible expenses (D)			
Other			
Total fixed expenses (B)			
Add total expenses (B+C+D=E)			
Enter fixed (B)			
Enter creditor (C)			
Enter flexible (D)			
Total expenses (E)			
Subtract expenses from income (A-E)			
Enter total income (A)			
Enter total expenses (E)			
Difference*			

* If you have accounted for all of your expenses, including your savings, the difference between your TOTAL INCOME and TOTAL EXPENSES should be \$0.00. If the DIFFERENCE is a positive number, you may want to consider allocating the extra money toward your debt and/or savings. If the DIFFERENCE is a negative number, you are spending more than you make. Review your budget thoroughly to examine where you can trim your expenses.

Budgeting strategy #2:

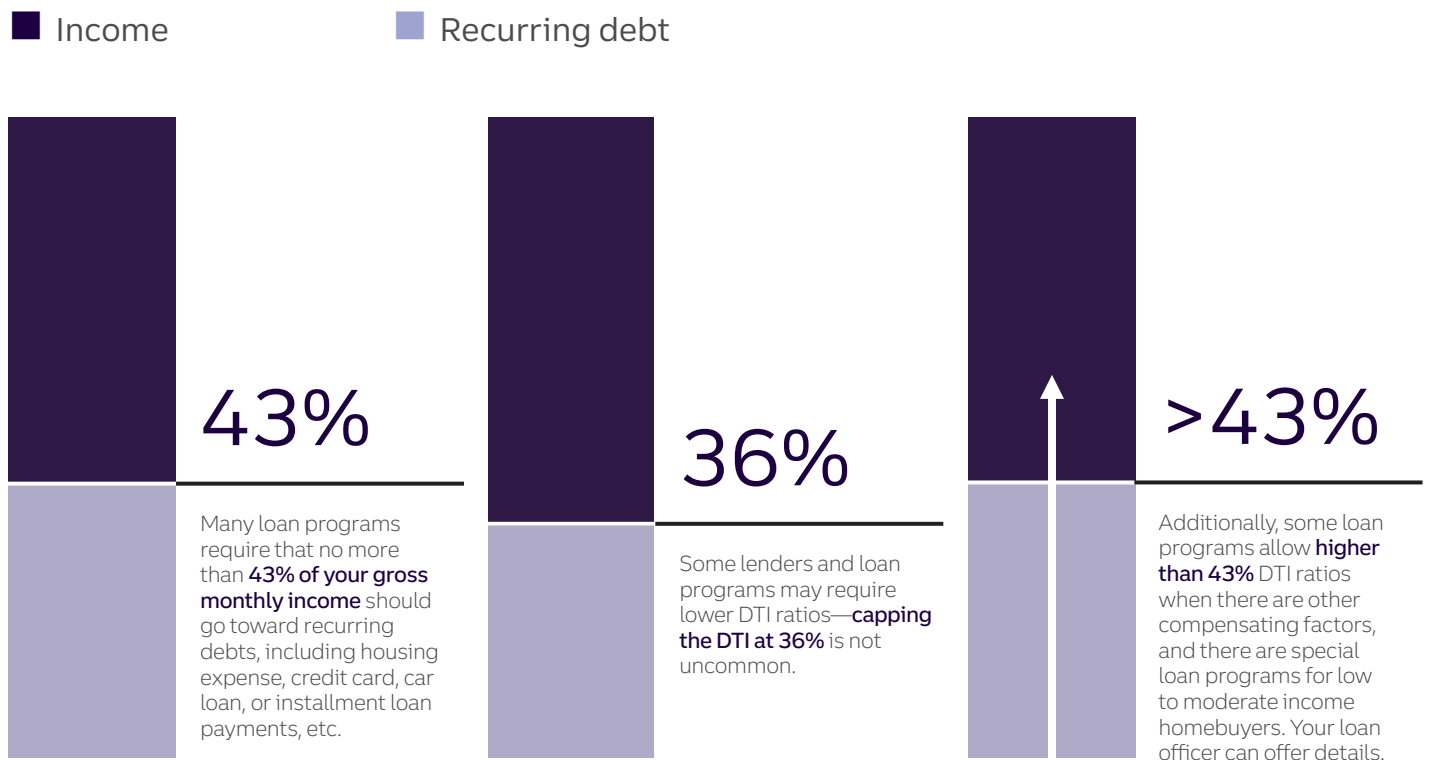
Manage your debt

- Another strategy when creating a budget is to set aside funds to pay down your debt.
- A good rule of thumb is to use 10% of your monthly income to pay down debt.
- Make on time bill payments.
- Reducing debt can increase your credit score, which is an important part of your financial life.
- If you can, pay more than the minimum to speed up your progress.
- As you approach the home buying process, try to avoid taking on any new debt.

Debt-to-income ratio (DTI)

Another example of a qualifying guideline is the **debt-to-income ratio**, which is used to determine the maximum loan amount for which you might be eligible.

Typical DTI ratio guidelines



Debt-to-income ratio

The debt-to-income (DTI) ratio is the percentage of your gross monthly income that goes to paying your monthly debt payments and is used by lenders to determine your borrowing risk. A low debt-to-income (DTI) ratio demonstrates a good balance between debt and income.

Budgeting strategy #3:

Save for your future

- Put 10% of your paycheck into an emergency savings fund.
- Contribute to a retirement fund with automatic contributions every pay period.
- Set aside money for a new home, car, or other big purchase.
- Set up a college fund for your children.

How much can you save?

Use the chart below to see how much you can save each month and accumulate in five years.

Savings each month for a year	Projected	Difference
\$10	\$120	\$600
\$15	\$180	\$900
\$20	\$240	\$1,200
\$25	\$300	\$1,500
\$30	\$360	\$1,800
\$35	\$420	\$2,100
\$40	\$480	\$2,400
\$45	\$540	\$2,700
\$50	\$600	\$3,000

Interest is not included in these calculations.

- **If you save \$20 every month**, how much will you have after one year?
After five years?
- **If you save \$50 every month**, how much will you have after one year?
After five years?

Knowledge check

True or false?

- Everyone should buy a home because it's a better option than renting. **True** **False**
- Appreciation is an increase in a home's market value due to changing market conditions and home improvements. **True** **False**
- You should create a spending plan with your estimated mortgage payment to help you decide if buying a home is right for you. **True** **False**

Planning for homeownership

Will I qualify for a loan?

Understand what impacts your ability to qualify for a loan.

Primary areas of consideration for credit approval:

Income

Do you have sufficient income to pay your new mortgage payment and other debts?

Income stability

Do you receive regular income?

Credit history

How have you handled your other credit obligations?

Change in housing payment

Is there an increase from your current housing expense to your new mortgage payment?

Cash to close

Do you have enough money available to pay the required down payment and closing costs for a new mortgage?

Property appraisal

Is the home you want to purchase worth as much or more than the price you agreed to pay?

A good credit score can make a difference

Your **credit score** is an example of a qualifying guideline. We'll review your credit report to see if there are any problems or opportunities to improve your credit score before you begin shopping for a home and applying for a loan.

Factors that impact your credit	Credit scores*
On-time payments	Excellent: 760 - 850
Capacity used/available credit	Very good: 725 - 759
Length of credit history	Good: 660 - 724
Types of credit used	Fair: 560 - 659
Past credit applications/inquiries	Poor: 280 - 559

Under the Fair Credit Reporting Act, you're eligible to receive a free copy of your credit report, at your request, once every 12 months. To order your free credit report, call or visit:

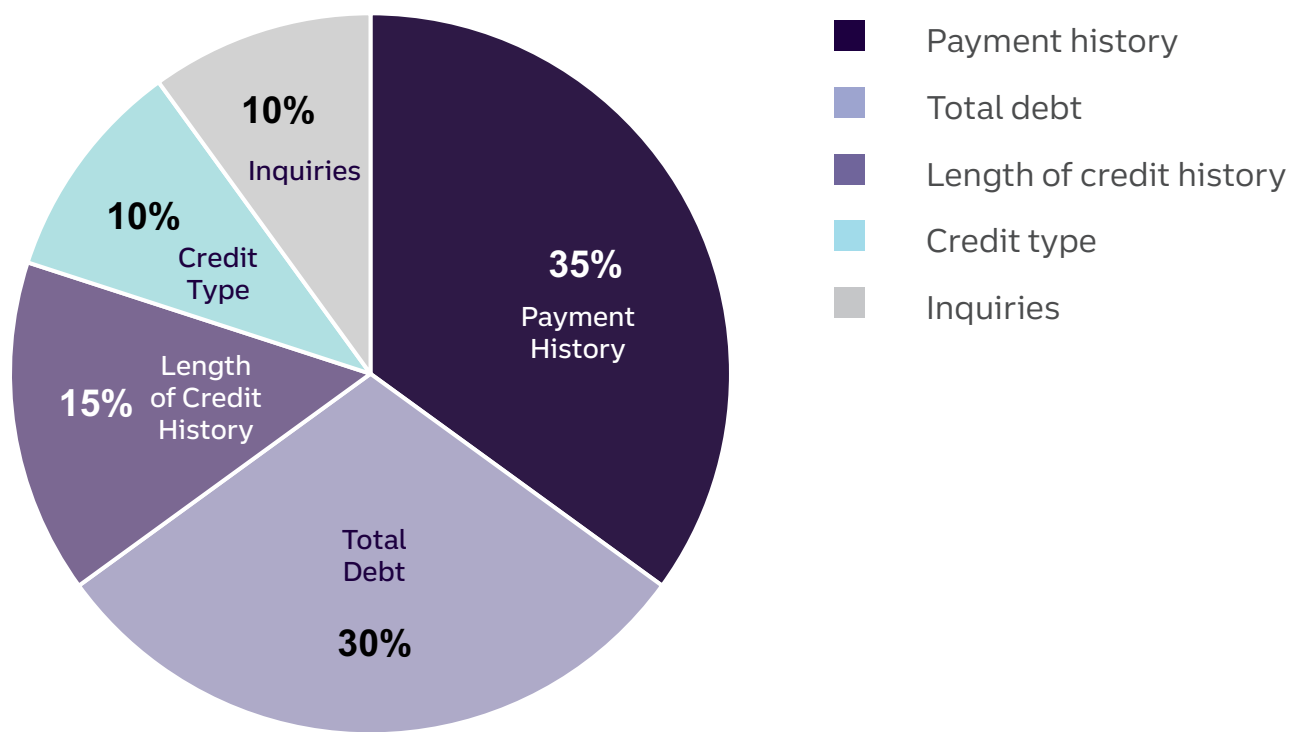
Annual Credit Report Request Service:

877-322-8228

<https://www.annualcreditreport.com>

* Credit score ranges according to Equifax.com.

What makes up a credit score



Steps to take while planning

1

Assessing your income and spending habits

2

Understanding the full cost of buying a home

3

Down payment and **affordability**

4

Fees in the mortgage process



Step 1



Establishing a realistic budget can help you:

- Determine what you can afford to pay monthly for a home.
- Understand if you can afford the upfront and ongoing expenses associated with homeownership.
- Develop a plan to save money to buy a home while considering other needs such as college or retirement.

Maximum loan amount worksheet

Maximum loan amount worksheet

Housing expense ratio (1) \$ _____

Enter: Total gross monthly income (pre-tax) \$ _____

X 28%: Often referred to as the "front-end ratio", keeping X .28 _____

your monthly mortgage payment under 28% of your total \$ _____

gross monthly income is typical.

Equals: Maximum allowable for mortgage payment (PITI)

Total debt ratio (2) (1)

Enter: Total gross monthly income (pre-tax) \$ _____

X 43% X .43 _____

Equals: Maximum allowable for mortgage payment (PITI) \$ _____

before other debt

Minus total monthly debt payment* \$ _____

Equals: Maximum allowable for mortgage payment (PITI) \$ _____

(2)

Lesser of 1 or 2 (3)

\$ _____

Figure (3) is an estimate of your maximum allowable mortgage payment (PITI), given your current gross monthly income and debts.

Multiply **Figure (3)** by 80% to estimate the portion of PITI that represents your principal and interest (P&I) payment only X .8 _____

Equals: Monthly allowable for P&I payment only \$ _____ (4)

Divide **Figure (4)** by the factor in the chart below that most closely represents today's interest rate environment.

P&I divided by 30-year P&I factor = maximum loan amount

\$ _____ ÷ _____ = \$ _____ This is your estimated maximum loan amount.

Figure (4) 30-year P&I factor

Interest rate	30-year P&I factor	Interest rate	30-year P&I factor
4.00%	.004774	6.50%	.006321
4.50%	.005067	7.00%	.006653
5.00%	.005368	7.50%	.006992
5.50%	.005678	8.00%	.007338
6.00%	.005995	8.50%	.007689

*This is the total monthly amount that you pay toward all revolving and installment debt loans, including car payments, credit card payments, and bank loans.

23 Planning tools

Step 2



One-time expense:

- Down payment
- Closing costs
- Moving costs

Recurring expense:

- Mortgage
- Utility bills, including cable and internet
- Property taxes
- Insurance
- Maintenance and upkeep of the home

Typical mortgage costs

One-time expenses:

- **Down payment** – Typically 0%** to 20% of the purchase price
- **Closing points, lender fees, settlement costs** – One-time charges from the lender
- **Title insurance**

Recurring expenses:

- **Insurance (PMI and MIP)** – Dependent on loan type and amount
- **Homeowners insurance** – Required before closing, and usually paid from an escrow account
- **Property taxes** – Prorated based on the tax year, and usually paid out of an escrow account

Closing costs are typically 3% to 7% of the mortgage amount, depending on the loan program. You'll receive cost estimates when you apply for a mortgage.

** 100% mortgage financing will result in no property equity until such time as the loan principal is paid down through regular mortgage payments and/or the property value appreciates. If property values decline, you could owe more than your property's value. A down payment may be required if the property is located in a declining market or if required by state regulations.

Step 3



Percent down	Multiplied by purchase price	Down payment	Total loan amount
20%	\$100,000 X .20	\$20,000	\$80,000
10%	\$100,000 X .10	\$10,000	\$90,000
5%	\$100,000 X .05	\$5,000	\$95,000

Most mortgages require you to pay upfront a percentage of your home’s selling price (down payment) using your own cash or funds. This amount depends on the mortgage you qualify for. Down payment requirements typically range from 0% to 20%. However, a larger down payment may be required in certain situations. Certain program and geographic restrictions may apply, ask your loan officer for details.

Concerned about finding the funds for your down payment? Talk with us about third-party contributions or gift funds,* and whether or not you qualify for 100% financing** or state sponsored down payment assistance programs.

* Gift funds may fund all or part of the down payment, closing costs, or financial reserves subject to product requirements.

** 100% mortgage financing will result in no property equity until such time as the loan principal is paid down through regular mortgage payments and/or the property value appreciates. If property values decline, you could owe more than your property’s value. A down payment may be required if the property is located in a declining market or if required by state regulations.

What to know about down payments

- **Be sure to shop around**—many lenders have low down payment programs available.
- **FHA loans** allow as little as 3.5% down.
- **Conventional loans** with as little as 3% down. **Portfolio products** with as little as zero down payment. Speak to your mortgage loan officer to understand which product is best for you.
- **Your debt-to-income ratio** is an underwriting factor, which may require you to put more down.
- **Down payment assistance and grants** may be available in your area.
- **Gift funds* are allowed** but must be accounted for and sometimes require a written statement.

* Gift funds may fund all or part of the down payment, closing costs, or financial reserves subject to product requirements.

What's the down payment?

1. John is considering a home with a sales price of \$200,000. He was preapproved for a loan amount of \$250,000, at a rate of 4.5% APR, and will be required to pay 3.5% of the sales price as a down payment. What's the down payment amount?
 - A. \$5,000
 - B. \$7,000
 - C. \$8,750
 - D. \$13,000

2. Elizabeth is currently trying to negotiate a \$215,000 offer for a home with a sales price of \$225,000. She's been preapproved for \$250,000, at a rate of 3.49% APR, and will be required to pay 10% of the sales price as a down payment. What's the down payment amount if she can negotiate the price down to \$215,000?
 - A. \$9,654
 - B. \$21,500
 - C. \$22,500
 - D. \$43,000

3. Gerald is a military veteran and has access to a VA loan. He's been preapproved for \$300,000, and the sales price for the home he wants is \$225,000. His loan has a rate of 3.25% APR, and he's required to make a 0% down payment. What's the down payment amount for the loan?
 - A. \$0
 - B. \$7,313
 - C. \$9,750
 - D. \$22,500

Step 4



- In addition to the down payment, there are other fees and expenses, called closing costs, that can add up.
- Once you have submitted your loan application, within three business days your lender will issue a Loan Estimate, which is a list of most of the closing costs you'll have to pay. At least three business days before closing, you will see these fees again on your Closing Disclosure, where they will no longer be estimates, but final figures.

Typical closing costs

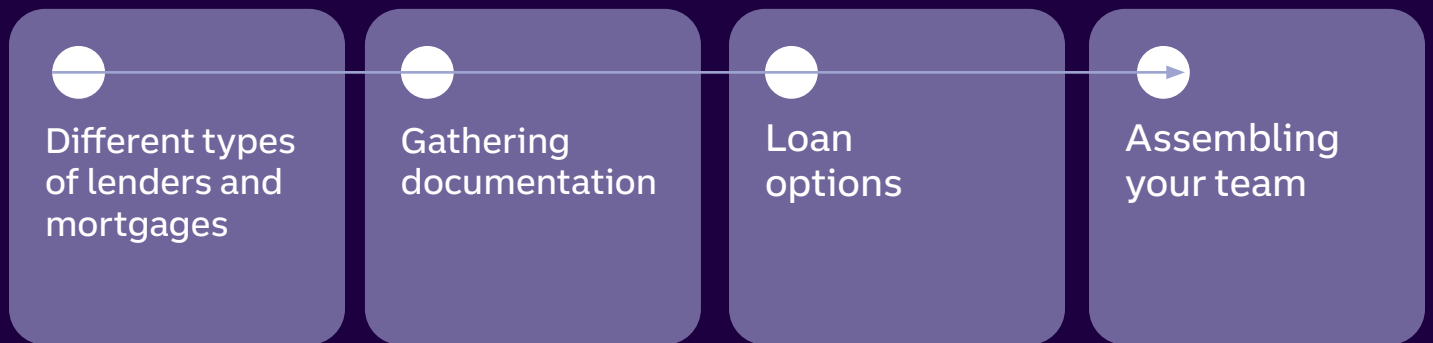
The following list includes some of the specific fees that may be included in your closing costs.

Actual amounts vary by loan program and property location.

Lender fees	Service/third-party vendor fees	Government fees	Prepaid escrows
Application	Appraisal fee	Recording fees	Escrow deposit for taxes and insurance
Points	Attorney fees	Transfer of taxes	Property insurance (which may include flood insurance, if applicable)
Origination fees	Courier fees		Prepaid interest
Processing fee (includes underwriting fees)	Credit report		
	Flood determination/life of loan coverage		
	Home inspection		
	Pest inspection		
	Survey fee		
	Title insurance (lender's policy)		
	Title insurance (owner's policy)		
	Title company closing fee		

Navigating the mortgage process

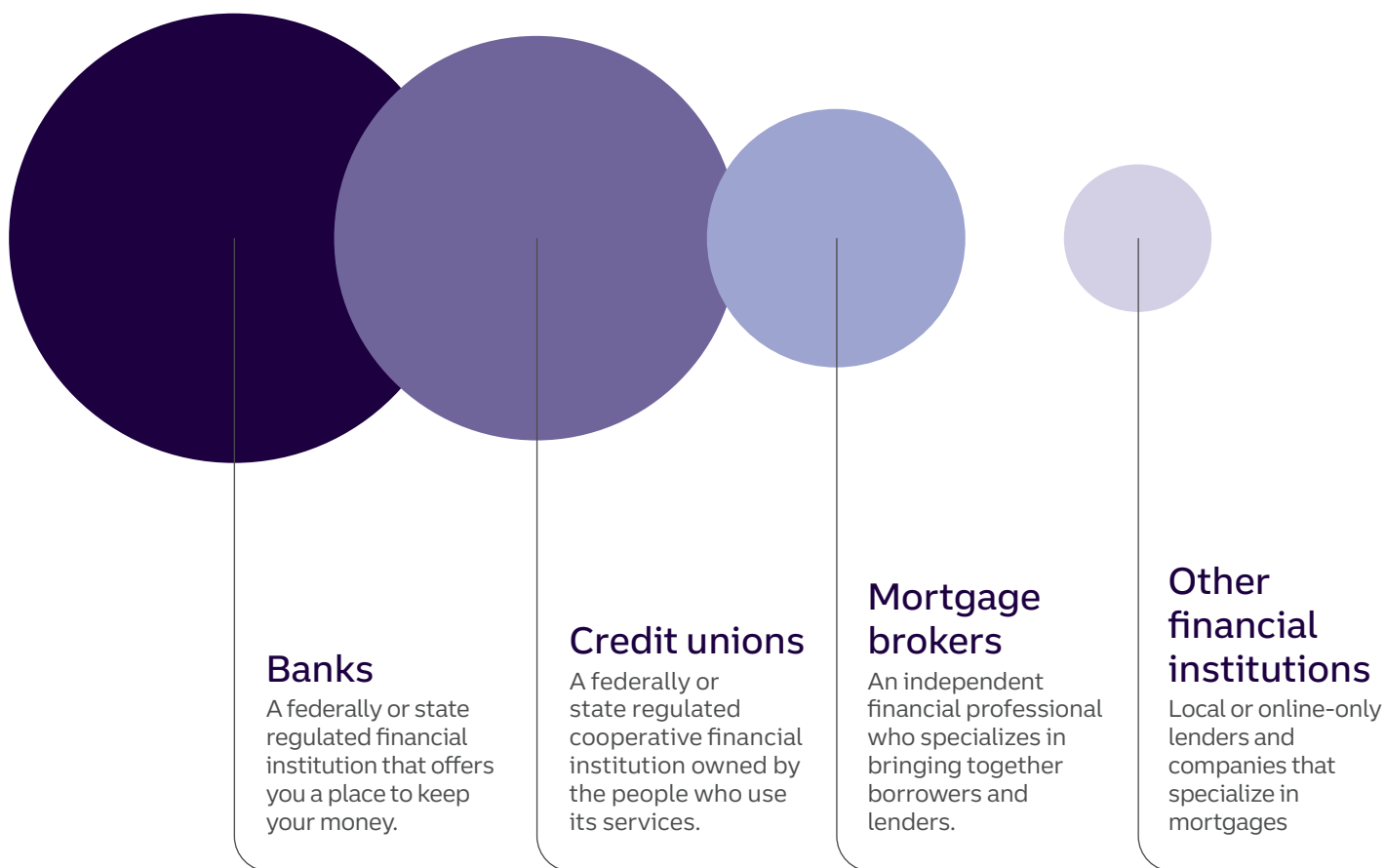
Key milestones to keep you on track



Different types of lenders and mortgages



Types of mortgage lenders



Different kinds of mortgages fit different financing needs.

Mortgage loans can be categorized several different ways.

Category 1

Fixed-rate vs. adjustable-rate loans

Generally, loans fall into two categories: fixed-rate and adjustable-rate mortgages (ARM). These loans are issued for a specific term. Your monthly payments are structured so you can pay your loan within that time period.

Category 2

Government vs. conventional loans

Unlike conventional loans, government secured loans are backed by a federal agency, like the Federal Housing Administration (FHA) or U.S. Department of Veterans Affairs (VA).

Category 3

Conforming vs. jumbo loans

Conventional mortgages are classified as conforming or non-conforming, also known as jumbo loans. Maximum loan amounts are subject to change on an annual basis. Ask your loan officer for details

Category 4

Loans with or without mortgage insurance

If your down payment is less than 20% of your home's purchase price, most lenders will require a mortgage insurance (MI) premium. Costs may vary based on loan type, your credit profile, and the actual down payment amount.

Which mortgage fits my needs?

While each type of mortgage has its benefits, it's important to choose the one that best meets your needs.

- Start with a consultation (over the phone or in person) with your mortgage loan officer.
- During this meeting, your loan officer will listen to your concerns and ask about your goals.
- When your loan officer understands your plans and current financial situation, they'll help you identify your options, and weigh the pros and cons.
- Understanding how much home you may qualify for is a crucial step.
- With your goals in mind, your mortgage loan officer can provide an estimate of the loan amount you may qualify for with our free preapproval* process.
- A preapproval will help you decide on an appropriate price range while shopping for homes—and put you a step ahead of other buyers.

* Preapproval is based on non-verified information and is not a commitment to make you a loan by Truist. Loan approval will be subject to, but not limited to, verification of all income, asset and liability information provided by you, satisfactory property appraisal, compliance with Truist loan program guidelines and all required closing conditions such as survey and title examination.

What to remember as you shop for a mortgage

1 Loan terms

Number of years, down payment due at closing, type of program, and required mortgage insurance.

2 Interest rates

Interest you'll pay over the life of the loan can be fixed, graduated, or variable.

3 Fees

Lender fees due at closing, including origination costs, appraisal fees, points, etc. These are itemized.

Gathering documentation



Let's get your paperwork in order.

Here's a list of documents typically required for loan processing.

Income documentation¹

- One month of pay stubs for each applicant
- Last two years of W-2s/1099s
- Last two years of personal/business tax returns and all addenda
- Year-to-date profit & loss statement for any business
- Social Security/disability award letters
- Any alimony/child support agreements and proof of receipt for last three months

Asset documentation¹

All pages of two months of statements for:

- Checking and savings
- Investments (401(k)s mutual funds, money markets, IRAs, stocks, bonds, etc.)
- Estimated value of your personal property, including vehicles, boats, and campers, with vehicle make and model numbers
- Any other liquid assets

Debt documentation

- Student loan records
- Alimony/child support agreements
- Name, address, account number, balance, and monthly payment for all outstanding loans and credit cards
- Address, market value, and loan information for all owned real estate, including annual taxes and homeowner's insurance
- Documentation for bankruptcy, divorce decree, judgments/collection payments, etc.

¹ Income and asset documentation are not required until after the mortgage application is submitted.

Loan options



Loan considerations

Consider your financial goals and prioritize what's most important to you.

Low monthly payments	Low down payment
Low cash to close	Consistent/fixed monthly payments
Length of time you'll stay in this home	Shorter or longer loan term
Cashflow management for other investments (for example, college)	Down payment assistance/seller assistance toward closing costs

Understanding loan options

Remember, your lender is providing you with the maximum you may be “eligible” or “qualified” to borrow— it’s up to you to decide on the price range and payments you’re comfortable with.

If you’re planning to request a preapproval based on the loan terms you’ve selected with your loan officer, now is the time to finalize that request.

What’s preapproval?

A preapproval is good for 120 days.

- It’s an estimate of the loan amount you may qualify to borrow. It’s based on an initial review of your credit report and your stated but unverified income, assets, and expenses.
- Getting preapproved can speed up your homebuying journey by helping you decide on a comfortable price range.

Typical mortgage documents

Preapproval

A better estimate of how much you can borrow. Your credit is reviewed with a full mortgage application, but you don't have to identify a specific property

Loan estimate

An itemized estimate of all the costs you'll pay at closing

Loan estimate document

FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 2/15/2013
APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE Conventional FHA VA _____
LOAN ID # 123456789
RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

Loan Terms		Can this amount increase after closing?
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Does the loan have these features?		
Prepayment Penalty	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	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
		In escrow? YES YES

Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

Loan estimate document (continued)

Additional Information About This Loan

LENDER	Ficus Bank	MORTGAGE BROKER
NMLS/ __ LICENSE ID		NMLS/ __ LICENSE ID
LOAN OFFICER	Joe Smith	LOAN OFFICER
NMLS/ __ LICENSE ID	12345	NMLS/ __ LICENSE ID
EMAIL	joesmith@ficusbank.com	EMAIL
PHONE	123-456-7890	PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
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.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

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 _____

Loan estimate document (continued)

Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges \$1,802		E. Taxes and Other Government Fees \$85	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097	F. Prepays \$867	
B. Services You Cannot Shop For \$672		Homeowner's Insurance Premium (6 months)	\$605
Appraisal Fee	\$405	Mortgage Insurance Premium (months)	
Credit Report Fee	\$30	Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Flood Determination Fee	\$20	Property Taxes (months)	
Flood Monitoring Fee	\$32	G. Initial Escrow Payment at Closing \$413	
Tax Monitoring Fee	\$75	Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Tax Status Research Fee	\$110	Mortgage Insurance per month for mo.	
C. Services You Can Shop For \$3,198		Property Taxes \$105.30 per month for 2 mo.	\$211
Pest Inspection Fee	\$135	H. Other \$1,017	
Survey Fee	\$65	Title - Owner's Title Policy (optional)	\$1,017
Title - Insurance Binder	\$700	I. TOTAL OTHER COSTS (E + F + G + H) \$2,382	
Title - Lender's Title Policy	\$535	J. TOTAL CLOSING COSTS \$8,054	
Title - Settlement Agent Fee	\$502	D + I	\$8,054
Title - Title Search	\$1,261	Lender Credits	
D. TOTAL LOAN COSTS (A + B + C) \$5,672		Calculating Cash to Close	
		Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$18,000
		Deposit	- \$10,000
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		Estimated Cash to Close	\$16,054

Assembling your team



Assemble your team

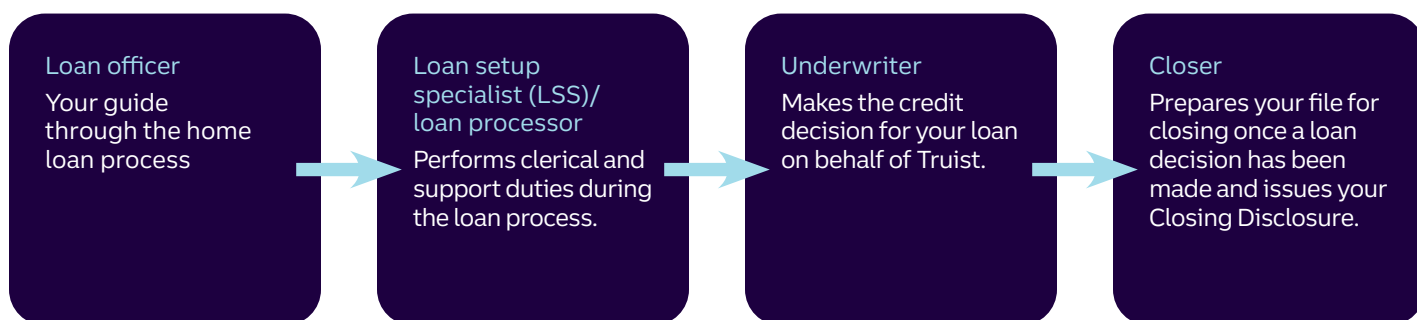
Find the right resources

You're moving forward, and you're not alone—a variety of service providers will help you on your journey. **The team you'll need to assemble includes:**

- Mortgage Loan Officer
- Real estate agent (optional)
- Property inspector (optional)
- Other inspectors
- Homeowners insurance agent
- Title company/settlement agent

Reach out now to family, friends, your real estate agent, and your loan officer for recommendations.

Your Truist team includes



Another resource for you:

Appraiser – A third party hired by Truist to assess the value of the property you are purchasing.

Finding the right real estate agent

Real estate agents are licensed by the state they work in.

You can ask your real estate agent for mortgage lender recommendations.

Ask your family and friends to refer you to a real estate agent.

Real estate agent commissions are paid by the seller.

Choose a real estate agent you're comfortable with.

Questions to ask a real estate agent

How long have you been in real estate?

Are you a **full-time** real estate agent?

Are you **familiar** with the community where I want to look?

How many homes have you sold in the past year?

What's the **average sales price** of the homes you sold in the past year?

Do you usually work with **sellers or buyers**?

Do you usually work with **first-time buyers or move-up buyers**?

Do you have experience working with **short sales**?

Do you have experience working with **bank-owned homes**?

How many buyers are you actively working with now?

How many sellers are you actively working with now?

Are you acting as the **exclusive** buyer's agent?

What do you consider your **strengths**?

Can you provide the names of three homebuyers as **references**?

Do you **speak languages** other than English?

Places to start looking for a lender

1

Your own bank
where you have a checking or
savings account

2

Real estate professionals

3

Relatives, friends, and
co-workers
who own a home

4

Homeownership education
providers

5

Employee benefit programs

6

HUD-approved counseling
agencies

Closing with
confidence

Before you close

Be sure to understand your:



Closing cost estimate



Down payment



All fees

Visit consumerfinance.gov/owning-a-home to learn how to read an official closing estimate.

Sample closing disclosure document

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 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
 Anytown, ST 12345
Sale Price \$180,000

Transaction Information

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

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
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	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	\$1,050.26	\$967.91								
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	<table border="0"> <tr> <td>This estimate includes</td> <td>In escrow?</td> </tr> <tr> <td><input checked="" type="checkbox"/> Property Taxes</td> <td>YES</td> </tr> <tr> <td><input checked="" type="checkbox"/> Homeowner's Insurance</td> <td>YES</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Homeowner's Association Dues</td> <td>NO</td> </tr> </table> <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	This estimate includes	In escrow?	<input checked="" type="checkbox"/> Property Taxes	YES	<input checked="" type="checkbox"/> Homeowner's Insurance	YES	<input checked="" type="checkbox"/> Other: Homeowner's Association Dues	NO
This estimate includes	In escrow?									
<input checked="" type="checkbox"/> Property Taxes	YES									
<input checked="" type="checkbox"/> Homeowner's Insurance	YES									
<input checked="" type="checkbox"/> Other: Homeowner's Association Dues	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. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

Sample closing disclosure document (continued)

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
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				
04					
05					
06					
07					
08					
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				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title – Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title – Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$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. Prepays	\$2,120.80				
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
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	\$2,400.00				
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			\$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 Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

Sample closing disclosure document (continued)

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)	\$8,054.00	\$9,712.10	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs before closing
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	– \$1,035.04	YES • See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

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	\$189,762.30	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)	\$9,882.30	03	
04		04	
Adjustments		05	
05		06	
06		07	
07		08	
Adjustments for Items Paid by Seller in Advance		Adjustments for Items Paid by Seller in Advance	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
12		13	
13		14	
14		15	
15		16	
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04	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		04 Payoff of First Mortgage Loan	\$100,000.00
05 Seller Credit	\$2,500.00	05 Payoff of Second Mortgage Loan	
Other Credits		06	
06 Rebate from Epsilon Title Co.	\$750.00	07	
07		08 Seller Credit	\$2,500.00
Adjustments		09	
08		10	
09		11	
10		12	
11		13	
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	
15		17	
16		18	
17		19	
CALCULATION		CALCULATION	
Total Due from Borrower at Closing (K)	\$189,762.30	Total Due to Seller at Closing (M)	\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	– \$175,615.04	Total Due from Seller at Closing (N)	– \$115,665.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$14,147.26	Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$64,414.96

Sample closing disclosure document (continued)

Additional Information About This Loan

Loan Disclosures

Assumption

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

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)

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 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

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.

Sample closing disclosure document (continued)

Loan Calculations	
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
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
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%

Other Disclosures
<p>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.</p>
<p>Contract Details See your note and security instrument for information about</p> <ul style="list-style-type: none"> • 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.
<p>Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,</p> <p><input checked="" type="checkbox"/> 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.</p> <p><input type="checkbox"/> state law does not protect you from liability for the unpaid balance.</p>
<p>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.</p>
<p>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.</p>


? **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

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.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

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

Thank you

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