



## REVIEW OF THE CLOSING DISCLOSURE

What's It to You?

As the buyer's agent, you know your clients will receive a five-page Closing Disclosure three days before closing, giving them time to compare the final terms of the loan to what they were promised when they applied for the mortgage and be certain nothing is buried in fine print.

But while your buyers may be as eager as you are to finalize the deal and get the keys to their new home, they are busy with last-minute chores. For their protection and yours, it's a good idea to be sure they review the form when they receive it so that any potential issues can be resolved in time to keep the scheduled closing on track.

Here's a guide you can provide to your buyers on adequately reviewing the Closing Disclosure:

- Page 1: Check the spellings of names and addresses. Be certain the loan term and type, as well as the loan amount and interest rate match those on the most recent loan estimate. Check the monthly payment, whether there is any balloon payment, the expected closing costs and the amount of cash that will be needed at closing.
- Page 2: Check that 'Services Buyer Did Not Shop For' and 'Services Buyer Did Shop For' agree with what was shown on the loan estimate and match up with the payment agreed upon.
- Page 3: Check that the seller credit listed reflects everything that was agreed-upon.
- Page 4: Note the amount of the late payment fee and whether or not the lender will accept partial monthly mortgage payments.
- Page 5: Review the contract details. Be sure they understand what happens if you fail to make payments, what a loan default entails, the situations under which the lender can require early repayment of the loan, and the rules for making payments before they are due.

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