

Looking Inside the 2010 HUD Settlement Statement

Overview

This document gives you insight through the 2010 HUD Settlement Statement.

Rollup Lines at a Glance

On page 2 of the 2010 HUD form, charges are no longer itemized as debits and credits with totals appearing on Line 1400. Certain charges are now summarized on rollup lines in each section.

With certain HUD lines the buyer/borrower amount is automatically included in the rollup line. With blank lines and other HUD Lines, you have the option to Include the buyer/ borrower amount in the rollup line. Seller charges are not included in rollup lines.

The rollup HUD Line or Lines vary by section. Use the following list to learn more about the rollup lines in each section.

Total Real Estate Broker Fees

- HUD Line 703 summarizes charges on Lines 701 and 702.
- Blank Lines 705-799

Items Payable in Connection with Loan (Section 800)

- HUD Line 803 summarizes charges on Lines 801 and 802
- Blank Lines 808-899

Items Required by lender to be Paid in Advance (Section 900)

- No rollup Lines in this section

Reserves Deposited with Lender (Section 1000)

- HUD Line 1001 summarizes charges on lines 1002-1007
- Blank Lines 1008-1099 are included in Line 1001

Title Charges (Section 1100)

- HUD Line 1101 is both a rollup Line and data entry line.
- HUD Line 1104 is automatically included in either Line 1201 or 1203 depending on the screen type
- HUD Lines 1204-1206 can be included in Line 1203

Additional Settlement Charges (Section 1300)

- HUD Line 1301 summarizes charges on Lines 1302-1330
- HUD Lines 1302-1399 can be Included in Line 1301

Additional HUD-1 Page 2 Changes

Other Changes were made on page 2 of the 2010 HUD form. You may want to become familiar with the specific changes in Sections 800 and 1000.

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Section 800

HUD lines 808-899 can no longer be used to represent a yield spread premium (YSP) on the 2010 HUD settlement Statement. You record either a credit or charge for the transaction. You cannot have both a credit and charge for the same transaction.

You can record a credit or charge on HUD Line 802 as follows:

- If the lender is paying an amount to the mortgage broker, enter the credit on HUD Line 802.
- If the borrower is paying charge points to lower the interest rate, enter the charge on HUD Line 802.

If the borrower is paying charge points on HUD Line 801, asterisks (**) print next to the HUD Line Description and a note discloses the origination point under Line 1400.

Section 1000

You can use blank HUD Lines 1007-1099 to record an aggregate adjustment or any additional reserves to be deposited within the lender. The aggregate adjustment line must print on the last line of section 1000 and can only be entered as a negative or zero amount.

HUD-1 Page 3

A new HUD-1 page 3 was added to the HUD Settlement Statement (HUD 2010). HUD-1 page 3 compares the actual Settlement Charges (HUD-1 Page 2) to the lender's original good Faith Estimate.

Charges That Cannot Increase

Types of charges that cannot change include:

- Your organization charge (HUD Line 801)
- Your Credit or charge (points) for the specific interest rate chose (HUD Line 803)
- Your adjusted origination charges (HUD Line 803)
- Transfer taxes (HUD Line 1203)

Charges That in Total Cannot Increase More than 10%

Types of charges that in total cannot increase more than 10% include:

- Government recording charges (HUD Line 1201)

Charges That can Change

- Types of charges that can change include:
- Initial deposit for your escrow account (HUD Line 1001)
- Daily Interest charges (HUD Line 901)
- Homeowner's Insurance (HUD Line 903).