TRUIST

Becoming a homeowner

Bank on your success™
Participant workbook



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Bank on your success: Becoming a homeowner

3 Welcome

4 Our purpose

5 Agenda

6 Is homeownership right for you

7 Am I ready for homeownership?Renting vs.

7 buying a home

8 Are you ready to buy a home?

9 Budgeting and savings strategies

10 Three main budgeting strategies Budgeting

11 strategy #1

14 Budgeting strategy #2

16 Budgeting strategy #3

19 Planning for homeownership

20 Will I qualify for a loan?

21 A good credit score can make a difference

22 What makes up a credit score

23 Steps to take while planning

33 Navigating the mortgage process

34 Key milestones to keep you on track Different

35 types of lenders and mortgages Types of

36 mortgage lenders

37 Different kinds of mortgages fit different financing needs

38 Which mortgage fits my needs?

39 What to remember as you shop for a mortgage

40 Gathering documentation

42 Loan options

45 Typical mortgage documents

49 Assembling your team

55 Closing with confidence

56 Before you close

57 Sample closing disclosure document

62 Thank you

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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 understand 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?

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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.

Are you ready to buy a home?

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

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

Budgeting and savings strategies

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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

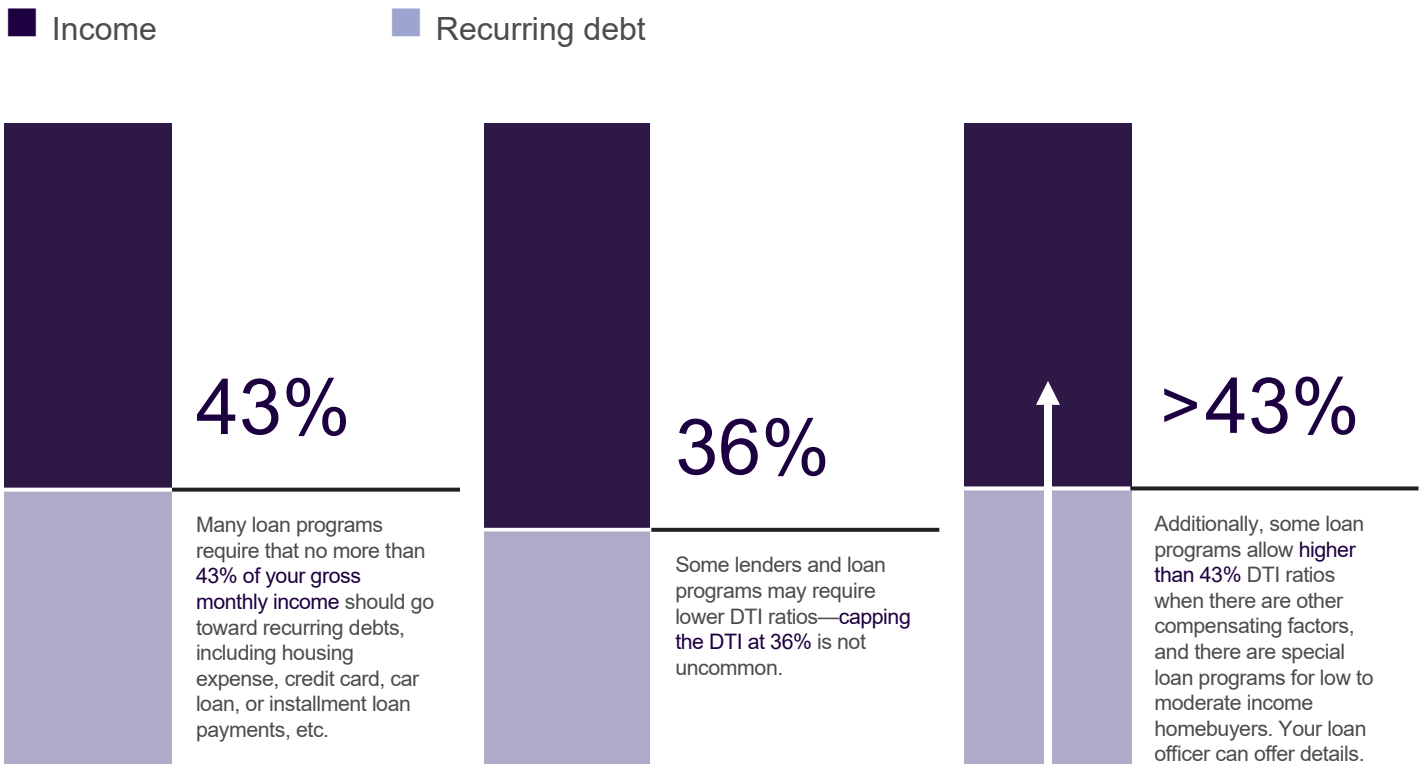
- Another strategy when creating a budget is to set aside funds to pay down your debt.
- A good rule of thumb is to use 10% of your monthly income to pay down debt.
- Make on time bill payments.
- Reducing debt can increase your credit score, which is an important part of your financial life.
- If you 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.

Source: https://www.truist.com/mortgage/first-time homebuyer Source: Planning for homeownership

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.

Source: https://www.truist.com/mortgage/first-time-homebuyer
Source: Planning for homeownership

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.

Source: https://www.truist.com/mortgage/first-time-homebuyer
Source: Planning for homeownership

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

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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?

Change in housing payment

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

Income stability

Do you receive regular income?

Cash to close

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

Credit history

How have you handled your other credit obligations?

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. A credit report review can help identify any problems or opportunities to improve your credit score before you begin shopping for a home and applying for a loan.

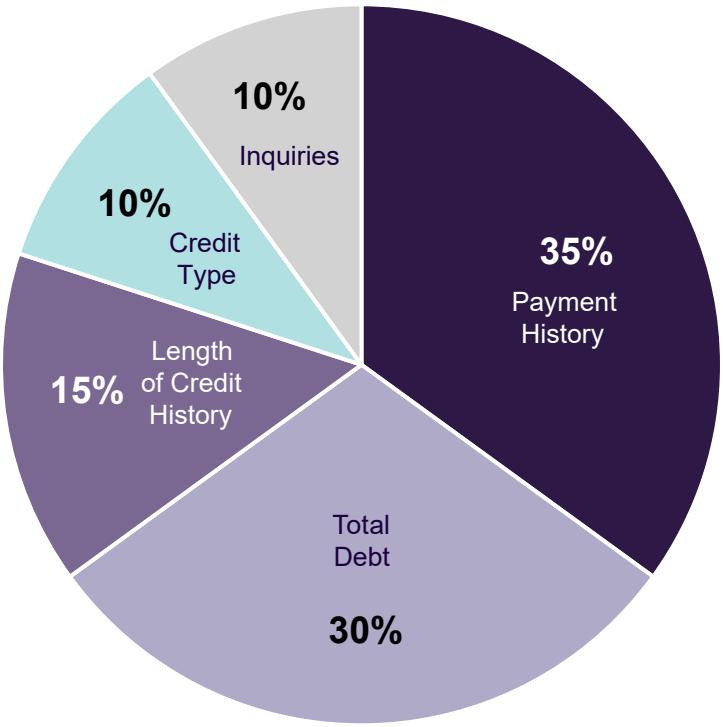
Factors that impact your credit	Credit scores*
On-time payments	Excellent: 760 - 850
Capacity used/available credit	Very good: 725 - 759
Length of credit history	Good: 660 - 724
Types of credit used	Fair: 560 - 659
Past credit applications/inquiries	Poor: 280 - 559

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

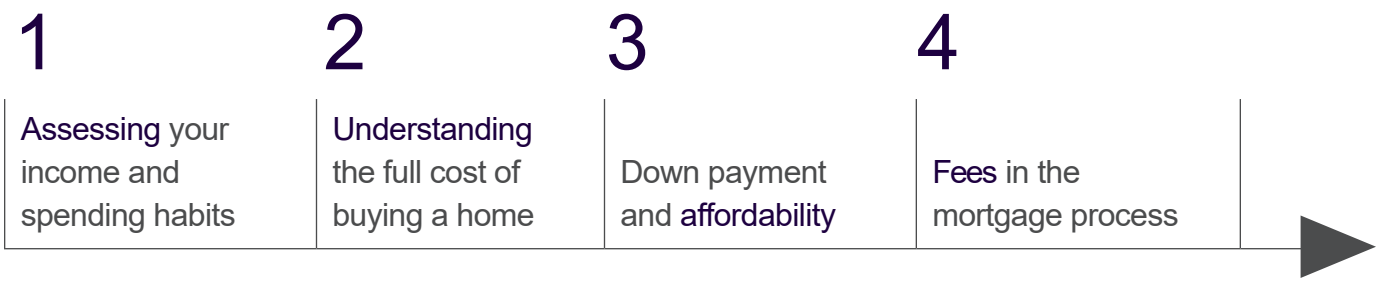
*Under the Fair Credit Reporting Act, you're eligible to receive a free copy of your credit report, at your request, once every 12 months. To order your free credit report, call or visit:
Annual Credit Report Request Service 877-322-8228 https://www.annualcreditreport.com.

What makes up a credit score

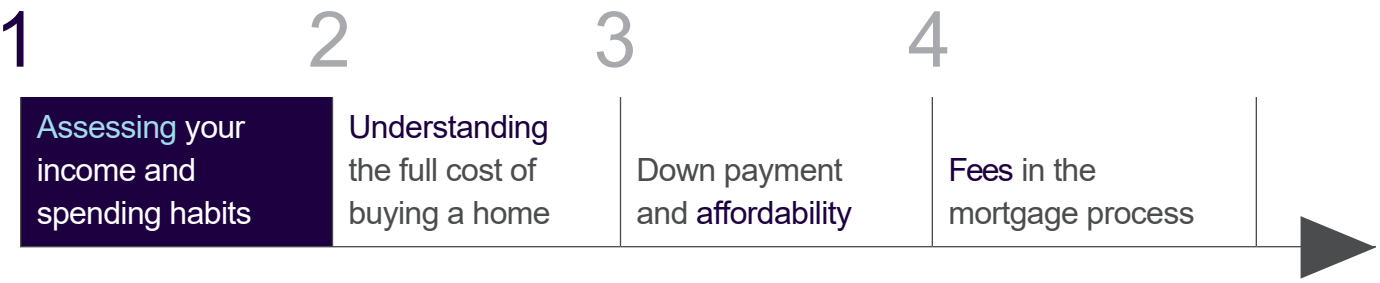


- Payment history
- Total debt
- Length of credit history
- Credit type
- Inquiries

Steps to take while planning



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 your monthly mortgage payment under 28% of your total gross monthly income is typical. X .28

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

$ (Figure (4)) ÷ (30-year P&I factor) = $ This is your estimated maximum loan amount.

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.

Source: https://www.truist.com/mortgage/first-time-homebuyer Source: Planning for homeownership

Step 3

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

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.

Source: https://www.truist.com/mortgage/first-time-homebuyer
Source: Planning for homeownership

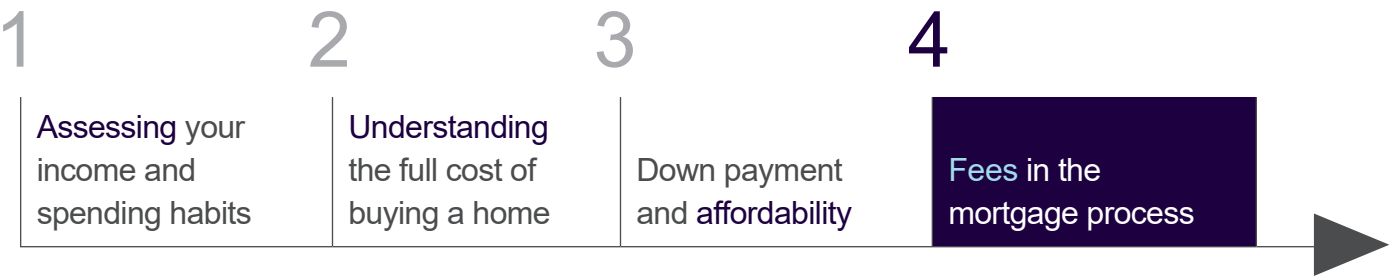
What's the down payment?

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.

Source: https://www.truist.com/mortgage/first-time-homebuyer
Source: Planning for homeownership

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.

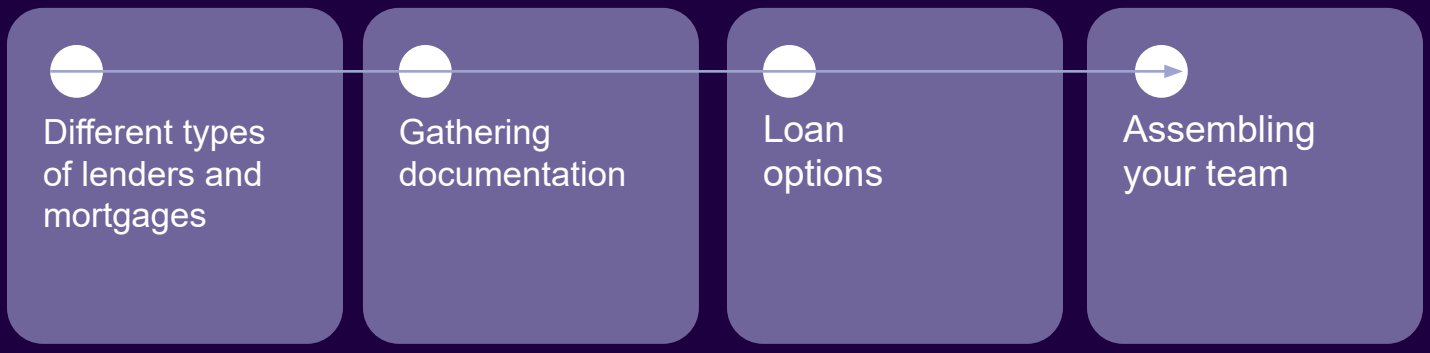
Lender fees	Service/third-party vendor fees	Government fees	Prepaid escrows
Application Points Origination fees Processing fee (includes underwriting fees)	Appraisal fee Attorney fees Courier fees Credit report Flood determination/ life of loan coverage Home inspection Pest inspection Survey fee Title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

Source: Planning for homeownership

Navigating the mortgage process

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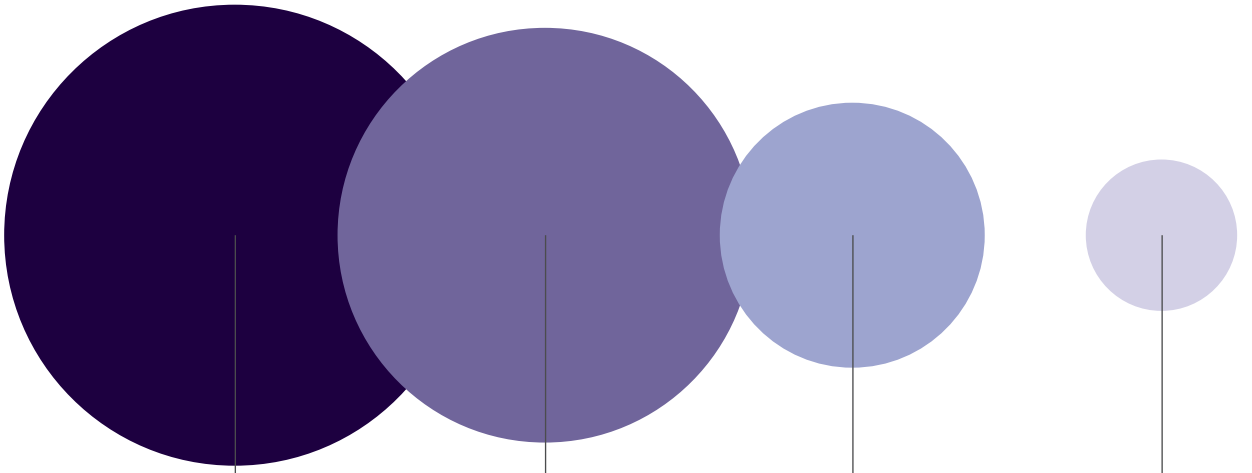
Key milestones to keep you on track



Different types of lenders and mortgages



Types of mortgage lenders



Banks

A federally or state regulated financial institution that offers you a place to keep your money.

Credit unions

A federally or state regulated cooperative financial institution owned by the people who use its services.

Mortgage brokers

An independent financial professional who specializes in bringing together borrowers and lenders.

Other financial institutions

Local or online-only lenders and companies that specialize in mortgages

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 documentation[1]

- 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 documentation[1]

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?

- 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 home buying 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

Sample of 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 *See Projected Payments below for your Estimated Total Monthly Payment*	$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 *Amount can increase over time*	+ 206	+ 206
Estimated Total Monthly Payment	$1,050	$968

		This estimate includes	**In escrow?**
Estimated Taxes, Insurance & Assessments *Amount can increase over time*	$206 a month	☒ Property Taxes ☒ Homeowner's Insurance ☐ Other:	YES YES
		See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.	

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.*

Sample of 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 ☐ 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.
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 ☐ to service your loan. If so, you will make your payments to us. ☒ 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 PAGE 3 OF 3 • LOAN ID #123456789

Sample of Loan estimate document (continued)

Closing Cost Details

Loan Costs

A. Origination Charges	**$1,802**
.25 % of Loan Amount (Points)	$405
Application Fee	$300
Underwriting Fee	$1,097
B. Services You Cannot Shop For	**$672**
Appraisal Fee	$405
Credit Report Fee	$30
Flood Determination Fee	$20
Flood Monitoring Fee	$32
Tax Monitoring Fee	$75
Tax Status Research Fee	$110
C. Services You Can Shop For	**$3,198**
Pest Inspection Fee	$135
Survey Fee	$65
Title – Insurance Binder	$700
Title – Lender's Title Policy	$535
Title – Settlement Agent Fee	$502
Title – Title Search	$1,261
D. TOTAL LOAN COSTS (A + B + C)	**$5,672**

Other Costs

E. Taxes and Other Government Fees	**$85**
Recording Fees and Other Taxes	$85
Transfer Taxes	
F. Prepaids	**$867**
Homeowner's Insurance Premium (6 months)	$605
Mortgage Insurance Premium (months)	
Prepaid Interest ($17.44 per day for 15 days @ 3.875%)	$262
Property Taxes (months)	
G. Initial Escrow Payment at Closing	**$413**
Homeowner's Insurance $100.83 per month for 2 mo.	$202
Mortgage Insurance per month for mo.	
Property Taxes $105.30 per month for 2 mo.	$211
H. Other	**$1,017**
Title – Owner's Title Policy (optional)	$1,017
I. TOTAL OTHER COSTS (E + F + G + H)	**$2,382**
J. TOTAL CLOSING COSTS	**$8,054**
D + I	$8,054
Lender Credits	

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

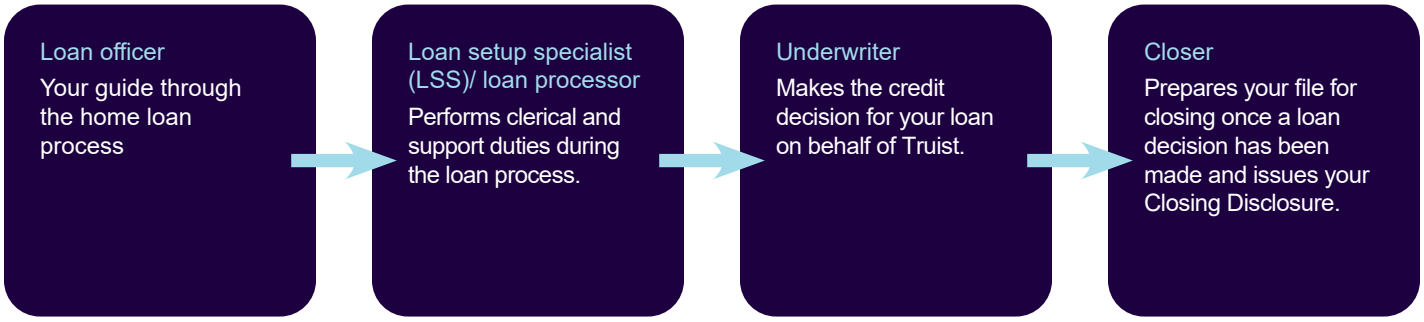
Find the right resources

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.

Choose a real estate agent you're comfortable with.

Examples of 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

TRUIST

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 *See Projected Payments below for your Estimated Total Monthly Payment*	$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	+ 82.35	+ —
Estimated Escrow *Amount can increase over time*	+ 206.13	+ 206.13
Estimated Total Monthly Payment	$1,050.26	$967.91

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

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

Costs at Closing

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

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789

Sample closing disclosure document

(continued)

Closing Cost Details

Loan Costs		Borrower-Paid At Closing	Borrower-Paid Before Closing	Seller-Paid At Closing	Seller-Paid Before Closing	Paid by Others
A. Origination Charges		**$1,802.00**				
01 0.25 % of Loan Amount (Points)		$405.00				
02 Application Fee		$300.00				
03 Underwriting Fee		$1,097.00				
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. Prepaids		**$2,120.80**				
01 Homeowner's Insurance Premium (12 mo.)	to Insurance Co.	$1,209.96				
02 Mortgage Insurance Premium (mo.)						
03 Prepaid Interest ($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					

CLOSING DISCLOSURE PAGE 2 OF 5 • LOAN ID # 123456789

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				
K. Due from Borrower at Closing				**$189,762.30**
01	Sale Price of Property			$180,000.00
02	Sale Price of Any Personal Property Included in Sale			
03	Closing Costs Paid at Closing (J)			$9,682.30
04				
Adjustments				
05				
06				
07				
Adjustments for Items Paid by Seller in Advance				
08	City/Town Taxes		to	
09	County Taxes		to	
10	Assessments		to	
11	HOA Dues	4/15/13	to 4/30/13	$80.00
12				
13				
14				
15				
L. Paid Already by or on Behalf of Borrower at Closing				**$175,615.04**
01	Deposit			$10,000.00
02	Loan Amount			$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to			
04				
05	Seller Credit			$2,500.00
Other Credits				
06	Rebate from Epsilon Title Co.			$750.00
07				
Adjustments				
08				
09				
10				
11				
Adjustments for Items Unpaid by Seller				
12	City/Town Taxes	1/1/13	to 4/14/13	$365.04
13	County Taxes		to	
14	Assessments		to	
15				
16				
17				
CALCULATION				
Total Due from Borrower at Closing (K)				$189,762.30
Total Paid Already by or on Behalf of Borrower at Closing (L)				−$175,615.04
Cash to Close ☒ From ☐ To Borrower				**$14,147.26**

SELLER'S TRANSACTION				
M. Due to Seller at Closing				**$180,080.00**
01	Sale Price of Property			$180,000.00
02	Sale Price of Any Personal Property Included in Sale			
03				
04				
05				
06				
07				
08				
Adjustments for Items Paid by Seller in Advance				
09	City/Town Taxes		to	
10	County Taxes		to	
11	Assessments		to	
12	HOA Dues	4/15/13	to 4/30/13	$80.00
13				
14				
15				
16				
N. Due from Seller at Closing				**$115,665.04**
01	Excess Deposit			
02	Closing Costs Paid at Closing (J)			$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to			
04	Payoff of First Mortgage Loan			$100,000.00
05	Payoff of Second Mortgage Loan			
06				
07				
08	Seller Credit			$2,500.00
09				
10				
11				
12				
13				
Adjustments for Items Unpaid by Seller				
14	City/Town Taxes	1/1/13	to 4/14/13	$365.04
15	County Taxes		to	
16	Assessments		to	
17				
18				
19				
CALCULATION				
Total Due to Seller at Closing (M)				$180,080.00
Total Due from Seller at Closing (N)				−$115,665.04
Cash ☐ From ☒ To Seller				**$64,414.96**

CLOSING DISCLOSURE PAGE 3 OF 5 • LOAN ID # 123456789

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%

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

Other Disclosures

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

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

Liability after Foreclosure
If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

☐ state law does not protect you from liability for the unpaid balance.

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

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

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	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

TRUIST

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