



Consumer Financial Protection Bureau (CFPB) Effect on Real Estate Closings Friday, September 25, 2015 9 a.m. - Noon Country Club of Pittsfield

All Berkshire affiliate lenders were invited to participate in our RESPA/TILA project – This was a group effort to help us explore the new closing process for transactions in Berkshire County after October 3, 2015. Over the course of several months and many meetings the following lenders participated, along with Board Legal Counsel Mike Shepard, to develop these materials in conjunction with the Berkshire County Board of REALTORS. We owe a great thanks to all for this collaborative effort.

- Academy Mortgage
- Adams Community Bank
- Berkshire Bank
- Greylock Federal Credit Union
- Lee Bank
- MountainOne Bank
- Salisbury Bank
- Trustco Bank

On behalf of the Massachusetts Mortgage Bankers Association, Susan LaRose will provide an overview of the changes. Susan is an attorney who worked with the MMBA to develop this CE approved class for real estate license renewal in Massachusetts.

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Panel: Following the overview, we will welcome a panel of lenders who participated in the development of these best practices to answer direct questions and explain how business in the Berkshires will be conducted successfully through communication and collaboration.





RE93R15: Consumer Financial Protection Bureau (CFPB) Effect on Real Estate Closings Outline

This course provides a counseling session to prepare real estate agents and their clients on how to respond to new changes to the Consumer Financial Protection Bureau's (CFPB) rules, effective date of October 3, 2015. A real estate agent and their client should consult an attorney as part of the transaction. Section numbers below refer to Title 12 of the Code of Federal Regulations (CFR)

1. **Introduction and Background**
 - a. Dodd/Frank Legislation
 - i. Integrated Mortgage Disclosure
 - ii. Ability-to-Repay/Qualifying Mortgage Rule
 - b. Creation of Consumer Financial Protection Bureau (CFPB) – New Objectives
2. **Exceptions to coverage: §1024.5, 1026.3 and 1026.19**
 - a. Reverse mortgages
 - b. Home Equity Line of Credit (HELOC)
 - c. Mobile home
 - d. Commercial purpose loans
 - e. Community no-interest loans
 - f. Creditors making 5 or fewer loans per year
 - g. Prohibitions on personal financing
 - h. Loan officer compensation rule
3. **Effective Dates**
 - a. Most provisions apply to applications received by creditor or mortgage broker on and after 8/1/15
 - b. Some provisions take effect 8/1/15 without receipt of application
 - i. State law exemption clarification requests §1026.28(a)(1) and §1026.29
 - ii. Use of estimates §1026.19(e)(2)
4. **Loan Estimate (LE): Early Disclosure Form §1026.19(e)(1)(i)**
 - a. The role that agents and attorneys now play
 - b. "Reasonably Available Standard" defined
5. **Provider List §1026.19(e)(1)(vi)**
 - a. Pros and cons on inclusion



RE93R15: Consumer Financial Protection Bureau (CFPB) Effect on Real Estate Closings Course Agenda

6. **Changes to Drafting and Executing Offer and Purchase and Sale Agreement**
 - a. Loan Originator as focal point
7. **Loan Estimate (LE) Variations §1026.19(e)(3)(iii)**
8. **Change of Circumstance § 1026.19(e)(iv)(ii)**
 - a. Triggers for notifications
 - b. Ramifications of inaccuracy
 - c. Examples
9. **Preparation & Delivery of Closing Disclosure (CD) §1026.38(r)(4)**
 - a. Lender Decisions to Prepare and Deliver
 - b. Process – Real Estate Agent/Broker Name on Closing Statement
 - c. Liability and Tracking
 - d. What Can and Cannot be Done at the Closing Table
10. **CFPB's Views on Marketing Services Agreements**
 - a. *In the Matter of Lighthouse Title, Inc.*, 2014-CFPB-0015
11. **3- Day Review Period = 8 days § 1026.19(f)(1)(ii)**
 - a. Hand delivery: immediate
 - b. US Mail: assumed receipt 3 days after placed in mail
 - c. Email: with receipt confirmed by consumer after approval to use email method of delivery (if not, assumed 3 days to open email)
 - d. Overnight Delivery: with consumer confirmed receipt
 - e. Business days for CD purposes: all days except Sunday and federal holidays
 - f. Consummation is defined as “the time that a consumer becomes contractually obligated on a credit transaction”
12. **Re-disclosure Requirements §1026.19(f)(2)(ii)**
 - a. Inaccurate Annual Percentage Rate (APR)
 - b. Change in loan product
 - c. Prepayment penalty added



RE93R15: Consumer Financial Protection Bureau (CFPB) Effect on Real Estate Closings Course Agenda

13. **Use of waiver §1026.19(f)(iv)**
 - a. Bona fide personal financial emergency of Borrower
14. **Liability and Penalties**
 - a. 2 CFR §180 and §2424
 - b. Truth In Lending Act (TILA) –
 - i. Private right of action for violations (with attorney's fees and costs)
 - ii. Statutory penalties of up to \$4,000 for failures to properly provide certain disclosures (including finance charge and APR)
 - c. Real Estate Settlement Procedures Act (RESPA) –
 - i. No private right of action for Good Faith Estimate (GFE) and (Department of Housing and Urban Development) HUD-1 disclosures changes under Dodd-Frank Act.
 - d. CFPB enforcement of consumer financial laws (incl. TILA and RESPA)
 - i. \$5,000 per day per violation; \$25,000 per day for reckless violations; \$1M per day for knowing violations
 - ii. Off the Closing Statement Negotiations
 - e. Best Practices Update and certifications
15. **Panel Q&A**



Gerry Biron



Spring Burke



Erin Carlotto



Kathy Kelly



Jackie McNinch



Jamie Pollard



Berkshire County Best Practices

Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

Timeline Best Practices

- Purchase and Sale Suggested Timelines for 60 Day Closing: Consult Your Lender for Variances

Mortgage and Insurance Application dates	7 days after termination date
Inspection Contingency Dates.....	15 days after termination date
Insurance / Mortgage Contingency Dates	45 days after termination date
Closing	60 days after termination date

* Does a buyer need more time? Extend these dates or contact the lender for specific instructions. Please note that Inspection issues, appraisal issues, failure by the buyer or seller to provide timely documentation or perform, title issues, pay-off issues all may delay this timeline.

- When calculating dates, use a calendar to ensure you do not pick weekends or holidays for contingency or closing dates.
- Set the contingency dates based on the offer's termination date (paragraph 37) to ensure your buyer has the full amount of days to perform.
- If the termination date is extended to allow the seller more time to execute and deliver the contract, extend the contingency dates as well, so you're adhering to the basic timeline plus the extra days.

Communication Best Practices

- **COMMUNICATE – COMMUNICATE – COMMUNICATE**, with each other, with the mortgage lenders, with the attorneys. Send paperwork promptly, in full, and respond to calls and emails promptly.
- **Paperwork:** Email the Purchase and Sale agreement to the chosen Lender and Attorney ASAP so they can add the sale to their closing schedule.
- **Dual Sale:** Agents involved in back-to-back closings need to be hyper vigilant and communicate with both lenders involved in the transaction, as well as each other, about the status of both transactions.
- **Addendums:** Send a copy of any and all addendums to the agreement to both the Lenders and Attorneys as soon as they are executed.
- **Repairs:** If there is an issue at walk-thru that the buyer and seller can't resolve themselves, the agent needs to call the lender right away so the issue can be reviewed by the underwriter/compliance.



Berkshire County Best Practices

Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

Contract Best Practices

- **New Contact Form:** Complete and send the contact sheet to the lender and attorneys for smooth processing. There are new requirements for completing the Closing Disclosure that require this information.
- **Repairs:** Only include items in special conditions or addendums that you want the underwriter to consider when approving a loan. Also consider that if you identify inspection issues that must be resolved, such as sewer pipe replacement or wiring updates, the bank may have to send the appraiser to re-inspect after completion of the repairs, as the loan is now subject to completion.
- **Fixtures:** Anything not already included in the fixtures paragraph 12 or a standard appliance (refrigerator, oven/stove, washer, dryer, etc...) should be part of an agreement outside of the Purchase and Sale agreement. Underwriting cannot loan on personal property as part of the transaction sale price. There is a new Agreement to Purchase Personal Property form your use in the Berkshire Purchase Contracts.
- **Understand the timeline:** In this material is a timeline of steps that take place from offer to close. Familiarize yourself with the process so you can see where delays in one area affects others working on the transaction.
- **Title:** Please make special note that title work takes 2-3 weeks. If the attorney waits until the mortgage contingency date to search title, it may be too late. Make sure the attorney is selected and has a copy of the P&S agreement and all accompanying documents and addendums no later than the home inspection date. They should be aware they have been chosen and can get started to avoid delays. Also note that some lenders have a closed attorney list.
- **Documents:** When the contract is sent to the Attorney/Lender, please always include a copy of all pages of the Purchase and Sale, any/all addendums, a copy of the deposit check and the signed lead paint disclosure notification. When the second deposit is received and/or if any other addendums are executed, send those along as well.



Tips for Advising Your Clients

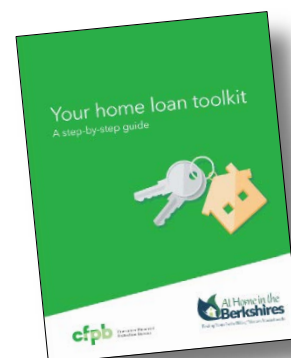
Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

Seller Agent's Advice for Clients:

- Explain how important timeline dates are, and that all parties must adhere to dates written in the contract in order for the loan to close on time.
- If seller promises repairs, they must be performed as contractually defined, otherwise the sale is in jeopardy. It is in the seller's best interest to make repairs at least 10 days before closing so that the buyer can inspect the work done and ensure it meets with their satisfaction, to avoid delays.
- If seller doesn't ensure the property is broom clean and all personal property and rubbish removed by the closing, the closing is in jeopardy. This often overlooked step is very important.

Buyer Agent's Advice for Clients:

- Before finding their dream home, speak to area mortgage professionals about financing options, obtain buyer's obtain a prequalification from their preferred lender.
- When the buyer is "shopping" for a loan and deciding on the right choice for them, have them also ask for a copy of all materials that they will need to provide to the underwriters to obtain a mortgage commitment. [bank statements, copies of taxes etc..]. Encourage them to prepare in advance so that they will be able to react quickly when they find their dream home. Ask for the attorney list, if any.
- Have buyer's select their closing Attorney before or no later than drafting the P&S. Make sure the buyer understands that the attorney represents both them and the bank, so they must confirm that the attorney is approved to close on their lenders list.
- Remind Buyers they must adhere to timeline, or jeopardize deposit money
- Alert buyer's that last minute re-negotiations could delay closings by 3-10 days or halt the transaction if the purchase price is affected and the home just met appraised value. Changes to the original purchase price can delay closings or affect mortgage commitment.
- If a buyer requests the seller perform repairs based on inspection issues, the buyer should inspect the repairs to meet their satisfaction at least 10 days before closing to avoid any delays.
- If there are walk thru issues, they should be resolved between the buyer and seller whenever possible. If that isn't possible, the buyer's lender / attorney should be contacted immediately.
- Provide buyer's with a link to the 28 page "Your Home Loan Toolkit" found at www.AtHomeInTheBerkshires.com/homeloan





New Terms / Dictionary:

Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

- **CFBP** = Consumer Financial Protection Bureau
- **CLOSING DISCLOSURE** = Similar to the old HUD statement. The delivery of this form in final version mailed at least 6 business days before closing and 3 business days electronic receipt is the equivalent of our old "Clear to Close" (see sample)
- **CONSUMER'S LOAN APPLICATION** = Similar to the previous Mortgage Application. A loan application might include the buyer's name, a property address, desired loan amount, social security number (to obtain a credit report), estimate of the property value, and monthly income. Within three business days of receiving the information needed for the application, the lender or mortgage broker must provide the buyer with a Good Faith Estimate, which can be used to compare the loan quote to loan quotes from other lenders and mortgage brokers. Mortgage lenders cannot charge for a Consumer Loan Application.
- **CONSUMMATION** = Closing
- **GFE** = Good Faith Estimate, a form that lists basic information about the terms of a mortgage loan following a consumer's loan application, delivered within 3 days. A Buyer cannot be charged any fees, except a credit report fee, until after the buyer receives a GFE and indicates that they plan to take out the home loan. (see sample)
- **HELOC** = Home Equity Line of Credit
- **LOAN ESTIMATE** = New form, discloses the cost of the mortgage. Terms must be accepted by the Buyer before proceeding. This is a three-page form that the buyer receives after applying for a mortgage. The Loan Estimate tells you important details about the loan requested. The lender must provide you a Loan Estimate within three business days of receiving an application. (see sample)
- **RESPA** = Real Estate Settlement Procurement Act: the federal act that governs the real estate industry.
- **TILA** = Truth in Lending Act
- **TRID** = TILA [Truth in Lending Act] RESPA [Real Estate Settlement Procurement Act] Integrated Disclosure



Transaction Timelines

Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

Within (3) business days after making the consumer's loan application, the lender will send the buyer a Loan Estimate. The bank and attorneys need approximately (50) days after application date to close the loan, research title and transfer the deed from the application date.

Within (7) business days of receipt of the Loan Estimate (and 10 days after Loan Application) from the Lender to the Buyer, the Buyer must affirm their commitment to proceed with the transaction.

Note to REALTORS: If the buyer has not committed to a particular lender or loan product, you must include EXTRA time for them to make a final selection and then make the Mortgage Application in the Purchase and Sale agreement timelines.

60-55 days before the closing date

- ✓ Buyer's Agent sends the Purchase & Sale Agreement to the Lender and the Buyer's Attorney
- ✓ Buyer Makes CONSUMER LOAN APPLICATION to Preferred Lender
- ✓ Buyer schedules inspections of property

57-54 Days before the closing date

- ✓ Buyer Receives the LOAN ESTIMATE from the Lender

54-42 Days before the closing date

- ✓ Buyer affirms their commitment to proceed with the transaction

42-12 days before the closing date

- ✓ Buyer financials, purchase information and home details sent to Lender's Underwriter
- ✓ Home is appraised by Lender
- ✓ Buyer's Attorney does 50 year title search
- ✓ Buyer's Attorney informs Seller's Attorney if there are Lien Records to Be Cleared
- ✓ Seller's Attorney Provides Buyer's Attorney Payoff Amounts
- ✓ REALTOR Sends Commission Statement to Closing Attorney
- ✓ Buyer receives MORTGAGE COMMITMENT

10 Days before the closing date

- ✓ Clear to Close
- ✓ Closing Attorney and Buyer's Attorney send to bank all figures needed for the closing disclosures: lien payoff amounts, tax, water, sewer, fire district, fuel, condo/assn fees, rent and any other applicable adjustment.

3-7 Days before the closing date (depending on notice type)

- ✓ Lender sends buyer final CLOSING DISCLOSURE



FAQ with Local Lenders

Developed with: Academy Mortgage, Adams Community Bank, Berkshire Bank, Greylock Federal Credit Union, Lee Bank, MountainOne Bank, Salisbury Bank, and Trustco Bank.

- ? **Will you still be writing prequalification letters for buyers?**
 - *Yes we will offer pre-qualification letters, but we cannot offer pre-approval letters*
- ? **Is there consensus that the P&S timeline should provide a closing date that is 60 days from the date of the seller's acceptance?**
 - *Yes, a typical loan will take 60 days to close. Always speak with local lenders to determine individual time differences or requirements. More time should be added if a buyer needs to "shop" for a loan. Some loans may close sooner when buyers are prepared to provide information quickly and receive information quickly and have short contingency timeframes, and some may be delayed if terms change or buyers don't produce documents when required.*
- ? **How long will be your standard rate lock?**
 - *45-50 days*
- ? **How will you handle P&S agreements that do not provide the needed time required for closing or contingency dates?**
 - *The lender will contact the real estate agents and attorneys immediately so that the buyer and seller can execute an addendum with realistic dates*
- ? **What is the latest date that you can change the purchase price based on renegotiated inspection issues to avoid any delays?**
 - *10 days before closing. The underwriters will still have to review the renegotiated price to determine if it is still in line with lending standards. A new loan estimate will have to be adjusted and reissued.*
- ? **During the time before closing when the lender is getting the house appraised and the underwriter is looking at the buyers purchasing power, can the buyer/seller renegotiate the purchase terms without delays?**
 - *Yes without a timeline delay but with the understanding that the Loan Estimate has to be adjusted.*
- ? **Do all agree that the only changes to the closing Disclosure that require a 3-day waiting period is limited to APR changes, loan product changes or prepayment penalty added?**
 - *Yes*
- ? **Are buyer attorney lists closed?**
 - *Some are, some are not. You should call to determine the policy of each lender.*



Contract Changes of Note

Purchase and Sale Agreement

- Agreement now features hard, defined calendar dates for the closing AND all contingency terms
- Withdrawal for Inspection issues don't require a written inspection report, only a written termination.
- Personal Property was removed from the Fixtures Paragraph 12 and "Additional Appliances" was added for clarity
- Adjustments paragraph 13 was updated so that if the seller's attorney does not provide payoff and expenses required for the Closing Disclosure, the buyer's attorney may calculate those costs and the calculations will be binding.
- Lead Paint clause was updated to provide a right to terminate the agreement in addition to the state mandated 10 day right to inspect. This clause protects buyers who strike the Inspection Contingency.
- Termination of Offer was updated to require that the offer must be signed AND DELIVERED by the termination date, so the buyer is aware of the execution immediately and can begin applying for a mortgage(s) and fulfilling contingency terms.

New Forms:

- Comprehensive Extension of P&S Performance Dates agreement, to enable an extension of any and all applicable contract dates on one form.
- Contact Worksheet, to enable lenders and attorneys to complete the Closing Disclosure and streamline communications for all.
- Agreement for Sale of Personal Property, to eliminate the addition of personal property into the Purchase and Sale agreement when a mortgage loan is sought.



Quick Reference List of Affiliate Members

Closing Attorneys

- | | | | |
|--------------------------------|-------------------|--------------|--|
| • Michael J Shepard, PC | Michael Shepard | 413-499-0316 | shepmj@aol.com |
| • Julia Leedham Rindfuss, Esq. | Julia L. Rindfuss | 413-212-9122 | julialeedhamrindfuss@gmail.com |

Service Companies

- | | | | |
|----------------------------------|-------------|--------------|--|
| • All-Ways Moving & Storage | Terry Morin | 413-499-1577 | alwaysmoving@rnetworkx.com |
| • Finn & Associates | Drew Finn | 413-684-2019 | drew@hip123.com |
| • Berkshire Green Septic Service | Ryan Ray | 413-329-5117 | rray@ssspumps.com |

Insurance Companies

- | | | | |
|-----------------------------|-------------------|--------------|--|
| • Colt Insurance | Carla Prendergast | 413-445-5648 | cprendergast@coltinsurance.com |
| • Greylock Insurance Agency | Sharon MacEachern | 413-443-5943 | smaceachern@greylock.org |

Mortgage Lenders

- | | | | |
|----------------------------|------------------|--------------|--|
| • Academy Mortgage | Jamie Pollard | 413-684-3140 | Jamie.Pollard@academymortgage.com |
| • Adams Community Bank | Rick Gurney | 413-743-0001 | rgurney@adamscommunity.com |
| • Berkshire Bank | Lou Ann Harvey | 413-644-3537 | lharry@berkshirebank.com |
| • Berkshire Bank | Kathy Kelly | 413-445-3544 | kkelly@berkshirebank.com |
| • Berkshire Bank | April West | 413-564-6448 | awest@berkshirebank.com |
| • Citizens Bank | Jill N. Allen | 518-432-2250 | jill.n.allen@citizensbank.com |
| • Farm Credit East, ACA | Paul Herrington | 518-851-3313 | paul.herrington@farmcrediteast.com |
| • Greylock Credit Union | Lisa Trybus | 413-236-4000 | Lisa Trybus, ltrybus@greylock.org |
| • Greylock Credit Union | Erin Carlotto | 413-236-4000 | ecarlotto@greylock.org |
| • Lee Bank | Bonnie Masefield | 413-243-0117 | bmasefield@leebank.com |
| • Lee Bank | Jackie McNinch | 413-243-0117 | jmcninch@leebank.com |
| • Lee Bank | Marge Pero | 413-243-0117 | mpero@leebank.com |
| • Lee Bank | Kaylin Choquette | 413.358.0538 | kchoquette@leebank.com |
| • MountainOne Bank | Darlynn Viner | 855-444-6861 | darlynn.viner@mountainone.com |
| • MountainOne Bank | Mary O'Connell | 855-444-6861 | mary.oconnell@mountainone.com |
| • Salisbury Bank | Spring Burke | 860-485-2230 | sburke@salisburybank.com |
| • TD Bank | Linda Bjork | 413-445-8221 | linda.bjork@td.com |
| • The Pittsfield Coop Bank | Michael Barbieri | 413-447-7304 | mbarbieri@pittsfieldcoop.com |
| • The Pittsfield Coop Bank | Fran Premierlani | 413-447-7304 | Fpremerlani@pittsfieldcoop.com |
| • The Pittsfield Coop Bank | Janice Garrity | 413-447-7304 | Jgarrity@pittsfieldcoop.com |
| • Trustco Bank | Wayne Harris | 413-644-0054 | wharris@branch.TrustcoBank.com |
| • Trustco Bank | Margaret Miller | 413-236-8400 | mmiller@branch.TrustcoBank.com |
| • Village Mortgage Company | Alesia Warner | 413-243-3322 | awarner@villagemtg.com |
| • Village Mortgage Company | Judy Turtz | 413-243-3322 | jturtz@villagemtg.com |

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
Prepayment Penalty	Does the loan have these features? 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. <i>See page 2 for details.</i>
Estimated Cash to Close	\$16,054	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

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

Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges		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. 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
D. TOTAL LOAN COSTS (A + B + C)		\$5,672	

Additional Information About This Loan

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

MORTGAGE BROKER
NMLS/___ LICENSE ID
LOAN OFFICER
NMLS/___ LICENSE ID
EMAIL
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
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Closing Disclosure

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

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street	Purpose	Purchase
Disbursement Date	4/15/2013		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Epsilon Title Co.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456		321 Somewhere Drive		<input type="checkbox"/> VA <input type="checkbox"/> _____
Property	456 Somewhere Ave		Anytown, ST 12345	Loan ID #	123456789
	Anytown, ST 12345	Lender	Ficus Bank	MIC #	000654321
Sale Price	\$180,000				

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	Does the loan have these features?	
	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>	This estimate includes		In escrow?
	\$356.13 a month		YES YES 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 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						

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**

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: <i>Homeowner’s Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner’s Association Dues</i> 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.

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

**STANDARD BERKSHIRE COUNTY MULTIPLE LISTING SERVICE
PURCHASE AND SALE AGREEMENT
CONTACT WORK SHEET for LENDERS and ATTORNEYS**

Please provide to cooperating agents, mortgage lender and closing attorneys with a copy of the Purchase and Sale (or as soon thereafter when information is known) to ensure timely processing.

- For informational purposes only -

1. <u>PARTIES:</u>	SELLER(S)	BUYER(S)
Name(s)	_____	_____
2. <u>ADDRESS:</u>	_____	
3. <u>MORTGAGE LENDER:</u>		
Company Name	_____	
Mortgage Broker	_____	
E-mail	_____	
Preferred Phone	() _____	
4. <u>AGENTS:</u>	SELLER(S)	BUYER(S)
Brokerage	_____	_____
Broker of Record	_____	_____
RE License #	_____	_____
Agent Name	_____	_____
RE License #	_____	_____
E-mail	_____	_____
Preferred Phone	() _____	() _____
5. <u>ATTORNEY:</u>	SELLER(S)	BUYER(S)**
Counsel	_____	_____
Law Firm	_____	_____
E-mail	_____	_____
Preferred Phone	() _____	() _____

**** Buyers should verify approved Attorney List with Mortgage Lender**

**STANDARD BERKSHIRE COUNTY MULTIPLE LISTING SERVICE
PURCHASE AND SALE AGREEMENT**

- **1. PARTIES:** **SELLER(S)** **BUYER(S)**
- Name(s) _____
- Address _____
- **2. DESCRIPTION:** Subject to the terms and conditions hereinafter set forth, the SELLER agrees to sell and the BUYER agrees to buy SELLER's real property located at _____ as more particularly described in a deed dated _____ and recorded in the _____ Registry of Deeds in Book _____, Page _____, or Land Court Certificate # _____ Assessor's Map # _____ Section # _____ Lot # _____ (the "Property").
- **3. PURCHASE PRICE:** For the Property, BUYER shall pay the "Purchase Price" sum of _____ \$ of which an initial deposit has been paid on this day in the amount of _____ \$ and on _____ date, an additional deposit in the amount of _____ \$ will be paid, resulting in a balance to be paid in the amount of _____ \$ in cash, wired funds, or by certified / bank check at the Closing.
- 3.1 Escrow: All deposits are to be held by the Listing Broker _____ ("Escrow Agent") in a non-interest bearing escrow account, unless otherwise specified herein.
- **4. CLOSING DATE:** The Deed is to be delivered and the Purchase Price paid on _____ at 2:00 p.m. (the "Closing Date") at the appropriate Registry of Deeds or such other location within the county in which the Property is located, as specified by the BUYER.
- **5. CONTINGENCY TERMS:** The following terms and dates apply to paragraphs 6, 7 and 8 as the case may be:
- 5.1 Mortgage: Amt: _____ Rate: _____ Type: ☐ Fixed ☐ Variable Pts: _____ Yrs: _____
- 5.2 Mortgage and/or Insurance Application Date: _____
- 5.3 Mortgage Contingency Date: _____
- 5.4 Insurance Contingency Date: _____
- 5.5 Inspection Contingency Date: _____
- 5.6 Septic System Inspection Date: (if applicable) _____
- 6. MORTGAGE / INSURANCE CONTINGENCY:** The BUYER's obligations hereunder are contingent upon the BUYER's obtaining a written commitment letter from a conventional mortgage lender for a loan consistent with the contingency term used and the BUYER'S satisfaction with the insurability of the Property. Should the BUYER be unable to obtain such a commitment letter or satisfactory insurance binder despite diligent efforts, BUYER may cancel this Agreement by written notice received by the Listing Broker or Seller's Attorney, no later than 5:00 p.m. on the applicable Contingency Date indicated in paragraph 5, whereupon all obligations of the parties under this Agreement shall cease and BUYER's deposits shall be promptly returned in full. BUYER's failure to (a) give such written notice or (b) make a good faith mortgage or insurance application by the Mortgage/Insurance Application Date shall be a waiver of the BUYER's right to cancel under this Paragraph. If the BUYER cancels the agreement, BUYER shall attach a copy of the applicable denial letter to BUYER's cancellation notice.
- 7. INSPECTION CONTINGENCY:** The BUYER and BUYER's consultants shall have the right of access to the Property for the purpose of conducting a home inspection, at reasonable times, upon twenty-four (24) hours advance notice to the SELLER's Agent. Inspections may, at BUYER's option and expense, include but are not limited to: inspections for structural and mechanical matters, pests, including wood-boring insects, lead paint, mold, asbestos, radon gas, other hazardous substances, underground tanks, septic system, well water, wetlands and environmental conditions. Should BUYER receive an unsatisfactory inspection, BUYER may cancel this



Agreement by written notice received by the Listing Broker or Seller's Attorney no later than 5:00 p.m. on the Inspection Contingency Date, whereupon all obligations of the parties shall cease and BUYER's deposits shall be promptly returned in full. BUYER's failure to give such notice shall be a waiver of BUYER's right to cancel under this Paragraph. In consideration of BUYER's right to inspect and terminate, BUYER acknowledges that by accepting the deed BUYER accepts the condition of the Premises and releases the SELLER, SELLER's Agency and BUYER's Agents, from any and all liability relating to any defects in the Premises including, without limitation, water seepage from any source.

- **8. SEWAGE DISPOSAL / SEPTIC SYSTEM:** SELLER represents that the Property is served by a ☐ municipal sewer system / ☐ septic system / ☐ other system as outlined in par 36. If a septic system is present, the SELLER represents that it ☐ is / ☐ is not located entirely within the boundaries of the Property, to the best of their knowledge. Further, on or before the Septic System Inspection Date as defined in paragraph 5.6, the SELLER shall provide the BUYER with a Septic System Inspection Report (the "Report") issued less than two (2) years prior to the time of the indicated closing date or less than three (3) years if accompanied by system pumping records that show at least annual pumping during that time. Should the Report indicate that the system is a "failed system" as defined by Title 5 of the State Environmental Code (310 CMR 15.301), the BUYER may, within three (3) days of receipt of Report, cancel this Agreement, and all deposits shall be returned to the BUYER.
- **9. WATER:** SELLER represents that the property is serviced by a ☐ municipal water system / ☐ private water company / ☐ well / ☐ other as outlined in par 36. If a well is present, SELLER represents that it ☐ is / ☐ is not located entirely within the boundaries of the Property and ☐ does / ☐ does not contain defects known to SELLER. BUYER acknowledges that the local Board of Health may adopt regulations that establish criteria for private well siting, construction, water quality and quantity.
- **10. POSSESSION:** Full possession ☐ free of all / ☐ subject to existing tenants and occupants shall be delivered at the Closing Date. The Property shall be free of encroachments burdening the Property and of improvements that encroach on adjoining Property, including but not limited to buildings, septic systems, well and driveway, and has sufficient legal access to a public way.
- **11. SURVEY:** SELLER represents that ☐ new / ☐ no new boundaries are being created by the sale of the Property. If new boundaries are being created, SELLER shall deliver to BUYER at the Closing a survey of the Property, in recordable form. The SELLER shall pay for the preparation and recording of the survey, unless otherwise provided herein.

12. FIXTURES: Included in this sale as part of the Property, unless expressly excluded, are the usual fixtures owned by the SELLER and used in connection therewith including but not limited to, if any, furnaces, heaters, oil and gas burners and fixtures appurtenant thereto, built-in ranges, dishwashers and disposals, hot water heaters (if not rented), mantels, electric and other lighting fixtures, chandeliers, venetian blinds and window shades, attached mirrors, automatic door openers (with remote controls), installed air conditioners, wall brackets and hangers, built-in bookcases and shelving, all installed stair carpeting and wall to wall carpeting, drapery rods, curtain rods, plumbing and electrical covers, screens, screen doors, storm and other detached windows and doors, blinds, awnings, bathroom fixtures, towel bars, medicine cabinets, radio and television antennas, satellite dishes, fences, gates, hardy shrubs, and fire and security systems.

- Additional Appliances Included: _____
- Fixtures Excluded: _____
- SELLER represents the following items are rented: ☐ Propane Tank / ☐ Hot Water Heater / ☐ Water Treatment System / ☐ Security System / ☐ Other as outlined in par 36. BUYER ☐ does / ☐ does not agree to assume the rental agreements.

13. ADJUSTMENTS: Current real estate taxes, water rates, sewer use charges and fuel are to be apportioned as of the Closing Date. Rents are to be apportioned only for the month in which the closing occurs and only when collected by either party. Unpaid rents due SELLER from months prior to the month of the Closing Date, shall be the responsibility of the SELLER to collect. If the real estate tax rate is not set as of the Closing Date, the apportionment of real estate taxes shall be made on the basis of the tax assessed for the most recent preceding year, with a readjustment at the request of either party, when the amount of the current year's rate tax is set. If the amount of the tax is reduced by abatement, the rebate, less the reasonable cost of obtaining it, shall be apportioned between the parties. SELLER or SELLER's attorney shall transmit to Buyer's Attorney, at least ten (10) days prior to the closing date, all mortgage and lien payoffs, municipal apportionments, state conveyance tax,



and any other expenses required to be disclosed on the Closing Disclosure. Failure to transmit the expenses defined herein shall constitute SELLER's acceptance of Buyer's Attorney's calculations, performed using all reasonable and obtainable information. Such calculation shall be final and binding upon the parties.

- **14. BETTERMENT ASSESSMENTS:** SELLER represents that the Property ☐ **is** / ☐ **is not** subject to a betterment assessment. If the Property is subject to a betterment assessment, the ☐ **SELLER agrees to pay the total outstanding betterment assessment at the closing** / ☐ **BUYER agrees to purchase the Property subject to, and assumes the payment of the betterment assessment.**
- **15. TITLE:** The Property shall be conveyed by a good and sufficient quitclaim deed unless otherwise specified herein (accompanied by a Certificate of Title, if registered), conveying a good, clear record, marketable and insurable title, free of all encumbrances and exceptions, except:
- a) Real Estate Taxes assessed or to be assessed on the Property to the extent that such taxes then are not yet due and payable.
 - b) Federal, state, and local laws, ordinances, by-laws, and rules regulating the use of land, particularly environmental, building, zoning, health, rent control, and condominium conversion laws, if any, applicable as of the date of this Agreement, provided that as of the Closing Date, the Property may be used as of right for single family residential use or, if the Property is/is not a single family residence, the Property may be used as of right for _____
 - c) Existing rights, if any, in party or partition walls; and
 - d) Utility easements in the adjoining ways.

16. USE OF PROCEEDS TO CLEAR TITLE: To enable SELLER to make conveyance as herein provided, the SELLER may at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests. Upon request, SELLER shall promptly provide BUYER's Attorney with written payoff instructions from all of SELLER's mortgagees. Said payoff instruction shall be in accordance with Massachusetts General Laws Chapter 183, Section 1, et seq. At closing, BUYER's Attorney shall transmit all of SELLER's payoffs to said mortgagees, and BUYER's Attorney shall be responsible to promptly secure and record the discharges of said mortgages. BUYER's attorney shall be compensated by the SELLER the customary fee associated with securing the discharge or discharges. SELLER shall pay the cost of discharge(s), and SELLER shall reimburse BUYER's Attorney the cost (if any) of overnight mail charges.

17. EXTENSION: If, after a reasonable and diligent effort, SELLER is unable to deliver title as defined in paragraph 15 or convey title of the Property as required hereunder, upon notice by either party, prior to the Closing Date, this Agreement shall be automatically extended for 30 days (or if BUYER's mortgage commitment sooner expires to a date one business day before the expiration of such commitment). SELLER shall remove all mortgages, attachments and other encumbrances incurred or assumed by SELLER which secure the payment of money, provided the total amount thereof does not exceed the Purchase Price, and SELLER shall use reasonable and diligent efforts to remove other defects in title, or to deliver possession as provided herein, or to make the Property conform to the provisions hereof. At the end of the extended period, if all such defects have not been removed, or the SELLER is unable to deliver possession, or the Property does not conform to the requirements of this Agreement, BUYER may elect to terminate this Agreement and to receive back all deposits, upon receipt of which all obligations of the parties hereto shall cease.

18. STANDARDS: Any title matter or practice arising under or relating to this Agreement which is the subject of a Title Standard or a Practice Standard of The Real Estate Bar Association for Massachusetts shall be governed by said Standard to the extent applicable.

19. LEAD LAW. Pursuant to 40 CMR 745.113(a), for premises built before 1978, BUYER acknowledges receipt of the "Department of Public Health Property Transfer Notification" attached to this agreement, regarding the Lead Law. BUYER acknowledges verbal notification of the possible presence of lead hazards and the provisions of the Federal and Massachusetts Lead Laws and regulations, including a ten (10) day right to inspect for dangerous levels of lead. Occupancy of premises containing dangerous levels of lead by a child under six years of age is prohibited, subject to exceptions permitted by law. BUYER further acknowledges that neither the SELLER nor any real estate agent has made any representation, express or implied, regarding the absence of lead paint or compliance with any lead law, except as set forth in writing. BUYER assumes full responsibility for compliance with all laws relating to lead paint removal, if required by law, and related matters (in particular, without limitation, Mass. G.L., c.111, 197), and BUYER assumes full responsibility for all tests, lead paint removal and other costs of compliance. Should BUYER receive an unsatisfactory inspection, BUYER may cancel this Agreement by written



notice received by the Listing Broker or Seller's Attorney no later than 5:00 p.m. on the Inspection Contingency Date or twelve days after execution of this agreement, whichever is later, whereupon all obligations of the parties shall cease and BUYER's deposits shall be promptly returned in full.

20. ASBESTOS: BUYER acknowledges that the Department of Public Health has issued regulations found in [310 CMR 7.00] that govern the maintenance, repair and removal of asbestos material by any owner of real property and that asbestos material is a common insulation material on heating pipes, boilers, and furnaces.

21. RADON GAS: BUYER acknowledges that while there are no Massachusetts or federal regulations that govern naturally occurring radon or radon daughters, the Environmental Protection Agency (EPA) has issued recommendations for screening or testing methods to determine if there is a potential for accumulation of high enough concentration to be a potential health hazard.

► **22. STORAGE TANKS:** BUYER acknowledges that the Massachusetts Board of Fire Prevention has issued regulations found in [527 CMR 9.00] that govern the maintenance, repair, and removal of storage tanks used to contain fuel. The SELLER hereby discloses that to the best of SELLER's knowledge, there are ☐ underground oil / ☐ underground propane / ☐ aboveground oil / ☐ aboveground propane / ☐ other as outlined in par 36 / ☐ no storage tank(s) within the boundaries of the Property. Further, the SELLER discloses that any underground tanks ☐ have / ☐ have not been used within the past six (6) months and/or any aboveground tanks ☐ have / ☐ have not been used within the past twenty-four (24) months exclusively for the storage of fuel for consumption of the Property and to the best of the SELLER'S knowledge there has been no release or leakage of oil from such tank(s).

23. CONDITION OF PROPERTY AT CLOSING: Upon delivery of the Deed, the Property and all appliances therein and utilities serving the same shall be in their present condition, reasonable use and wear of same excepted. The Property is to be left broom clean and all personal property and rubbish removed. With respect thereto, BUYER shall have the right to walk-through the Property within twenty-four hours prior to the closing and if the sale is completed subsequent to said walk-through or if the walk-through is waived by BUYER, the foregoing condition of the Property shall, as between the BUYER and SELLER and their representatives (if applicable), be conclusively presumed to be acceptable to BUYER regardless of condition.

24. NOMINEE: BUYER may require the conveyance to be made to another person, persons, or entity ("Nominee"), upon notification in writing delivered to SELLER at least five days prior to the Date of Closing. The appointment of a Nominee shall not relieve BUYER of any obligation hereunder. Any Note or mortgage or other document to be delivered from BUYER to SELLER shall be executed by or unconditionally guaranteed by BUYER, unless otherwise specified herein.

25. CLOSING: Simultaneously with the delivery of the deed, SELLER shall execute and deliver:

- a) Smoke & Carbon Monoxide Detector Certificate of Compliance;
- b) Wood, Gas, Coal or Pellet Stove and/or Outdoor Wood Burning Furnace permit(s), where applicable
- c) Affidavits and indemnities with respect to parties in possession and mechanic's liens to induce BUYER's title insurance company to issue lender's and owner's policies of title insurance without exception for those matters;
- d) A bill of sale for all personal property included as part of the sale, if requested by the BUYER.
- e) A Certificate of Occupancy for any structure that requires it, and in the case of new construction an assignment of any and all builder's, SELLERS, or manufacturer's warranties on the Property or on any appliances or other property included in the sale.
- f) FNMA Vendor's affidavit FNMA 1099;
- g) An affidavit, satisfying the requirements of Section 1445 of the Internal Revenue Code and regulation issued thereunder, which states, under penalty of perjury, the SELLER's United States taxpayer identification number, that the SELLER is not a foreign person, and the SELLER's address (the "1445 Affidavit");
- h) Internal Revenue Service Form W-8 or Form W-9, as applicable, with SELLER's tax identification number, and an affidavit furnishing the information required for the filing of Form 1099S with the Internal Revenue Service and stating SELLER is not subject to back-up withholding.

26. RISK OF LOSS-INSURANCE AND DAMAGE PRIOR TO CLOSING: Prior to the delivery of the Deed, the risk of loss shall be on the SELLER. SELLER shall continue to carry the fire and extended coverage insurance presently maintained on the buildings on the Property (or, upon the written request of the BUYER, and at the



BUYER's expense, in such greater amount as BUYER may reasonably request). If the Property is damaged by fire or other casualty prior to the Closing Date, and SELLER has not restored the Property to their former condition, the BUYER has the option to take an assignment of SELLER'S insurance proceeds or terminate this Agreement. If BUYER elects to purchase, SELLER shall assign all insurance proceeds to BUYER and the Purchase Price shall be reduced by:

- a) the net amount of any insurance proceeds which a mortgagee has applied to the mortgage debt, less any amount reasonable expended by SELLER for partial renovation.
- b) the amount of any insurance proceeds received by SELLER; and
- c) any deductible amount under SELLER's insurance policy. SELLER will credit BUYER the amount of deductible toward purchase price.

27. ACCEPTANCE OF DEED: Acceptance of the deed by BUYER shall be a full performance and shall discharge every agreement and obligation herein except any agreements which by their terms are to be performed after the Closing. THE BUYER FURTHER ACKNOWLEDGES THAT THE BUYER IS PURCHASING THE PROPERTY 'AS IS' and BUYER has not relied upon any statements or representations, oral or written, regarding the condition or value, present or future, of the Property made either by the SELLER or the SELLER'S Agents, which are not otherwise contained in this Agreement and that the SELLER'S Agents are acting exclusively upon behalf of the SELLER. All oral or written representations between the parties are merged herein. BUYER further acknowledges it is the BUYER'S responsibility prior to closing to obtain any and all governmental permits for any intended use of the Property including, but not limited to, health or environmental department, planning or zoning board approvals. SELLER and SELLER'S representative(s) make no representations as to the adequacy of the Property being conveyed for BUYER'S intended purposes, disclosed or undisclosed.

28. MERGER: The parties agree that this Agreement contains all of the terms and conditions of this transaction. It is mutually agreed that any oral or prior written representation made by either party prior to the execution of this Agreement is null and void. This Agreement shall be construed as a legal contract under seal and is binding upon the parties, and their respective heirs, successors, and assigns.

29. SURVIVAL: Notwithstanding any presumptions to the contrary, all covenants, conditions, and representations contained in this Agreement, which by their nature, implicitly or explicitly, involve performance in any particular manner after the Closing and delivery of the deed, or which cannot be ascertained to have been fully performed until after the Closing and delivery of the deed, shall survive the Closing.

30. TERMINATION: In the event the BUYER terminates this Contract in accordance with the provisions herein relating to "Mortgage / Insurance Contingency," "Risk of Loss Insurance," "Inspection Contingency," "Septic System Inspection", default by SELLER, or the failure of any contingency shown under special conditions, the Escrow Agent shall forthwith refund such deposit money together with accrued interest thereon (if applicable) to the BUYER.

► **31. BUYER'S DEFAULT:** If the BUYER defaults, BUYER shall be liable to the SELLER in the amount of _____ of the purchase price, as liquidated damages, which shall be SELLER's exclusive remedy in law or in equity. The deposits shall be applied to the payment of said liquidated damages.

32. RELEASE OF DEPOSITS: The deposits (which term shall include all interest earned, if any) made hereunder shall be held in escrow, subject to the terms of this Agreement and shall be duly accounted for at the time for performance of this Agreement. The deposits may not be released from escrow without the assent of both BUYER and SELLER. The recording of the deed to the Property shall constitute such assent. In the event of any disagreement, the Escrow Agent shall retain the deposits pending written instructions by both the SELLER and BUYER, or by a court of competent jurisdiction. So long as Escrow Agent served in good faith, BUYER and SELLER each agrees to hold harmless Escrow Agent from damages, losses, or expenses, arising out of this Agreement or any action or failure to act, including reasonable attorney's fees, related thereto. BUYER and SELLER acknowledge that the Escrow Agent may be counsel or fiduciary to one of the parties and agree that Escrow Agent may continue to act as such counsel or fiduciary notwithstanding any dispute or litigation arising with respect to the deposits or Escrow Agent's duties.

33. AGREEMENT TO MEDIATE DISPUTE OR CLAIMS: Any dispute or claim arising out of or relating to this Agreement, the breach of this Agreement, or the brokerage services provided in relation to this Agreement shall be submitted to mediation in accordance with the Rules and Procedures of the Homesellers / Homebuyers



Dispute Resolution System ("DRS"). Disputes and claims shall specifically include, without limitation, representations made by the SELLER, the BUYER, or the Broker(s) in connection with the sale, purchase, finance, condition, or other aspect of the Property to which this Agreement pertains, including without limitation, allegations of concealment, misrepresentation, negligence and / or fraud. The mediation conference shall be held within 30 days from the date on which the mediator receives notice of the dispute. If the parties reach a settlement, they shall both sign a settlement agreement. If the parties cannot reach a mutually agreeable settlement, they may arbitrate or litigate the dispute without regard to the mediation procedure. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the right to mediate under this paragraph, nor shall such filing constitute a breach of the duty to mediate. The provisions of this paragraph shall survive the closing.

34. GOVERNING LAW: This Agreement is to be governed by the laws of the Commonwealth of Massachusetts.

35. DISCLOSURES: BUYER and SELLER acknowledge that they have been provided with a completed copy of the 'Mandatory Licensee-Consumer Relationship' form, as mandated by the Massachusetts Board of Registration of Real Estate Brokers and Salespersons. BUYER acknowledges receipt of lead paint disclosure form (for residences built before 1978) and a Home Inspectors Facts for Consumers brochure, prepared by the Office of Consumer Affairs. The BUYER acknowledges that there are no warranties or representations on which BUYER relies in making this Offer, except those previously made in writing.

► **36. SPECIAL CONDITIONS / ADDENDA:** ☐ See attached addendum(s), incorporated here by reference.

► **37. TERMINATION OF OFFER:** This offer is subject to SELLER(s) execution and delivery of this agreement to BUYER by (time) _____ ☐ a.m. / ☒ p.m. and (date) _____, after which time this offer is void and terminated, and deposit paid by BUYER shall be returned.

38. TIME: Time is of the essence of all provisions of this agreement, unless otherwise specified elsewhere in this agreement. Any reference to "days" shall mean calendar days and is not intended to mean only business days.

39. COUNTERPARTS: This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission, e-mail delivery of a ".pdf" format data file, or through a secure electronic signature service, such signatures shall create a valid and binding obligation of the party(s) executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic signature page were an original thereof.

40. THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK LEGAL COUNSEL: Executed under seal by the Parties hereto as of the latter of all dates set forth below, and incorporating all provisions on pages 1 through 6, together with referenced additions, if any.

► _____
SELLER: DATE BUYER: DATE

SELLER: DATE BUYER: DATE

SELLER's Attorney's Name BUYER's Attorney's Name



STANDARD BERKSHIRE COUNTY MULTIPLE LISTING SERVICE PURCHASE AND SALE AGREEMENT ADDENDUM

► **1. PARTIES:** **SELLER(S)** **BUYER(S)**

Name(s) _____

Address _____

► **2. EXTENSION OF PURCHASE AND SALE AGREEMENT PERFORMANCE DATES:** The SELLER(S) and BUYER(S) who are parties to a Standard Berkshire County Multiple Listing Service Purchase and Sale Agreement ("AGREEMENT"), dated _____ for _____ ("PROPERTY"), hereby agree to extend the following contractual performance dates pursuant to the Agreement:

- ☐ Termination of Offer acceptance shall be extended to:
- ☐ Additional deposit to be paid by the BUYER to the SELLER shall be extended to:
- ☐ Closing date shall be extended to:
- ☐ Mortgage Application Date shall be extended to:
- ☐ Insurance Application Date shall be extended to:
- ☐ Mortgage Contingency Date shall be extended to:
- ☐ Insurance Contingency Date shall be extended to
- ☐ Inspection Contingency Date shall be extended to
- ☐ Septic System Inspection Date shall be extended to

In all other respects, the terms of the Purchase and Sale Agreement remain unchanged.

3. TIME: Time is of the essence of all provisions of this agreement.

4. THIS IS A LEGALLY BINDING ADDENDUM TO THE EXECUTED PURCHASE AND SALE AGREEMENT
REFERENCED HEREIN. IF NOT UNDERSTOOD, SEEK LEGAL COUNSEL: Executed under seal by the Parties

hereto as of the latter of all dates set forth below, and incorporating all provisions together with referenced additions, if any.

SELLER: _____ **DATE** _____

BUYER: _____ DATE _____

SELLER: _____ **DATE** _____

BUYER: _____ **DATE** _____

STANDARD BERKSHIRE COUNTY MULTIPLE LISTING SERVICE
AGREEMENT FOR SALE OF PERSONAL PROPERTY

► **1. PARTIES:** **SELLER(S)** **BUYER(S)**

Name(s)	<hr/>	<hr/>
	<hr/>	<hr/>
Address	<hr/>	<hr/>
	<hr/>	<hr/>

► **2. TERMS:**

BUYER and SELLER have entered a Purchase and Sale agreement for the property located at _____ . At the closing of the above property, SELLER will sell to BUYER, the property listed below for the amount of \$ _____ .

► **3. DELIVERY:**

Title to goods shall be transferred at closing. Goods shall be left in the property after SELLER transfers deed to BUYER.

► **4. ACCEPTANCE:**

The BUYER(s) signature below signifies he/she takes all goods as is. SELLER(s) hereby disclaim(s) the implied warranty of merchantability and all other implied warranties which may apply to the extent that such disclaims are permitted in the state having jurisdiction over this bill of sale.

The SELLER(s) signature below signifies that he/she is the lawful owner of the goods listed above, and the SELLER has the right to sell the goods as he/she chooses. After execution, including exchange of payment when applicable, the BUYER renders full rights and ownership of the goods listed above.

► _____		_____	
SELLER:	DATE	BUYER:	DATE

_____		_____	
SELLER:	DATE	BUYER:	DATE