



## Truth in Lending Disclosures and APR Calculations

### Finance Charge

Regulation Z- Section 226.4  
(loans secured by real property)

The finance charge is the cost of consumer credit as a dollar amount. It includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the credit.

The final Truth In Lending (or comparable Addendum to Note for open-ended transactions) must accurately reflect all fees as listed on final HUD-1 Settlement Statement issued by the settlement agent, including any changes made to the HUD-1 at closing. Flagstar will hold you liable for any claims or damages assessed against Flagstar for inaccurate disclosure of the final TIL (or comparable Addendum to Note for open-ended transactions), including but not limited to restitution that must be paid to the borrower(s) to cure the final TIL.

If a broker/correspondent uses Flagstar's Web Based Closing Documents (WBCD) it is still their responsibility to insure all fees are included and properly represented on the Truth-In-Lending Disclosure or Addendum to Note and the HUD-1 Settlement Statement. If a broker/correspondent prepares their own closing documents not only are they responsible for insuring that all fees are properly disclosed on the Truth-In-Lending Disclosure and HUD-1 Settlement Statement, but also, that all calculations are correct.

Regulation Z provides that a creditor will have no liability for failure to make accurate disclosures if, within 60 days after discovering an error, the creditor notifies the Borrower and makes whatever necessary adjustments to correct the error. In order to rely on this provision, if any amount is under disclosed on the final Truth-In-Lending Disclosure or Addendum to Note, Flagstar Bank will make restitution to the borrower for the under-disclosed amount. Please note that Broker/Correspondents are responsible to reimburse restitution even where the loan may have passed Flagstar's pre-funding authorization and is later found to require restitution.

**\*\*NOTE: THIS INFORMATION IS BASED ON FLAGSTAR BANK'S INTERPRETATION OF THE LAW AND REGULATIONS, AND IS INTENDED FOR THE READERS INFORMATION ONLY AND DOES NOT CONSTITUTE LEGAL ADVICE. IF YOU HAVE ANY QUESTIONS ABOUT THE SUBJECT MATTER COVERED, YOU SHOULD CONSULT YOUR OWN LEGAL COUNSEL.**

### **Examples of Fees NOT Included from Prepaid Finance Charges:**

• Abstract	• Lien Cert Fee
• Accounting Fee	• Loan/Liability Payoff
• Additional Appraisal Fee	• Mortgage Cancellation Fee
• Additional Credit Fee	• Owner Coverage
• Additional Doc Fee	• Pest Inspection
• Appraisal	• POA Fee Prepaid Escrow/Impounds (Except MI premiums)
• Appraisal Review	• Principle Rate Reduction Fee
• Appraisal Waiver Fee	• Real Estate Fees
• Automated Valuation Model (AVM)	• Property Taxes/Annual Assessments
• Chain of Title Fee	• Recertification Fee
• Broker Price Opinion	• Reconveyance Fee
• City/County/State/Revenue/Intangible/Stamp Taxes	• Record Subordination Fee
• Construction Property Inspection Fee	• Recording Fee
• Credit Report	• Redraw Closing Doc Fee
• Draw Fee	• Release Fee
• Document Preparation	• Survey Review
• Final Inspection Fee	• Title Binder
• Flood Insurance	• Title Commitment
• GA Residential Loan Fee	• Title Endorsements
• Hazard Insurance	• Title Examination
• Homeowners Association Dues	• Title Insurance
• Lender Coverage	• Title Search



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### **The Prepaid Finance Charges INCLUDES but not limited to the following types of charges:**

• Administration/Administrative/Admin Fee	• Loan Tie In Fee
• Advance Wire Fee	• Lock Extension Fee
• After Hours Fee	• Lock In Fee
• Agency Fee (FNMA, FHLMC, GNMA)	• MCC Certificate
• Amortization Schedule Fee	• MERS Fee
• Application Fee	• Mortgage Insurance Application Fee
• Assumption Fee	• Mortgage Insurance Premium
• Attorney's Fee*	• MSHDA Processing Fee
• Automated Underwriting Fee (DU, LP, AUS)	• New York Consolidation, Extension and Modification Fee (CEM)
• Bi-Weekly Fee	• Notary/Notary Service Fee
• Broker Fee	• Overnight Fee
• Closing Coordination Fee	• Pickup Fee
• Buy Down Fee	• Post Closing/Review Fee
• Check Fee	• Processing Fee
• Closing Protection Letter	• Product Adjustment Fee
• Commitment Fee (Not Title Commitment Fee)	• Rate Lock Fee
• Condo/PUD HOA Approval Fee	• Reconveyance Tracking Fee
• Condo/PUD HOA Questionnaire	• Recording of Assignment Fee
• Construction Admin Fee	• Recording/Processing Service Fee
• Consulting Fee	• Release Tracking Fee
• Copy Fee	• Review Fee
• Courier Fee	• Rundown Fee
• Disbursement/Transaction Fee	• Rush Fee
• Discharge Tracking Fee	• Rush Recording Fee
• Document Download/Printing Fee	• Same Day Wire Fee
• E & O Insurance	• Service Fee
• E & O Policy Fee	• Set Up Fee
• Edoc/Email Fee	• Settlement/Closing Fee
• Electronic/Digital Doc Storage Fee	• Sign Up Fee
• Escrow Holdback Fee	• Signing Service Fee
• Escrow Waiver Fee	• Sub Escrow Fee
• Escrow/Escrow Service Fee	• Subordination Fee
• Fax Fee	• Surefee
• FHA Mortgage Insurance Premium/UFMIP	• Survey Review Fee*
• File/Doc Storage/Warehouse Fee	• Tax Service Fee
• Finders Fee	• Title Cancellation Fee
• Flood Certification/Determination	• Transfer Fee
• Funding Discrepancy Fee	• Transmittal Fee
• Funding Fee	• Underwriting Fee
• GRH Guarantee Fee (Guaranteed Rural Housing)	• VA Funding Fee (Veteran's Administration Guarantee Fee)
• Handling Fee	• VA Representation Fee
• Interest, Interim interest	• VOD Verification of Deposit Fee
• Investor Delivery Fee	• VOE Verification of Employment Fee
• Jumbo Pool Fee	• Wire Fee
• Loan Origination Fee	• Workshare Fee

\* Attorney Fees for conducting the closing or settlement. This includes states where lender requires the attorney to conduct or attend the closing, including but not limited to CT, DE, FL, GA, MA, MD, ME, NC, NH, NY, RI, SC, VA, VT or WV. Attorney Fees for document review should also be included. Attorney Fees for document preparation may be excludable.

\* Survey Review Fee is a finance charge if applied to a loan in addition to a Survey Fee.