

Disclosing Seller-Paid Owner's Policy Premium on the HUD-1

For purchase transactions typically the owner's policy and endorsement premium should be shown as an "in column" charge to the Buyer/Borrower, even if it is not listed on the Lender's GFE. If the Seller is paying for the owner's policy and endorsement premium, follow these guidelines to show this as a credit/debit on the front of the HUD-1.

NOTE: If the Seller is paying for multiple Buyer/Borrower charges, but the owner's policy and endorsement premium need to be shown as a separate credit from the total of the other Seller-paid items, then show this credit anywhere in the 204-209/504-509 sections of the HUD-1. (See the example below.)

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Separate Seller credit for owner's title policy with endorsement premium and Buyer/Borrower closing costs.

200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	150,000.00	502. Settlement charges to seller (line 1400)	300.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208. Seller's Credit to Buyer for Closing Costs	1,500.00	508. Seller's Credit to Buyer for Closing Costs	1,500.00
209. Seller credit for owner's policy	1,268.00	509. Seller credit for owner's policy	1,268.00
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/Town taxes 01/01/14 to 06/28/14	390.14	510. City/Town taxes 01/01/14 to 06/28/14	390.14
211. County taxes 01/01/14 to 06/28/14	731.51	511. County taxes 01/01/14 to 06/28/14	731.51
212. Assessments		512. Assessments	
213.		513.	

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On **Line 1103**, the owner's title insurance and endorsement premium is charged "in column" to the Buyer/Borrower.

1100. Title Charges			
1101. Title services and lender's title insurance	(from GFE #4)	See additional 1101 items	400.00
1102. Settlement or closing fee to Chicago Title and Trust Company			
1103. Owner's title insurance	(from GFE #5)		1,268.00
1104. Lender's title insurance			
1105. Lender's title policy limit	\$150,000.00		
1106. Owner's title policy limit	\$200,000.00		

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If the Lender does not show the owner's policy and endorsement premium on the GFE, show it as a Category 3 item with the Good Faith Estimate amount of \$0.00.

Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001	2,033.36	2,033.36
Daily interest charges	# 901 \$68.78000/day	206.34	206.34
Homeowner's insurance	# 903	1,500.00	1,500.00
Owner's title insurance	# 1103	0.00	1,268.00

If you have any questions concerning this, please contact Escrow Administration at Settlement@FNF.com.