Entering Lender Paid Premiums on the CDF

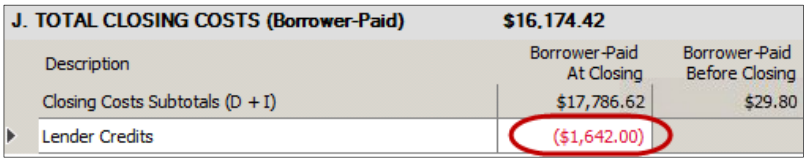
When the Lender is preparing the Closing Disclosure Form (CDF) and providing it to the Borrower, use the following steps to complete your Seller CDF and Settlement Statement.

NOTE: **Settlement is referencing this portion of the CFPB Regulation - Comment on Paragraph 37(g)(6)(ii).**

〉 *1.* **Lender credits.** Section 1026.19(e)(1)(i) requires disclosure of lender credits as provided in § 1026.37(g)(6)(ii). Comment 19(e)(3)(i)-5 describes such lender credits as payments from the creditor to the consumer that do not pay for a particular fee on the disclosures provided under § 1026.37.

〉 *2.* **Credits or rebates from the creditor to offset a portion or all of the closing costs.** For loans where a portion or all of the closing costs are offset by a credit or rebate provided by the creditor (sometimes referred to as "no-cost" loans), whether all or a defined portion of the closing costs disclosed under § 1026.37(f) or (g) will be paid by a credit or rebate from the creditor, the creditor discloses such credit or rebate as a lender credit under § 1026.37(g)(6)(ii). The creditor should ensure that the lender credit disclosed under § 1026.37(g)(6)(ii) is sufficient to cover the estimated costs the creditor represented to the consumer as not being required to be paid by the consumer at consummation, regardless of whether such representations pertained to specific items. (**http://www.consumerfinance.gov/eregulations/1026-37/2013-28210#1026-37-g-6**)

1. Enter Title fees as normal, including the Seller credit to borrower on the **Title Insurance Premiums** screen
2. Navigate to **CDF Pg 2**, section **J – Total Closing Costs (Borrower-Paid)**
3. On the **Lender Credits** line, enter the total charges from the Lender's closing instructions for Lender Paid Title Fees



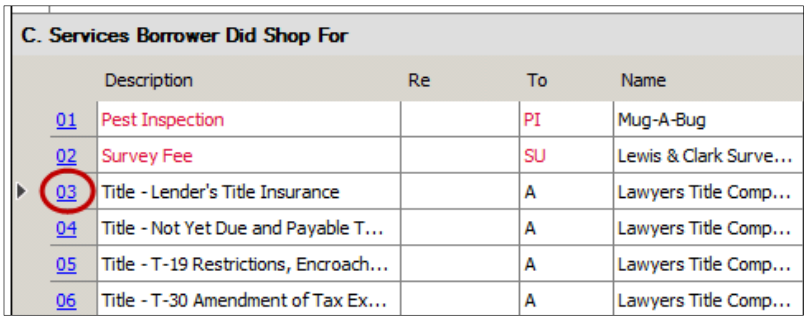
J. TOTAL CLOSING COSTS (Borrower-Paid)	$16,174.42	
Description	Borrower-Paid At Closing	Borrower-Paid Before Closing
Closing Costs Subtotals (D + I)	$17,786.62	$29.80
Lender Credits	($1,642.00)	

4. Print your Seller CDF and Buyer/Seller Settlement Statement(s) as normal

If the lender would like you to provide a CDF and does not accept it entered as above, use the following steps.

Entering Figures per Lender Instructions

1. Navigate to the **CDF Pg 2** screen, click the Line number link for the **Title – Lender's Title Insurance** entry



C. Services Borrower Did Shop For				
	Description	Re	To	Name
01	Pest Inspection		PI	Mug-A-Bug
02	Survey Fee		SU	Lewis & Clark Surve...
03	Title - Lender's Title Insurance		A	Lawyers Title Comp...
04	Title - Not Yet Due and Payable T...		A	Lawyers Title Comp...
05	Title - T-19 Restrictions, Encroach...		A	Lawyers Title Comp...
06	Title - T-30 Amendment of Tax Ex...		A	Lawyers Title Comp...

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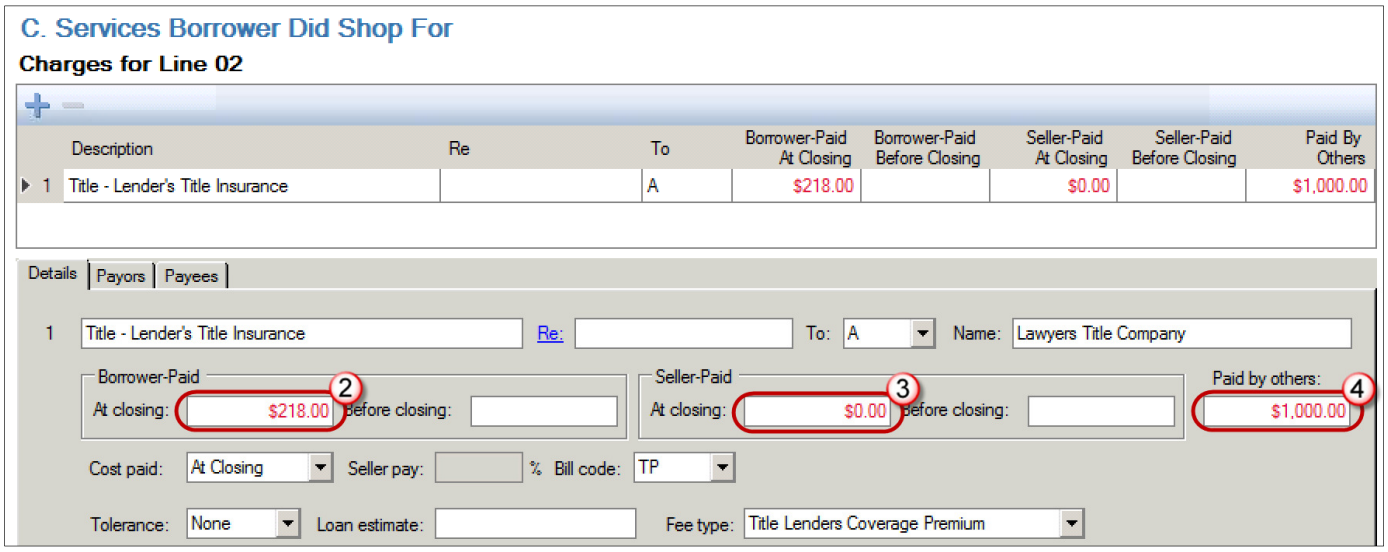
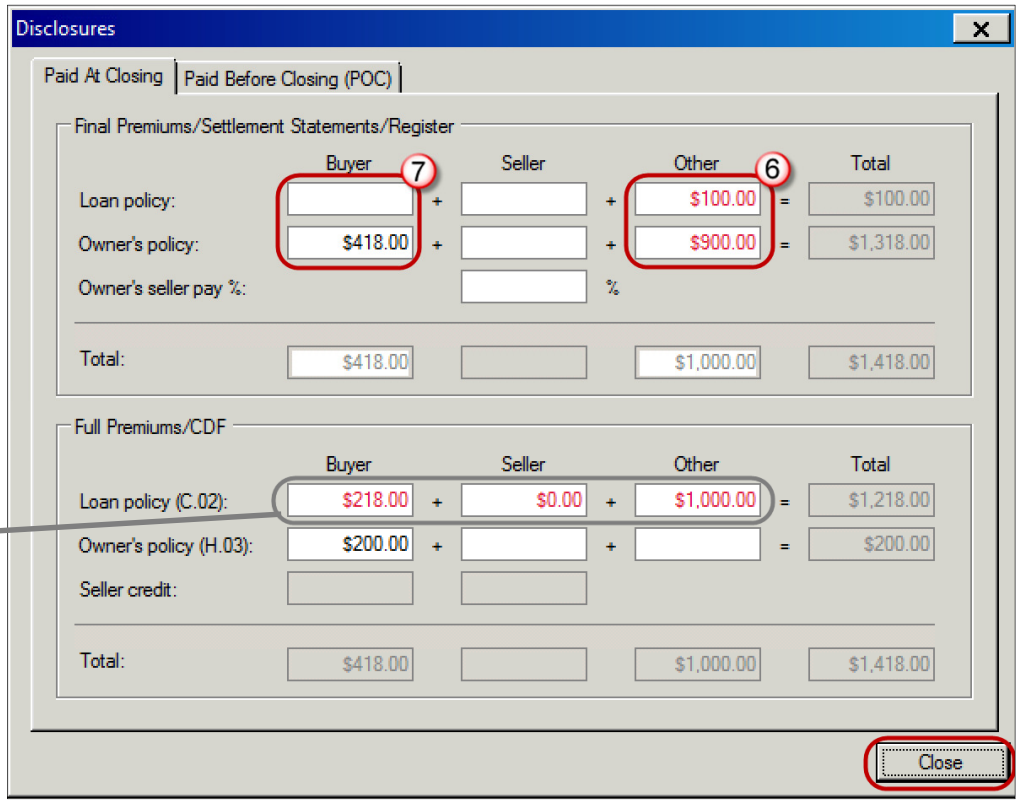
2. In the **Borrwer Paid At Closing** column, manually overwrite the amount paid by the Borrower with the balance due, if any
3. In the **Seller-Paid At Closing** field, overwrite the amount with *0*
4. In the **Paid By Others** field, enter the amount paid by the Lender



5. Click the **Title Insurance Premiums** link (at the bottom of the window)

Make the necessary adjustments to correct the errors. In the **Final Premiums/Settlement Statements/Register** section,

6. Enter the amount to be paid by the Lender in the,
   a) **Loan policy: Other** field
   b) **Owner's policy: Other** field
7. Verify the amounts displayed in the **Buyer** fields are adjusted; if not, manually adjust
8. The entries in the **Full Premiums/CDF** section are populated with the information entered on the **Details** tab (**Step 4** above).
9. Click the **Close** button



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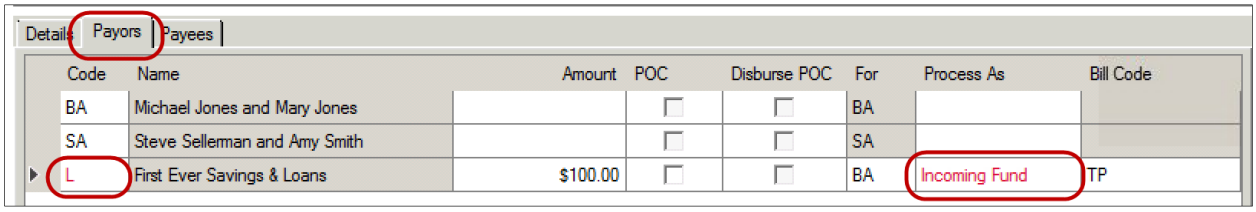
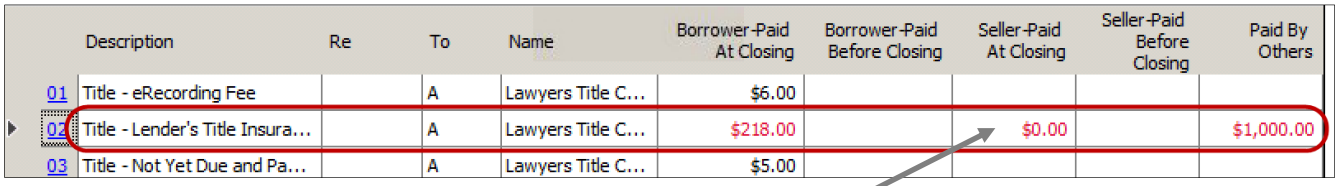
10. Click the **Payors** tab
11. From the **Code** drop-down, select the **L**-Contact for the line with the dollar amount
12. From the **Process As** drop-down, select **Incoming Fund**



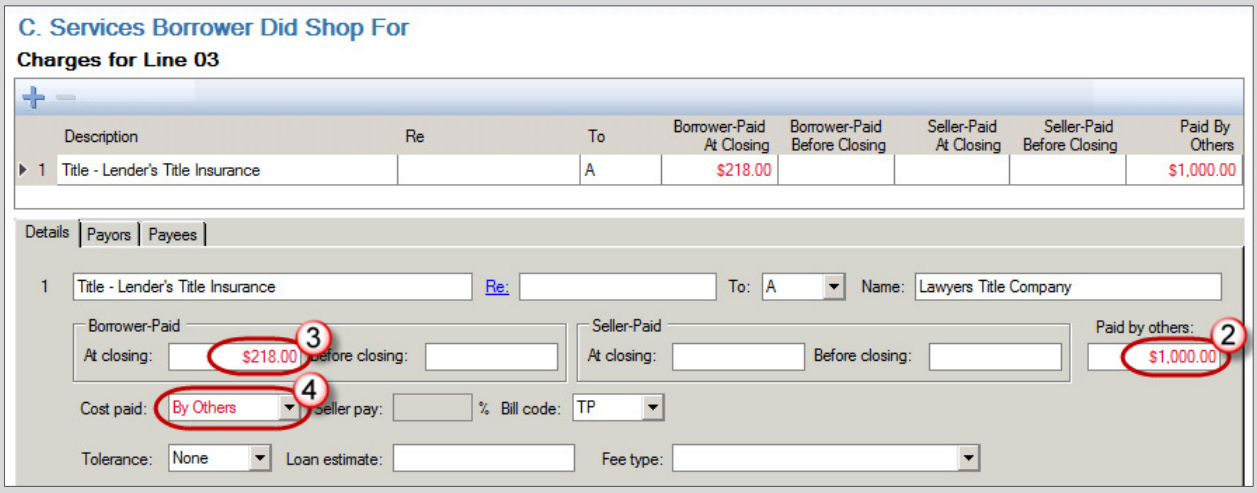
13. Click the **Close** button

The CDF displays the amounts in the appropriate columns.



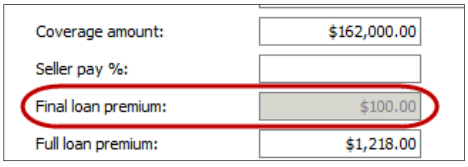
NOTE: If you do not wish to have the CDF display a $0.00 entry in the **Seller-Paid At Closing** field,

1. In the **Borrwer Paid At Closing** column, manually overwrite the amount paid by the Borrower with the balance due, if any
2. In the **Paid by others** field, enter the amount to be paid by the Lender
3. From the **Cost paid** drop-down, select **By Others**



4. Continue with **Steps 5-13** above

14. Navigate to the **Title Insurance Premiums** screen and note the **Final loan premium** amount



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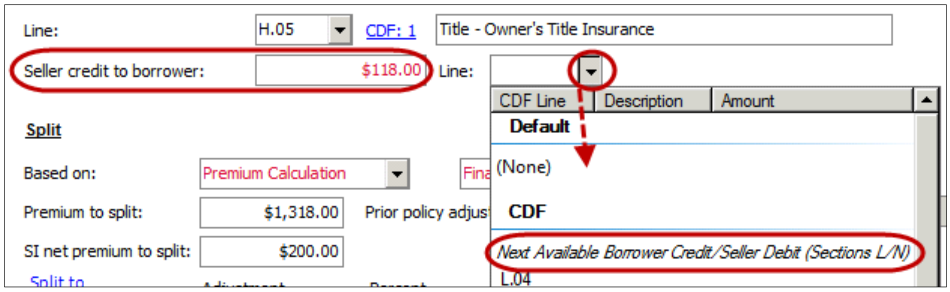
Entering Lender Paid Premiums on the CDF

If the Buyer is paying

- less than the **Final loan premium** amount, no Seller credit needed. Skip to **Calculating the Seller Adjustment for Owner's Policy**
- more than the **Final loan premium** amount, continue to **Calculating the Offset Credit to Buyer from Seller**

Calculating the Offset Credit to Buyer from Seller

1. Navigate to the **Title Insurance Premiums** screen
2. Click the **Owner's Policy Premium and Split** more/less bar
3. In the **Seller credit to borrower** field, enter the difference between what the borrower paid and the final loan premium (in our example, the **Final Loan premium** equals $100; the Buyer paid $218 (line C.03) with a Seller credit of $118)
4. From the **Line** drop-down, select the **Next Available Borrower Credit/Seller Debit** line



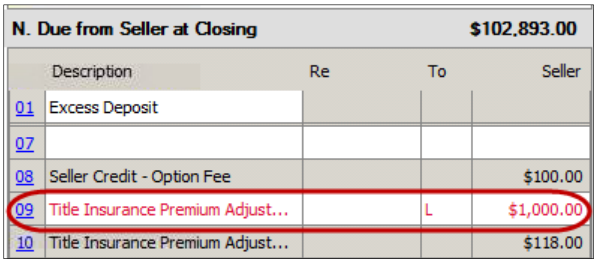
Calculating the Seller Adjustment for Owners Policy

1. While on the **Title Insurance Premiums** screen, scroll up to and make note of, the **Final owner's premium** amount
2. Determine the difference to be charged to the Seller

Final owner's premium	= $1,318.00
Less the,	
SI net owner's premium	= $ 200.00
Seller Credit to borrower	= $ 118.00
Charge to Seller	= $1,000.00

NOTE: **Seller Credit to borrower** may be zero if no credit is given.

3. Navigate to **CDF Page 3**, section **N. Due from Seller at Closing**
4. On the next available blank line, in the Description field, enter *Title Insurance Premium Adjustment*
5. Enter the calculated charge to Seller (in our example, $1,000)
6. From the **To** code drop-down, select the **L**-Contact



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Printing the CDF

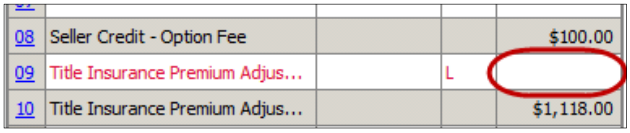
Once the CDF is approved by the Lender,

1. From the **Documents** tab, select the appropriate Seller CDF
2. Print and publish

Printing the Settlement Statements

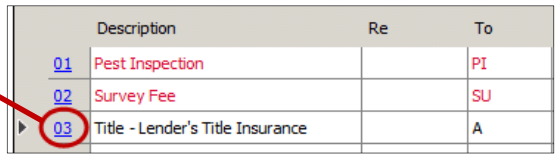
Before printing the Settlement Statement, you must adjust the CDF to reflect a regular CDF with **no** Lender-paid premiums.

1. Navigate to **CDF Page 3**, section **N**
2. On the **Title Insurance Premium Adjustment** line paid to the Lender, clear the amount by pressing the **F2** key



08	Seller Credit - Option Fee		$100.00
09	Title Insurance Premium Adjus...	L	
10	Title Insurance Premium Adjus...		$1,118.00

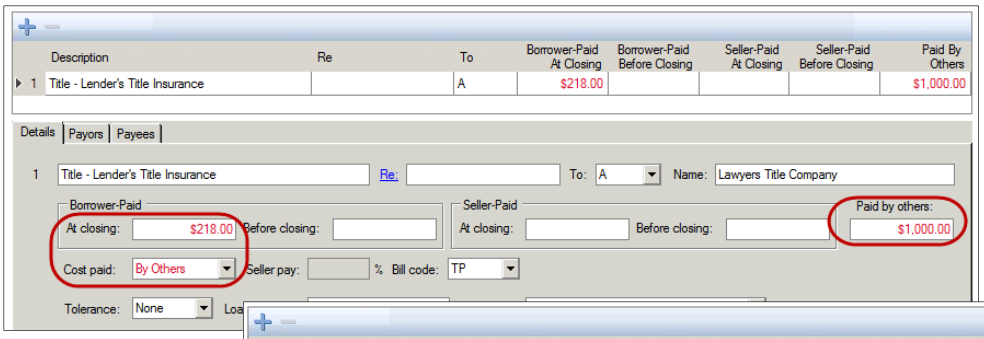
3. Navigate to the **CDF Pg 2** screen, click the Line number link for the **Title – Lender's Title Insurance** entry



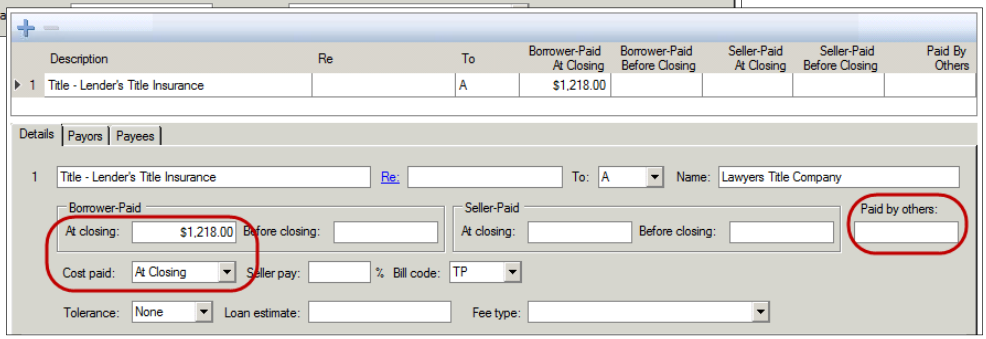
	Description	Re	To
01	Pest Inspection		PI
02	Survey Fee		SU
03	Title - Lender's Title Insurance		A

4. Click in each manually-entered (red text) field and press the **F2** key so the entry shows a **Borrower-Paid At Closing** amount in system-generated black text

Before



After



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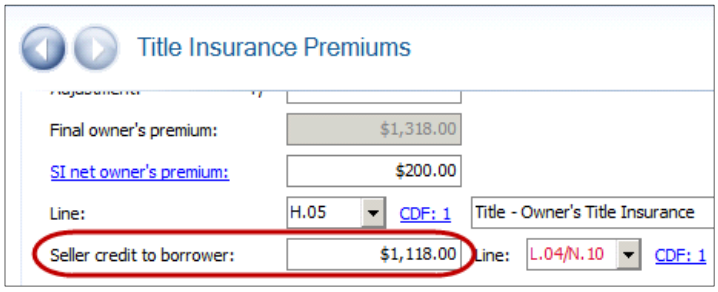
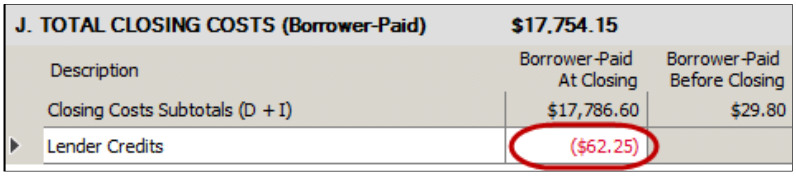
Entering Lender Paid Premiums on the CDF

5. Navigate to the **Title Insurance Premiums** screen
6. Click the **Owner's Policy Premium and Split** more/less bar
7. Click in the **Seller credit to borrower** field, press the **F2** key so the system-calculated amount shows in black text
8. Verify the **Line** field displays a CDF Line, if not select



If the buyer was paying less than the **Final loan premium** amount, continue to the next step. Otherwise, skip to **Step 11**.

9. Navigate to **CDF Page 3**, section **J**
10. In the **Lender Credits** field, enter the title premium credit the Lender is paying



11. You are now ready to print your Settlement Statement(s)

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