

## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

Follow these steps to use the HUD-1 screens to calculate HOA, tax, rent, and other prorations.


<b>HOA Prorations (HOA Charges &amp; Prorations Screen)</b>	<b>1</b>
Debit Buyer/Credit Seller	1
Debit Seller/Credit Buyer	2
Additional HOA Prorations	2
HOA Charges	3
<b>Tax Prorations (City/Town or County Taxes Screen)</b>	<b>3</b>
<b>Other Prorations (Additional Taxes screen)</b>	<b>4</b>
<b>Rent Prorations (Buyer/Borrower Debits 100/Credits 200 Screen &amp; Rent Schedule Screen)</b>	<b>5</b>
Show Each Proration on HUD-1	5
Do Not Show Multiple on HUD-1	6
Rent Agreement/Schedule	6
Seller Rent Back After Close of Escrow	7
Buyer Crediting Seller for Delay in Close of Escrow	8

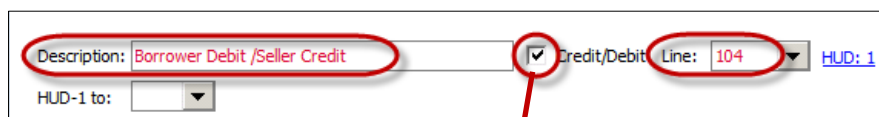
### NOTES:

- › When a bill has not come due at the time of closing, you must prorate using a previous billing cycle statement to get the credit/debit amount. For details, please refer to the job aid: ***Prorations - Using Previous Billing Cycle on a HUD-1 Order - Escrow.***
- › Charges entered on the **HOA Charges & Prorations** screen flow to the selected HUD line(s); however, charges entered directly onto HUD lines **Do Not** flow back to this screen.

### HOA Prorations (HOA Charges & Prorations Screen)

#### Debit Buyer/Credit Seller

- Navigate to the **HOA Charges & Prorations** screen  
If your Operation has default lines available, always use those first. If not, add a proration line.
- Highlight the appropriate "Credit Seller" line (or click the **Add HOA Charge Entry**  icon)
- Enter/verify the **Description**
- Verify the **Credit/Debit** check box is selected
- In the **Line** drop-down, select the next available 100 Borrower Debit/ 400 Seller Credit line

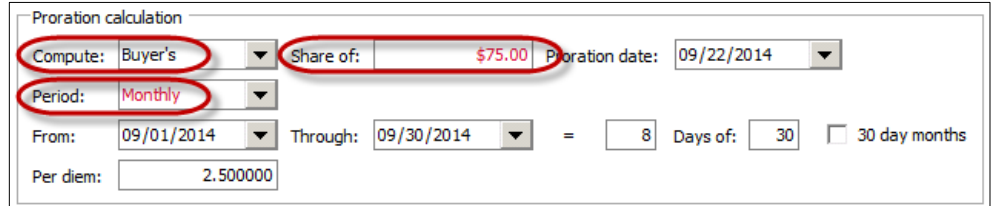


The screenshot shows a HUD-1 line entry form. The 'Description' field contains 'Borrower Debit/Seller Credit'. The 'Credit/Debit' checkbox is checked. The 'Line' dropdown is set to '104'. The 'HUD: 1' dropdown is also visible. A red circle highlights the 'Credit/Debit' checkbox, and a red arrow points to it from the text below.

If the line is already in use,  
you are **Not** alerted.

## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

- In the **Compute** drop-down, select **Buyer's** (the party being debited)
- In the **Share of** field, enter the full amount to be prorated
- In the **Period** drop-down or **From/Through** date fields, select the appropriate time period/date range for the proration
- If applicable, select the **30 day months** check box



Proration calculation


Compute: **Buyer's** Share of: **\$75.00** Proration date: 09/22/2014

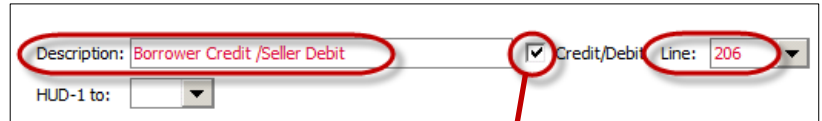
Period: **Monthly**

From: 09/01/2014 Through: 09/30/2014 = 8 Days of: 30 ☐ 30 day months

Per diem: 2.500000

### Debit Seller/Credit Buyer

- Navigate to the **HOA Charges & Prorations** screen  
If your Operation has default lines available, always use those first. If not, add a proration line.
- Highlight the appropriate "Credit Seller" line (or click the **Add HOA Charge Entry**  icon)
- Enter/verify the **Description**
- Verify the **Credit/Debit** check box is selected
- In the **Line** drop-down, select the next available 200 Borrower Credit/500 Seller Debit line

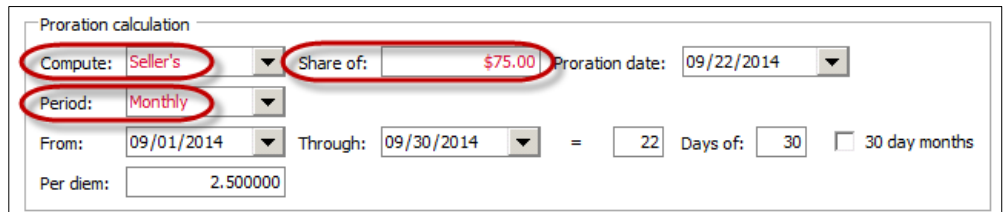


Description: **Borrower Credit /Seller Debit** ☒ Credit/Debit Line: **206**

HUD-1 to:

If the line is already in use,  
you are **Not** alerted.

- In the **Compute** drop-down, select **Seller's** (the party being debited)
- In the **Share of** field, enter the full amount to be prorated
- In the **Period** drop-down or **From/Through** date fields, select the appropriate time period/date range for the proration
- If applicable, select the **30 day months** check box



Proration calculation


Compute: **Seller's** Share of: **\$75.00** Proration date: 09/22/2014

Period: **Monthly**

From: 09/01/2014 Through: 09/30/2014 = 22 Days of: 30 ☐ 30 day months

Per diem: 2.500000


### Additional HOA Prorations

For additional HOA prorations, follow the previous steps, clicking the **Add HOA Charge Entry**  icon, to add prorations lines as you go.

## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

### HOA Charges

NOTE: depending on your Operation's process, you may enter these charges directly on the **Additional Charges (1300)** screen.

1. Navigate to the **HOA Charges & Prorations** screen  
If your Operation has default lines available, always use those first. If not, add a proration line.
2. Highlight the appropriate "HOA Fee" line (or click the **Add HOA Charge Entry**  icon)
3. Enter/verify the **Description**
4. Uncheck the **Credit/Debit** check box
5. In the **Line** drop-down, select the **Next available Additional Charge (1300 section)** line to disclose the charge
6. Enter the amount
7. Select the **HUD-1 to Contact**

HUD-1 Line	Description	Amount
<b>HUD</b>		
	Next Available Borrower Debit (100 Section)	
	Next Available Borrower Credit (200 Section)	
	Next Available Seller Credit (400 Section)	
	Next Available Seller Debit (500 Section)	
	Next Available Additional Charge (1300 Section)	
104	Borrower Debit /Se...	\$20.00
105		

Description: <b>HOA Dues</b>	<input type="checkbox"/> Credit/Debit	Line: <b>1302</b>	HUD: <b>1</b>	<input type="checkbox"/> Disclosure	Borrower	Seller
HUD-1 to: <b>HOA</b>	<a href="#">Happy Homeowners</a>					<b>\$75.00</b>

### Tax Prorations (City/Town or County Taxes Screen)

Tax prorations are entered on the **City/Town Taxes** or **County Taxes** screen, while tax payments are entered on the **Additional Charges (1300)** screen.

1. Navigate to the appropriate tax screen
2. In the **Tax payment status** drop-down, select either **Unpaid-Credit Buyer** or **Paid-Credit Seller**
3. In the **Current tax period from**, enter the starting period month/day
4. In the **Through** field, enter the ending period month/day

NOTE: In some Operations, a template may default these dates for you.

5. In the **Real property tax** field, enter the total tax amount for the current period
6. Verify the results at the bottom of the screen

<b>Tax Status &amp; Dates</b>	
County taxes or other purpose:	County taxes
Tax payment status:	<b>Unpaid - Credit Buyer</b>
County taxes lookup code:	
Current tax period from:	<b>01/0</b> Through: <b>12/3</b>
Current tax period proration date:	09/22/2014
Seller's portion is:	days of <input type="checkbox"/>
Show tax figures on HUD-1:	211/51: HUD: <b>1</b> <input type="checkbox"/> Show tax figu
<b>Tax Amounts</b>	
Tax computation method:	None
Rates & Values...	
Real property tax:	<b>\$1,234.56</b> Additional: <input type="checkbox"/>
Seller's non-prorated personal tax:	Additional: <input type="checkbox"/>

## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations


These amounts show on the HUD-1, Page 1 in the debits and credits section.

HUD-1 Figures			
(211) Buyer credit:	\$896.32	Buyer tax period:	01/01/2014 To: 09/23/2014
(511) Seller debit:	\$896.32	Seller tax period:	01/01/2014 To: 09/23/2014

### Other Prorations (Additional Taxes screen)

Other prorations (i.e., water, sewer, etc.) are entered on the **Additional Taxes** (or **Assessment**) screen.

NOTE: If the proration should **not** be reported in **Buyer's part of real estate tax** of the 1099-S form, enter manually on the HUD-1 Page 1 in the debits and credits section.

1. Navigate to the **Additional Taxes** screen
2. Click the **Add Tax**  icon
3. In the **Additional taxes or other purpose** field, enter a description
4. In the **Tax payment status** drop-down, select either **Unpaid-Credit Buyer** or **Paid-Credit Seller**
5. In the **Current tax period from**, enter the starting period month/day
6. In the **Through** field, enter the ending period month/day
7. In the **Show tax figures on HUD-1** drop-down, select the appropriate line
8. In the **Real property tax** field, enter the total tax amount for the current period
9. Verify the results at the bottom of the screen

Tax Status & Dates			
Additional taxes or other purpose:	H2O Water Company		3
Tax payment status:	Unpaid - Credit Buyer		4
Additional taxes lookup code:			
Current tax period from:	09/01	Through: 09/30	5 6
Current tax period proration date:	09/22/2014	<input type="checkbox"/> Use short pro	
Seller's portion is:	22 days of 30	<input type="checkbox"/>	
Show tax figures on HUD-1:	206/506	HUD: 1	7
<b>Tax Amounts</b>			
Tax computation method:	None		
<b>Rates &amp; Values...</b>			
Real property tax:	\$55.55	Additional:	8
Seller's non-prorated personal tax:		Additional:	

HUD-1 Figures			
(206) Buyer credit:	\$40.74	Buyer tax period:	09/01/2014 Through: 09/22/2014
(506) Seller debit:	\$40.74	Seller tax period:	09/01/2014 Through: 09/22/2014


## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

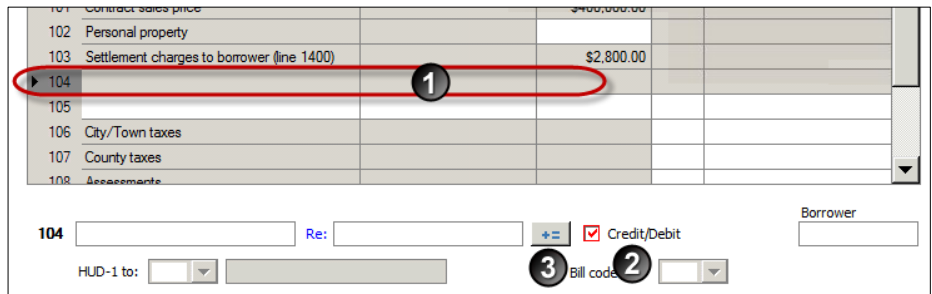
### Rent Prorations (Buyer/Borrower Debits 100/Credits 200 Screen & Rent Schedule Screen)

#### Show Each Proration on HUD-1


When you need each rental unit proration to show on the HUD-1, enter them from the Buyer's side of the HUD-1. Keep in mind this is only useful when you have fewer units to show. If you have several units, please skip to the [Rent Prorations \(Do Not Show Multiple on HUD-1\)](#) section.

- › Debit Buyer/Credit Seller are entered on the **Buyer/Borrower Debits (100)** screen
- › Credit Buyer/Debit Seller are entered on the **Buyer/Borrower Credits (200)** screen

1. Highlight an available line on the (100) or (200) screen that has access to the **Additional Charges**  icon




101	Contract sales price		\$400,000.00
102	Personal property		
103	Settlement charges to borrower (line 1400)		\$2,800.00
104			
105			
106	City/Town taxes		
107	County taxes		
108	Assessments		

104  Re:   ☒ Credit/Debit

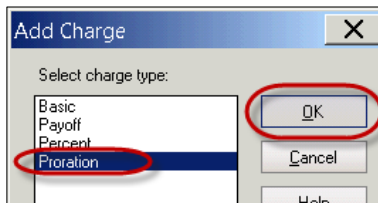
HUD-1 to:  Bill code:

2. Select the **Credit/Debit** check box

3. Click the **Additional Charges**  icon

4. Click the **Add Charge**  icon

5. Select **Proration**; click OK



Add Charge

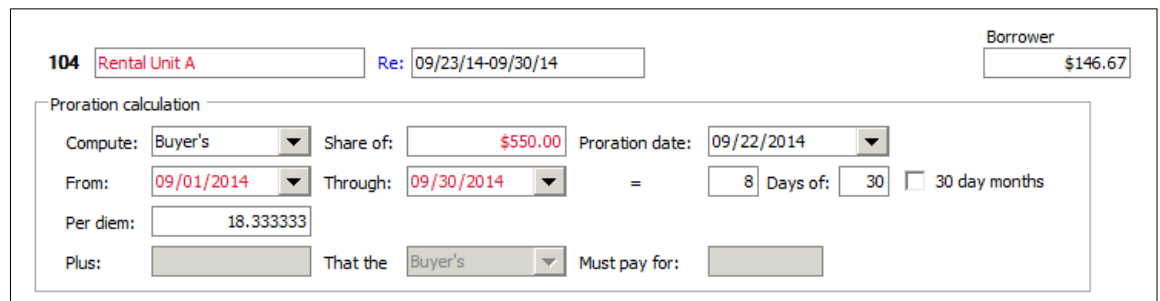
Select charge type:

- Basic
- Payoff
- Percent
- Proration**

6. Enter a **Description**

7. In the **Share of Amount** field, enter the amount to be prorated

8. Enter the **From** and **Through** billing period dates



104 **Rental Unit A** Re: 09/23/14-09/30/14  Borrower  \$146.67

Proration calculation

Compute:  Buyer's  Share of:  \$550.00  Proration date:  09/22/2014

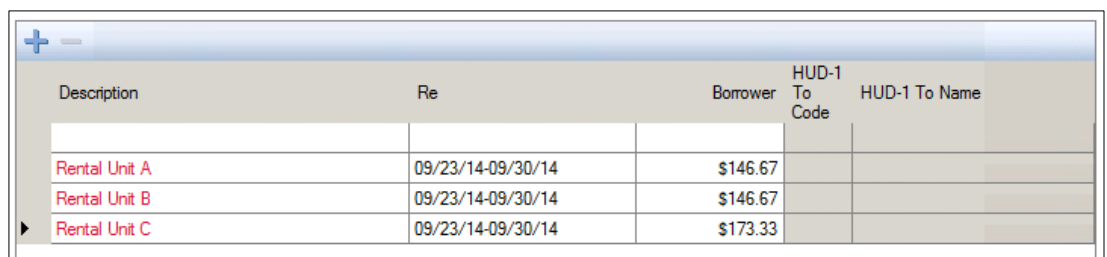
From:  09/01/2014  Through:  09/30/2014  =  8 Days of:  30 ☐ 30 day months

Per diem:  18.333333

Plus:  That the  Buyer's  Must pay for:

**NOTE: Do Not** change the **Compute** drop-down. This drop-down identifies the party being debited, so if you entered this proration on the correct line, there is no need to adjust.

9. Repeat until all rental units are added



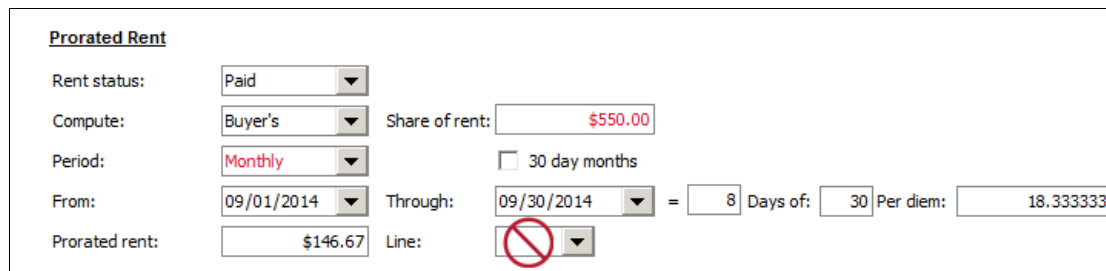
Description	Re	Borrower	HUD-1 To Code	HUD-1 To Name
Rental Unit A	09/23/14-09/30/14	\$146.67		
Rental Unit B	09/23/14-09/30/14	\$146.67		
Rental Unit C	09/23/14-09/30/14	\$173.33		

## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

### Do Not Show Multiple on HUD-1


When you have several rental units but don't want/need each unit proration to show on the HUD-1, use the **Rent Schedule** screen. In our scenario, we have 20+ rental units; we want to generate a Rent Schedule document, but don't need them to show on the Closing Statement.

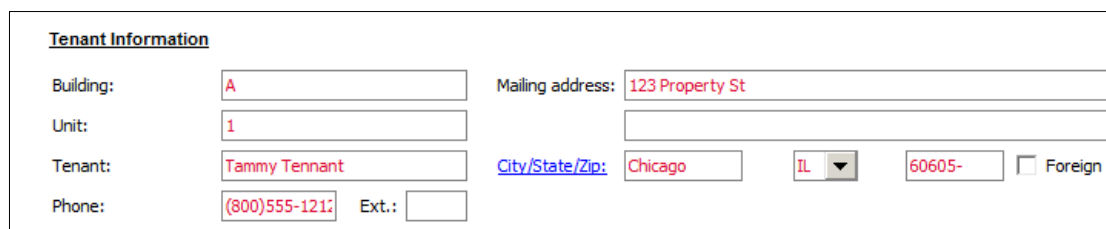
1. Highlight an available line on the (100) or (200) screen that has access to the **Credit/Debit** check box
2. Select the **Credit/Debit** check box
3. Enter the **Description**
4. Enter the flat, total amount of the combined rental unit charges
5. Navigate to the **Rent Schedule** screen to follow **Steps 2-6** of the [Rent Agreement/Schedule](#) section; add each rental unit, being sure **NOT** to assign a **Line** to each unit

### Rent Agreement/Schedule

Use the **Rent Schedule** screen to generate a "Rent Agreement" or "Rent Schedule" document; all items entered here flow to that document. If you need these to appear on the Closing Statement, be sure to assign a **Line** from the drop-down. **If you select the same HUD-1 Line for multiple deposits or rents, they are itemized on the Statement and the Attachment page.**

1. Navigate to the **Rent Schedule** screen
2. Click the **Add Rent Schedule Entry**  icon
3. Enter tenant information



## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

- If applicable, enter security deposit/pre-paid rent figures and select the appropriate HUD-1 Line

**Deposit/Prepaid Rent**

Deposit:	<input type="text" value="\$550.00"/>	Line:	<input type="text" value="207/50"/>	HUD: <a href="#">1</a>
Prepaid rent:	<input type="text"/>	Line:	<input type="text"/>	
Late fees:	<input type="text"/>	Line:	<input type="text"/>	

- Select the **Rent status**, **Compute**, and **Period**
- In **Share of rent**, enter the full amount of the rent
- If you wish this to appear on the Closing Statement, select a **Line** from the drop-down; otherwise leave blank

**Prorated Rent**

Rent status:	<input type="text" value="Paid"/>
Compute:	<input type="text" value="Buyer's"/>
Period:	<input type="text" value="Monthly"/>
From:	<input type="text" value="09/01/2014"/>
Through:	<input type="text" value="09/30/2014"/>
Prorated rent:	<input type="text" value="\$146.67"/>

Share of rent:

☐ 30 day months



=  Days of:  Per diem:

Line:


HUD: [1](#)

### Seller Rent Back After Close of Escrow


When the Seller rents the property from the Buyer after the COE (Close of Escrow), enter this as a proration on the **Buyer/Borrower Credits (200)** screen.

- Navigate to the **Buyer/Borrower Credits (200)** screen
- Highlight an available line that has access to the **Additional Charges**  icon and the **Credit/Debit** check box
- Select the **Credit/Debit** check box
- Click the **Additional Charges**  icon

204			
205			
206	H2O Water Company	09/01/14-09/22/14	\$40.74
207	Rent Deposit-Bldg A Unit 1		\$550.00
208			

208  Re:   ☒ Credit/Debit **select first**

GFE type:  GFE amount:  GFE number:

- Click the **Add Charge**  icon
- Select **Proration**
- Click the **OK** button

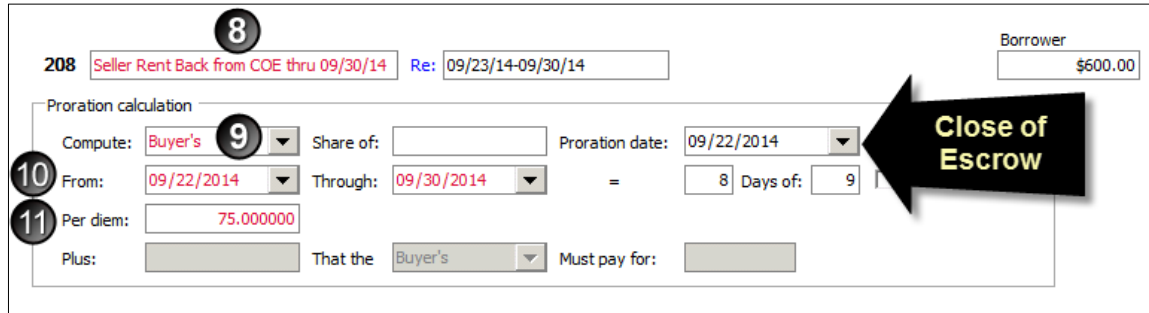
**Add Charge**

Select charge type:

Basic	<input type="text"/>
Payoff	<input type="text"/>
Percent	<input type="text"/>
Proration	<input checked="" type="text"/>



## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

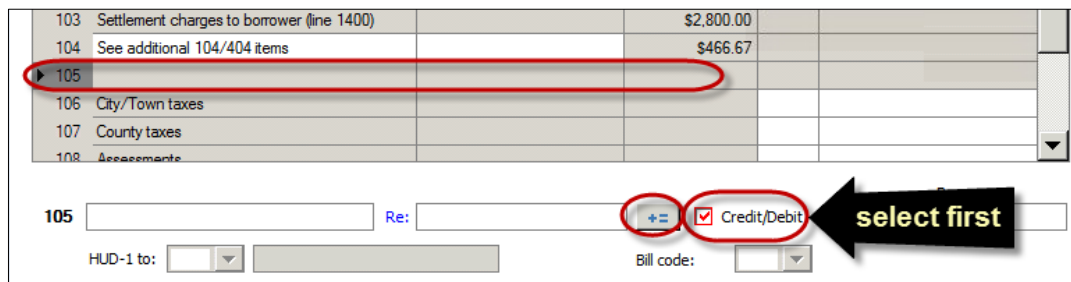
8. Enter a **Description** to be disclosed on the HUD-1
9. In the **Compute** drop-down, select **Buyer** (because the Buyer already owns the property)
10. In the **From** and **Through** date fields, enter when the "rent back" starts and ends
11. Enter the **Per Diem** amount




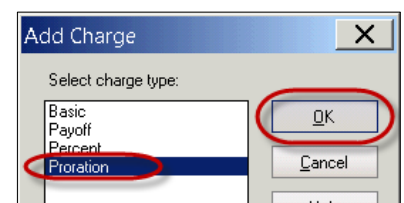
### Buyer Crediting Seller for Delay in Close of Escrow

When the Buyer delays the COE (Close of Escrow), he/she may give a concession (per day value) to the Seller. Enter this as a proration on the **Buyer/Borrower Debits (100)** screen. Although the **Through** date represents the COE, the calculation is actually **To** the COE.

1. Navigate to the **Buyer/Borrower Debits (100)** screen
2. Highlight an available line that has access to the **Additional Charges**  icon and the **Credit/Debit** check box
3. Select the **Credit/Debit** check box
4. Click the **Additional Charges**  icon

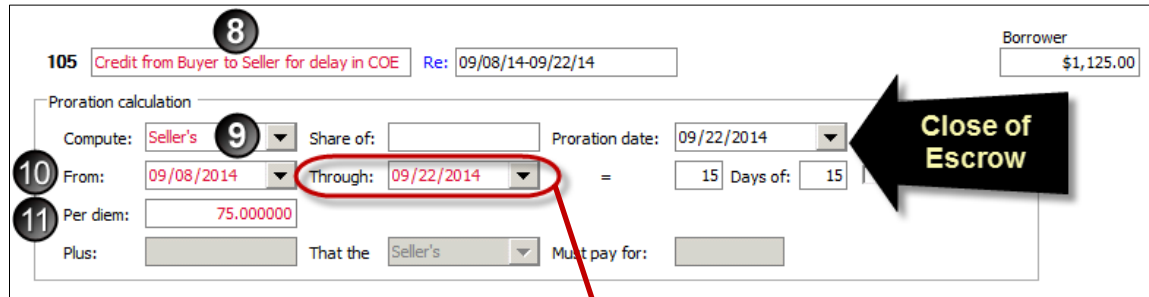


5. Click the **Add Charge**  icon
6. Select **Proration**
7. Click the **OK** button



## Using HUD-1 Screens to Calculate HOA, Tax, Rent, & Other Prorations

8. Enter a **Description** to be disclosed on the HUD-1
9. In the **Compute** drop-down, select **Seller** (because calculation dates are prior to COE)
10. In the **From** and **Through** date fields, enter previous COE and current COE
11. Enter the **Per Diem** amount



The screenshot shows the HUD-1 Proration calculation screen. It includes the following fields and annotations:

- 8**: Description field containing "Credit from Buyer to Seller for delay in COE".
- 9**: Compute drop-down menu set to "Seller's".
- 10**: From date field set to "09/08/2014" and Through date field set to "09/22/2014". These two fields are circled in red.
- 11**: Per diem field set to "75.000000".
- Proration date: 09/22/2014.
- Days of: 15.
- That the: Seller's.
- Must pay for: (empty field).
- Borrower: \$1,125.00.
- A black arrow points to the "Through" date field with the text "Close of Escrow".

Calculation is **To** the COE