

A Guide to the HUD-1 Form

The HUD-1 Form Explained

For every federally related mortgage transaction, a HUD-1 Form must be filed. The HUD-1 Form lists a complete accounting of the purchase transactions. Below you will find a complete explanation of the HUD-1 Form

The HUD-1 Settlement Statement is the financial picture of the closing. All money flowing into and out of settlement appears on the form. "Buyers" are referred to as "borrowers" on this form even though it may be used when there is no loan involved, such as in a cash transaction. For our purposes, we will refer simply to "buyers" and "sellers."

The Settlement Agent is responsible for preparing the HUD-1 and closing the transaction in accordance with several documents.

The Contract or Escrow Agreement is the written agreement between Buyer and Seller which shows the purchase price of the home as well as the "who-pays-what" information relating to closing costs.

The Loan Closing Instructions, provided by the Lender, show all loan-related costs.

Title evidence, in the form of a title commitment, title report or other document, reflects any existing mortgages or judgment liens that must be satisfied or paid off at time of closing.

It is the responsibility of the Settlement Agent to see that all charges on the HUD-1 are substantiated in writing and to see that all deposits and disbursements are made in accordance with the HUD-1. Let's review the HUD-1 Settlement Statement section by section.

Sections A-I: The top portion shows the parties to the transaction are: Buyers, Sellers, Lender and Settlement Company--along with the property address and closing date.

Sections J and K: The bottom portion of page 1 is divided into two columns: Section J for Buyers and Section K for Sellers

J-scans Sections 100-300: Section J is further broken down into the Buyer's debits (section 100), credits (section 200) and totals (section 300).

Section 100 Buyer Debits: Section 100 shows what the Buyer owes, like the purchase price of the home. Line 103: Line 103 reflects the settlement charges paid by the Buyer, which are itemized on Page 2 and carried over from Line 1400. Line 120: Line 120 is the total of what the Buyer owes.

Section 200 Buyer Credits: Section 200 shows what credits the Buyer has, such as the loan amount, the deposit made by the Buyer and any money owed to the Buyer by the Seller at time of closing, such as proration for taxes and assessments.

Section 300: Section 300 carries the totals down to the bottom of the page. Line 301 is the same as Line 120. Line 302 is the same as Line 220. Line 303 is the total "cash" due from the Buyer at closing.

Line 303: Generally, the buyer is asked to bring a cashier's check or other certified funds for this amount to closing.

Sections J and K: Section K reflects the credits, debits and totals of the Seller and is broken down into Sections 400, 500 and 600.

Section 400 Seller Credits: Section 400 reflects the credits due the Seller at closing, such as the sales price of the home.

Line 420: Line 420 shows the total credits due to the Seller at closing.

Section 500 Sellers Credits: Section 500 reflects the charges or debits of the Seller. Examples include the settlement charges paid by the Seller (Line 502), payoffs of existing loans and proration of items such as taxes and assessments to be credited to the Buyer at closing.

Line 520: Line 520 shows the total debits due from the Seller at closing.

Section 600: Section 600 carries the totals down to the bottom of the form. Line 601 is the same as Line 420. Line 602 is the same as Line 520.

Section L - Highlighted: Page 2 of the settlement statement Buyer/Seller Columns contains Section L, "Settlement Charges," with separate Buyer and Seller columns.

Section L is further divided into Sections 700 through 1300, ending with Line 1400.

Line 700: Section 700 reflects the amount of commission to be paid to the real estate brokers.

Section 800: Section 800 discloses loan-related charges such as origination fees and discount points.

"POC" Example: Any fee the Lender requires to be paid "up front" (at time of loan application), such as a credit report fee, will be shown on the HUD-1 with the notation "POC" for "Paid Outside Closing".

Section 900 Prepays: Section 900 reflects any prepaid items the Lender requires be paid in advance, such as preliminary interest or the first year's hazard insurance premium.

Section 1000 Escrows: Section 1000 reflects escrow items, such as deposits for taxes and insurance, which the Lender collects and holds for payment of future bills.

Section 1100 Title: Section 1100 reflects title charges payable to the title and/or settlement company. Such fees may include settlement or closing fee, abstract or search fee, title examination fee, and title insurance premiums, among others.

Section 1200 Recording: Section 1200 reflects county and/or state recording fees for instruments such as the deed and mortgage.

Section 1300 (Additional): Section 1300 reflects any additional settlement charges, such as survey or pest inspection fees.

Line 1400: Line 1400 reflects the total of charges for the Buyer and the Seller. Line 1400 carried to Buyer 103: The total due from the Buyer is carried over to Page 1, Line 103. Line 1400 carried to Seller 502: The total due from the Seller is carried over to Page 1, Line 502.

Once you are satisfied that the information shown on the HUD-1 Settlement Statement is complete and accurate, you will be asked to sign the statement, indicating your approval for the disbursement of funds in connection with the transaction. The Settlement Agent will also sign the HUD-1, certifying that the information shown is accurate and that disbursement of the funds will be made in accordance with the Statement.

OMB Approval No. 2502-0265

A. Settlement Statement **U.S. Department of Housing and Urban Development**

B. Type of Loan

1. FHA 2. FHLBA 3. Conventional 4. Other

5. VA 6. Conventional 7. Other

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing. They are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower: _____ **E. Name & Address of Seller:** _____ **F. Name & Address of Lender:** _____

G. Property Location: _____ **H. Settlement Agent:** _____ **I. Settlement Date:** _____

J. Summary of Borrower's Transaction **K. Summary of Seller's Transaction**

100. Gross Amount Due From Borrower	400. Gross Amount Due To Seller
101. Contract sales price	401. Contract sales price
102. Personal property	402. Personal property
103. Settlement charges to borrower (line 1400)	403. Settlement charges to borrower
104. _____	404. _____
105. _____	405. _____
Adjustments for items paid by seller in advance	Adjustments for items paid by seller in advance
106. City/town taxes to	406. City/town taxes to
107. County taxes to	407. County taxes to
108. Assessments to	408. Assessments to
109. _____	409. _____
110. _____	410. _____
111. _____	411. _____
112. _____	412. _____
120. Gross Amount Due From Borrower	420. Gross Amount Due To Seller
200. Amounts Paid By Or to Benefit Of Borrower	500. Reductions in Amount Due To Seller
201. Deposit or earnest money	501. Excess deposit (link instructions)
202. Principal amount of new loan(s) 502	502. Settlement charges to seller (line 1400)
203. Existing loan(s) taken subject to 503	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. _____	508. _____
209. _____	509. _____
Adjustments for items unpaid by seller	Adjustments for items unpaid by seller
210. City/town taxes to	510. City/town taxes to
211. County taxes to	511. County taxes to
212. Assessments to	512. Assessments to
213. _____	513. _____
214. _____	514. _____
215. _____	515. _____
216. _____	516. _____
217. _____	517. _____
218. _____	518. _____
219. _____	519. _____
220. Total Paid By/For Borrower	520. Total Reduction Amount Due Seller
300. Cash At Settlement From/To Borrower	600. Cash At Settlement From/To Seller
301. Gross amount due	
302. Less amounts paid	
303. Cash <input type="checkbox"/> For <input type="checkbox"/> From	

L. Settlement Charges

700. Total Sales/Broker's Commission based on price \$	@	%	\$	Paid From	Paid From
Division of Commission (line 700) as follows:				Borrower's Funds at	Seller's Funds at
701. \$ _____	to				
702. \$ _____	to				
703. Commission paid at Settlement					
800. Items Payable in Connection With Loan					
801. Loan Origination Fee	%				
802. Loan Discount	%				
803. Appraisal Fee	to				
804. Credit Report	to				
805. Lender's Inspection Fee	to				
806. Mortgage Insurance Application Fee to					
807. Assumption Fee					
808. _____					
809. _____					
810. _____					
811. _____					
900. Items Required By Lender To Be Paid In Advance					
901. Insured loan	to	days			
902. Mortgage Insurance Premium for		months to			
903. Hazard Insurance Premium for		years to			
904. _____		years to			
905. _____					
1000. Reserves Deposited With Lender					
1001. Hazard insurance	month(s)\$	per month			
1002. Mortgage insurance	month(s)\$	per month			
1003. City property taxes	month(s)\$	per month			
1004. County property taxes	month(s)\$	per month			
1005. Annual assessments	month(s)\$	per month			
1006. _____	month(s)\$	per month			
1007. _____	month(s)\$	per month			
1008. _____	month(s)\$	per month			
1100. Title Charges					
1101. Settlement or closing fee	to				
1102. Abstract or title search	to				
1103. Title examination	to				
1104. Title insurance binder	to				
1105. Document preparation	to				
1106. Notary fees	to				
1107. Attorney's fees	to				
(includes above items numbers: _____)					
1108. Title insurance	to				
(includes above items numbers: _____)					
1109. Lender's coverage	\$				
1110. Owner's coverage	\$				
1111. _____					
1112. _____					
1113. _____					
1200. Government Recording and Transfer Charges					
1201. Recording fees: Deed \$ _____	Mortgage \$ _____	Relissions \$ _____			
1202. City/county tax/stamps: Deed \$ _____	Mortgage \$ _____				
1203. State tax/stamps: Deed \$ _____	Mortgage \$ _____				
1204. _____					
1205. _____					
1300. Additional Settlement Charges					
1301. Survey	to				
1302. Pest inspection	to				
1303. _____					
1304. _____					
1305. _____					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)					

Section 5 of the Real Estate following HUD must be understood the nature of whom completes a written of residential real estate, a Good Faith Estimate of in connection with the Section 4(a) of RESPA may form to be used at the be

Previous editions are obsolete

Form HUD-1 (3/98) ref Handbook 4305.2