

# Tips to Navigating the 2010 HUD

## What to Discuss With Your Mortgage Professional

- Ask if the change will alter the APR and if redisclosure will be necessary at any time there is a change in the loan program.
- Find out when the appraisal will be ordered and ask if it is possible for you as the Realtor to provide additional comparable properties to the appraiser if there is a problem with the appraisal.
- Talk to your mortgage professional about the Service Provider List and if Patten Law Firm is listed. This will affect which "bucket" our fees are in.
- Ask when the closing instructions and documents will be given to Patten Law Firm so that the final HUD can be approved and tolerances can be checked.
- Discuss the unlikely scenario in which the final fees are outside of the 10% tolerance and how the lender will handle this situation.
- Ask about rolling up fees into origination.
- Ensure that the lender has all of Patten Law Firm's fees and let the lender know we would be glad to work up a preliminary HUD.



## Things You Can Do

- Encourage your buyers to meet with a loan officer whenever possible. There is an added benefit to working with a local loan officer to best facilitate communication.
- Make sure that your buyers will be at present at the company and that their circumstance (i.e. marital or financial status) will not change between loan application and closing.
- Create realistic contract deadlines (i.e. option period and closing date).
- Make sure that the buyers promptly acknowledge any disclosures from the lender.
- Share any changes made to the contract after execution with the loan officer and the title company. (i.e. amendments, lease backs, seller concessions).



## Terms to Know

- 2010 HUD: the name by which the new HUD-1 document will be known.
- Buckets: the area where the fees are categorized on page 3 of the HUD-1
- Tolerances: depending on the bucket a fee lies within, it may be subject to a no tolerance rule or 10% tolerance rule.
- Service Provider List: a list of service providers that determines which bucket fees lie within on a preliminary HUD.
- Redisclosure: the process that is necessary any time there is a change in the loan program. This may be time consuming.

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