

# HUD-1

## SETTLEMENT STATEMENT - PAGE 1

**PAGE 1 of the HUD-1 Settlement Statement** summarizes all the costs and adjustments for the Borrower and Seller.

### Section J (Summary of Borrower's Transaction)

100. Gross Amount Due From Borrower.
101. State the gross sales price of the property.
102. Charges for personal property being purchased from seller.
103. Shows the total settlement charges to the borrower.
104. Are the amounts owed by the borrower or previously paid by the seller.
  - Entries charged to the borrower include a balance in the seller's escrow account if the borrower is assuming the loan.
  - The borrower may owe the seller a portion of uncollected rents.
106. For items which the seller has paid in advance. For instance, the buyer must reimburse the seller for his prorated portion of the county taxes if the seller paid an annual bill.
120. The gross amount due from the borrower. It is the total of Lines 101 through 112.

### Section 200 (Amounts Paid By Borrower)

These are all entries for funds the borrower will receive at closing.

201. Gives the buyer credit for the amount of earnest money paid when the offer was accepted.
202. The amount of the new loan, which is being paid to the borrower by the lender.
203. Used when the borrower is assuming a loan or taking title subject to an existing loan or lien on the property.
204. Used to list misc. items paid by or on behalf of the buyer. They may include such items as an allowance the seller is making for repairs or replacement of items. This area is also used when the seller accepts a note from the borrower for part of the purchase price.
210. Are for bills which the seller has not yet paid, but owes all or portion of. Taxes and assessments are listed, but the area might also include rent collected in advance by the seller for a period extending beyond the settlement date.
220. The total for all items in Section 200. The total is added to the borrower's proceeds.

### Section 300 (Cash at Settlement – Borrower)

301. Is a summary of the total amount due from the borrower.
302. Is a summary of all items already paid by or for the borrower.
303. Is the difference between lines 301 and 302. It most often shows how much money the borrower must bring to closing. It could be a negative number, indicating that the borrower will receive funds back at closing.

### Section K (Gross Amount Due to Seller)

This column lists the gross amount due to the seller, along with any necessary adjustments For items such as taxes that the seller has paid in advance or left unpaid.

A. Settlement Statement		U.S. Department of Housing and Urban Development		OMB Approval No. 2500-0065 (expires 1/15/2005)	
<b>B. Type of Loan</b>					
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				
<b>C. Note:</b> 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:
			Place of Settlement:		
<b>J. Summary of Borrower's Transaction</b>			<b>K. Summary of Seller's Transaction</b>		
<b>100. Gross Amount Due From Borrower</b>			<b>400. Gross Amount Due To Seller</b>		
101. Contract sales price			401. Contract sales price		
102. Personal property			402. Personal property		
103. Settlement charges to borrower (line 1400)			403.		
104.			404.		
105.			405.		
<b>Adjustments for items paid by seller in advance</b>			<b>Adjustments for items paid by seller in advance</b>		
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.		
<b>120. Gross Amount Due From Borrower</b>			<b>420. Gross Amount Due To Seller</b>		
<b>200. Amounts Paid By Or In Behalf Of Borrower</b>			<b>500. Reductions In Amount Due To Seller</b>		
201. Deposit or earnest money			501. Excess deposit (see instructions)		
202. Principal amount of new loan(s)			502. Settlement charges to seller (line 1400)		
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.			508.		
209.			509.		
<b>Adjustments for items unpaid by seller</b>			<b>Adjustments for items unpaid by seller</b>		
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.		
<b>220. Total Paid By/For Borrower</b>			<b>520. Total Reduction Amount Due Seller</b>		
<b>300. Cash At Settlement From/To Borrower</b>			<b>600. Cash At Settlement To/From Seller</b>		
301. Gross amount due from borrower (line 120)			601. Gross amount due to seller (line 420)		
302. Less amounts paid by/for borrower (line 220)	(	)	602. Less reductions in amt. due seller (line 520)	(	)
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower			603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller		
<p>Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.</p>			<p>Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.</p>		
Previous editions are obsolete		Page 1 of 2		Form HUD-1 (3/86) ref Handbook 4305.2	

### WHAT IS THE HUD-1?

Is a form used by the settlement agent (also called the closing agent) to itemize all charges imposed upon a borrower and seller for a real estate transaction. It gives each party a complete list of their incoming and outgoing funds.

### WHEN IS THE HUD-1 USED?

The statutes of the Real Estate Settlement Procedures Act (RESPA) require the form be used as the standard real estate settlement form in all transactions in the U.S. which involve federally related

### WHEN IS THE HUD-1 DISTRIBUTED?

RESPA states you should be given a copy of the HUD-1 at least one day prior to settlement. In real life, entries may still be coming in a few hours before closing. Most buyers and seller s study the statement on their own, with their real estate professional, and with the settlement agent. The more people who review it, the more likely that errors will be detected.