HUD
Settlement Statements

CFPB
Loan Estimate &
Closing Disclosure

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

cfpb

Version 4

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Getting Started On Your Mark! Get Set! GO!

HUD Settlement Statements.CFPB Loan Estimate & Closing Disclosure—Version 4 (HUD4) is a true 32-bit *Windows* program that runs on any computer equipped with *Windows 8, Windows 7, Vista* and *XP* operating systems. In addition **HUD4** is also compiled as a genuine, 32-bit Mac OSX application that is compatible with OSX Version 10.7 or higher. **IMPORTANT: Note that you must have Microsoft *Word* installed on your computer in order to preview and print forms.**

The **HUD4** program is distributed as a downloadable executable for the *Windows* operating system, or as a downloadable disk image (dmg) file for the Mac operation system. **HUD4** has dozens of associated files that are part of the installation package and required for **HUD4** to work properly. The installation process automatically transfers these files to your hard drive and **HUD4** uses them when you run the application. Although you don't need to know anything specific about them, the list below gives you an idea of the function of some of the files.

Again, remember that these files are essential to the proper operation of **HUD4**. If any of these files becomes corrupted or deleted, you must reinstall **HUD4** by following the directions in your original email containing download instructions and your password. Re-installation will not affect your client HUD4 client files. Naturally, you should back up the data directory periodically to protect yourself.

HUD4.EXE   is the *Windows* executable file that is the **HUD4** program itself (not necessary in *Mac* installations);

HUD4.APP   is the *Mac* application file that is the **HUD4** program itself (not necessary in *Windows* installations);

DEFAULT.HD4   is a convenient file that seeds any new client file you create in **HUD4**. It must be located in the **HUD4** client file directory (usually C:\Puritas\HUD4\Files) to be effective. It should be set up by the user so it contains the personalized, normally unchanging startup values for **HUD4**.

PAGEXX.DAT   are a series of numbered files that are used internally by **HUD4** to define the characteristics of the form answers.

PAGEXX.RTF   is a series of numbered files that are also used internally by **HUD4** to create the actual forms that are printed.

PAGEXX.PSF   is a series of numbered files that are also used internally by **HUD4** to display the forms on your screen.

Installation HUD4

In General

Install *HUD Settlement Statements/CFPB Loan Estimate & Closing Disclosure—Version 4 (HUD4)* to your hard drive by following the steps outlined below.

Installation Steps—*Windows*

A. Use the latest version of *Internet Explorer* to download the **setuphud4.exe** file from our web site. Click the **Run** button when prompted whether to run or save the program. Occasionally, you may need to click on a second **Run** button at the end of the download. Even though **Puritas Springs Software** is a known *Windows* publisher and the downloadable file is code signed as an authentic *Windows* program, your antivirus or other security software may require you to confirm your intention to install a program.

B. Once the download is complete and you've navigated the possible security confirmations, the *InstallShield* Wizard will begin with the appearance of the Setup progress meter until the Welcome dialog appears. Click the Next button to proceed with installation. Click Cancel if you want to abort installation.

C. The **Puritas Springs Software Licensing Agreement** appears in the next dialog. Press the Yes button to accept the terms and conditions of the license and continue with the installation. If you do not agree to the terms of the Licensing Agreement, you will not be able to continue installing the program.

D. Verify your user identification information and click the Next button.

E. The Select Program Folder dialog lets you select the program folder . The default answer is "Puritas Springs Software". Click on the Next button to continue.

G. The installation begins when you click the Next button in the Start Copying Files dialog. A progress meter will keep you informed as the program files are transferred from the CD to your hard drive.

H. The Setup Complete dialog advises you that the installation process was successfully completed.

Installation Steps—*Mac*

A. Use the latest version of *Safari* to download the **hud4.dmg** disk image file from our web site. When the download is complete, go to your downloads folder and

double-click the **hud4.dmg** file (the file names are usually date sorted and therefore the **hud4.dmg** file that you just downloaded should be right at the top).

B. When you double-click the **hud4.dmg** file, you'll notice a **HUD4** item appears in the devices section of Mac *Finder*. If you click on the **HUD4** item, you'll see the contents of the dmg file to the right. You should see one item: **hud4.pkg**. Double-click the **hud4.pkg** file and installation will begin using Mac's installer. When installation is complete you'll find the *HUD4* application (**hud4.app**) in your **Applications** folder along with all your other applications.

Running *HUD4*

Windows. To run the program, either double-click on the HUD4 icon that is placed on your desktop by the installation process or click the item on your Start menu: Start|Programs|Puritas Springs Software|HUD4.

Mac. To run the program, double-click on the HUD4 item that is placed in your **Applications** folder.

Updating and Reinstallation

Periodically, based on changes in the law and program modifications, it may be necessary or convenient to update your program. So long as updates are free, you will receive them automatically. The availability of updates is tested every time you start *HUD4*. If a updated version is available, you will be notified during startup and given the choice whether to download and install the update immediately or whether to skip the update for this session.

Windows. When you elect to download and install the update, the *InstallShield Wizard* described on the previous page will appear and you can proceed through the steps.

Mac. When you elect to download and install the update, the download will begin automatically. When the download is complete (it usually takes about a minute or two), you'll find the downloaded dmg file in your Downloads folder. Follow the instructions contained in the preceding section of this manual.

If you elect not to download and install the update, the program will continue to open normally. You will be reminded of the availability of the update the next time you run *HUD4*.

Entering Information

← Enter
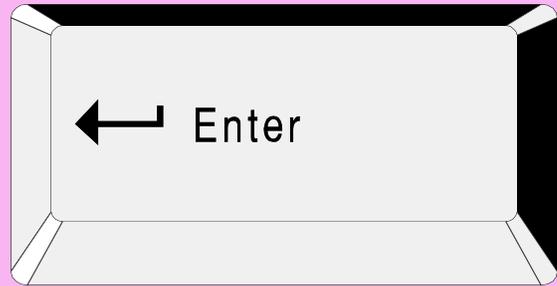
When you start ***HUD Settlement Statements/CFPB Loan Estimate and Closing Disclosure—Version 4 (HUD4)***, it displays the Main Window. Your experience with **HUD4** will be more pleasant if you are familiar with the Main Window's properties. The following information explains the Main Window in detail.

The Main Window

The Main Window has two components: a *tree view* and a *form window*. The tree view is composed of nodes and items. These components and terms are explained below.

Tree View. The pane on the left side of the Main Window contains a *tree view* of most of the forms and functions in **HUD4**. You should be familiar with the look and feel of the tree view because it is a standard application component. **You can do two things in the tree view – click on nodes or click on items**. Both are explained below. The vertical divider (also called a *splitter*) that separates the left window from the right can be dragged horizontally to adjust the relative sizes of these windows to your liking.

Nodes. *Nodes* are the arrow head items you see to the left of certain items in the tree view. The arrow means that there are elements or sub items within that item. You can view or expand the sub items by clicking on the arrow or the item itself. When you do, you'll see the list of sub items and the right-facing arrow will change to a downward facing arrow. If you wish to collapse or hide the sub items, click on the item again. Note that when you expand an item, its sub items may also have sub items. Even those sub items can have sub items. There's no limit to sub items in the tree view. You can see all of the items at the same time by right-clicking your mouse in the tree view and selected Expand Tree View from the pop-up menu.

Items. Clicking on the items themselves will either
    (1) take you to a relevant instruction page like the one you're looking at right now, or
    (2) display a particular form that you wish to view or complete.

Form Window. This window displays an accurate view of the form you wish to see or complete. **HUD4** arbitrarily begins by presenting HUD Form 1, but you can switch to any other available form by selecting it in the tree view.

Step 1. Choose Settlement Statement.

Until replaced by the CFPB Loan Estimate and Closing Disclosure forms, this is the starting point for new files. Select the HUD Settlement Statement that you want to work on (*i.e.*, HUD-1 or HUD-1A). Make your selection by clicking on the appropriate item in the tree view. When you do, the settlement statement you selected will appear on your screen.

When you first see the settlement statement, i.e., HUD-1, **look carefully, the focus or input point is check box 1– Type of loan FHA.**

NOTE. Press ⬐ after every entry and to move from field to field on forms.

It's not necessary to take you through every entry. The pattern is simple. Make your entry and press ⬐. You can check boxes by clicking your mouse or pressing the space bar.

Here are several things to note about the settlement statement in particular and program operation in general:

- **TAB & SHIFT TAB.** Although you may discover that you can press the ENTER key after each entry, we recommended you use ⬐ (TAB) after each entry. Note also, however, that **if you hold the SHIFT key down when you press ⬐, you can move the focus backwards.**

- There's two types of text input boxes you'll encounter as you tab through the fields of a form on your screen:

  - **Normal Text Input Boxes.** The normal box has a silver/gray background. Most answers use this type of box. Whatever you enter will appear in that location on the form. Line 101 Contract sales price is a good example. If the sales price is $150,000.00 you'll enter 150000 and press the ⬐ key. The correct amount appears on the line and that's all there is to it. While we're on the subject of these boxes, you'll also notice that some lines have no box. Line 103 Settlement charges to borrower (line 1400) is a good example. Line 103 is completed by *HUD4* based on your total from page 2, line 1400. There aren't any circumstances where line 103 won't equal line 1400, so *HUD4* doesn't even let you make an entry on line 103, it completes line 103 itself based on your entries on page 2.

  - **Overrideable Text Input Boxes**. The second type of box has a light blue background. These boxes are called overrideable text input boxes and represent a special situation where *HUD4* will attempt to answer these fields automatically, however, if you wish to change the answer, you can go to the Options menu and Override the answer, thereby superseding the *HUD4*-supplied answer and entering your own. A good example of an overrideable box can be found on page 2, the signature lines that are explained in more detail in the next item. You override an answer by moving

the focus to it and then selecting Override on the Options menu, or double-clicking in the text input box or by pressing the CTRL V key combination.

- In the Name and Address of Borrower set of fields, Section B Type of Loan, box D, the first field in the box populates the borrower signature lines at the bottom of page 2. If you have only one name, *HUD4* will transfer that name automatically to the first signature position. If you have two borrowers, *i.e.*, "John H. Smith and Mary P. Smith," *HUD4* will attempt to intelligently parse the names and put the first name in the first signature position and the second name in the second position. Due to the infinite variety of names and renderings, always check this transfer. Note in this context that you can enter the borrowers' names any way you like because the signature lines can be overridden in any event.

- The Name and Address of Seller set of fields works the same way as explained for the borrower.

- Certain fields like Line 103 cannot be entered because they calculate automatically based on other entries. Line 103, for example, will populate when you complete page 2 of the HUD-1 form. The lines near the bottom of the form representing various totals behave the same way—they calculate automatically and you cannot enter those fields.

- When you tab to the fields for lines 106, 107, 108, you may notice that the Proration Table button label turns red. This is a little reminder that you do not need to manually calculate and override these lines. Instead you can click the Proration Table button and let *HUD4* do the math. See Step 3 below for more information about the Proration Table.

- The following fields also work the same way in connection with the Proration Table: 210, 211, 212, 406, 407, 408, 510, 511, and 512**.**

- **Dollar Amounts**. Enter dollar amounts without using dollar signs or commas. **NOTE**: You can also type a word in where the dollar amount goes. This might be done in situations where the borrower pays insurance and property taxes separately and not as part of the mortgage payment. In those instances, many lenders will type the word "Direct" in the area where the amount goes. This is perfectly acceptable and will not cause problems. Naturally, the "amount" on that line will be counted as zero. **However, if you intend to enter a dollar amount, do NOT use commas or dollar signs**.

- **Verbosity**. This and legal authoring go hand-in-hand. Text input boxes will usually let you enter much more text than will fit in a particular area (what computer literates refer to as a "field") of the form. The forms themselves are carefully crafted RTF files that leave an arbitrarily-determined-adequate amount of space for answers. Be aware that if you try to squeeze in more information than will

comfortably fit, you may skew the careful formatting of the RTF file making the screen and printout look abnormal. Remember this when making your entries and when changing fonts, font sizes, *etc*.

- **Percentages**. Enter percentages as whole numbers, for example, enter three per-cent (3%) simply as the number '3.'

- Finally, there are paging button(s) at the top of the screen to move from page to page, i.e., the HUD-1 form is three pages long.

- **Certain Overrideable Lines. Example: 1002. Homeowner's insurance**. On Form HUD-1, page 2, line 1002 *HUD4* performs the total months times dollar-per-month automatically. *HUD4* cannot ascertain, however, whether the charge is being paid from the borrower's or seller's funds because often times that amount varies according to the parties' agreement. Therefore, *HUD4*, by default, will place the result of the calculation in the borrower's column. If you wish the results of the calculation to be in the seller's column, simply override (see the override explanation above) the borrower's column and the amount will auto-matically transfer to the seller's column. Note that line 703 Commission paid at settlement defaults to the seller's column.

Step 2. Name & Save The File

When you've completed the settlement statement, it's a good idea to save your file and give it a name. Look at the title bar on your display and you'll notice that we haven't named the file yet. We are reminded of that fact on the title bar where it says NONAME. It's not wise to work in your file too long without giving it a name and saving it. Now is an excellent time to do that. To save the file and give a name, you'll want to use the File|Save As menu command, or simply click on the Save button on the tool bar at the top of the screen under the menu bar. You may use any valid file name, but we recommend using the HD4 extension, or better yet, leave it off and let *HUD4* add it automatically. **Once the file has a name, you'll see it on the window's title bar. Avoid using the File|Save As command once you've given your file a name. Use the Save button on the button bar to save file changes AFTER you've used the Save As command to name the file.**

To recap, here's two worthwhile rules to keep in mind when saving files:

1. Always use the extension HD4. If you simply type the file name and don't type the period and extension (HD4), the *HUD4* will attach the extension automatically and this is probably the easiest course to follow.

2. Save your client files in the default *HUD4* directory (C:\Puritas\HUD4\Files\). *HUD4* is designed to open and save files to a single directory where all of the client files can be found. You can set the default directory using the appropriate command on the Options menu, but once you set the default location, it is best to use only that location for all your client files.

Step 3. Display/Complete Other Forms

Once you've completed the Settlement Statement and named and saved your file, you may want to display the other pertinent forms and manually enter any information that hasn't automatically populated the forms from the completed Settlement Statement. All the remaining forms are available from this level of the *tree view*.

Proration Table. On this form you can enter specific starting and ending dates along with an amount and the period which that amount covers. *HUD4* will then calculate the prorated amount. For example, if annual real estate taxes were $3,600.00 and you wanted to know how much would accrue between January 1st and February 15th, you would make the following entries in the appropriate column:

Starting date	1/1/09
Ending date	2/15/09
Amount to be prorated	3600.00
Period	Annual

Using line 106 as an example, when you make your entries, you'll notice that the rightmost column will automatically contain the prorated amount (in this case $453.70). Furthermore, that amount, along with the starting and ending dates, will automatically transfer to page 1, line 106 of the HUD-1 Settlement Statement.

Step 4. Previewing & Printing Forms

Clicking on this item also exposes a hierarchy like the Print item from which you can send any single-page or multi-page form and send it to Microsoft *Word*. **You must have *Microsoft Word* installed on your computer in order to preview and print HUD and CFPB forms.**

The previewing an printing process should be automatic. You should preview your forms in *Microsoft Word* and they should print in what we call print-shop-perfect quality. If you have difficulty, try using the Force Word command on the Options menu.

Don't Neglect Our Help Files

This paper manual is merely an outline of the basics of installation, getting started and data entry. From there, you can get help via the program's Help|Table of Contents menu. This program has context-sensitive help. That means that you get help on a specific topic without searching for that topic.

Some dialogs have a help button. Clicking on the help button brings up an associated help topic that should clear up any questions you have about the entries you would make in that dialog. Menu items have context sensitive help too. You can access help on menu items by *navigating to the menu item in question using the keyboard* and, while the subject menu item is highlighted, pressing your F1 key. **Another useful feature of *HUD4* is that when an error message or warning is displayed, in many instances the notice has a Help button that will take you to a related help topic explaining the error or warning**.

If you're like us, you might be doubtful as to whether help files can be truly helpful. Regardless of any drawbacks, we found them to have significant benefits over their paper counterpart.

Help Is Always There
When we were at the office, the manual was at home. When were on the computer at home, the manual was at the office. On unfortunate occasions, that alone can make you lose a day. It never happens with help files. They're always there. A copy for your home computer, and a separate one for the office. Ditto for your laptop! When you're desperate for information, you can always count on its accessibility.

Help Is Hyperlinked, Searchable & Better Indexed.
We took extra time to develop a logical system of indexing. You should find that a help file's searchability can be a time-saver when you're looking for a snatch of text. The point and click links between key words provide instant information without fumbling though page after page looking for something. This **non-linear** characteristic is part of what makes help files so uniquely useful.

Help Is Up To Date
Because they are printed in larger quantities, paper manuals fall out of synch with last -minute or late-minor programming changes during the duration of the "printing." Help files, on the other hand, are easier to keep current with programming changes because their modification involves no additional processing steps to implement (*i.e., physical transportation, printing, binding, etc*.).

Paper Fix
Don't forget that any help topic can be printed simply by pressing the help window's Print button, or using the menu's Print Topic command.