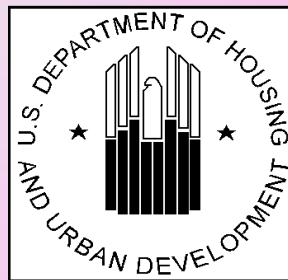


HUD Settlement Statements



Version 3+

©2001-2010 Puritas Springs Software



Copyright Notice

You may not reproduce, transmit, transcribe, store in a retrieval system or translate into any human or computer language this manual and software. These actions, in any form or by any means, are illegal without the express written permission of **Puritas Springs Software**.

Limited Warranty

During the period of time before a major upgrade, if the disk(s) that make up the then-current version of this software are defective, the original purchaser may return the software to **Puritas Springs Software**, 645 McKee Trail, Hinckley, Ohio 44233-9209 and replacement disk(s) will be mailed to you. **Puritas Springs** reserves the right to define and decide what constitutes a major upgrade.

Disclaimer & Limitations

Puritas Springs Software provides *HUD Settlement Statements*, consisting of both the software and this manual, "AS IS." The software and manual carry no warranty as to performance, merchantability or fitness for any particular use. **Puritas Springs Software** specifically disclaims all warranties, express or implied, regarding the software or our services, and **Puritas Springs Software** does not warrant that the software or services are free from defects, interruption, errors or other program limitations. For states that have limitations on implied warranties, any such implied warranties are limited to 60 days from the date of purchase. The rights provided by this Limited Warranty shall be limited to the original, registered and recorded purchaser of the software. Said rights are limited to the cost of the software and are non-transferable. You assume all liability and responsibility for the accuracy of any form produced by this software. Recognizing this, **Puritas Springs Software** has exercised due care in the preparation of the software and manual. In no event, however, shall the authors or publisher be liable for direct, incidental or consequential damages, or damages of any type, arising from the use of *HUD Settlement Statements*.

This Agreement together with the Licensing Agreement you accept during installation sets forth **Puritas Springs Software's** entire liability and your exclusive rights and remedy with respect to the software. Headings are included for convenience and shall not be considered in interpreting this Agreement. This Agreement does not limit any rights that **Puritas Springs Software** may have under trade secret, copyright, patent or other laws, federal or

Getting Started **On Your Mark!**

HUD Settlement Statements—Version 3 (WHUD3) is a true 32-bit Windows program that runs on any computer equipped with *Windows Vista/XP/2000/ME and 98* operating systems.



The **WHUD3** distribution disk contains many files, some of which are shown below. **You don't need to know anything specific about them.** The installation program automatically transfers them to your hard drive and **WHUD3** uses them during program operation. The list below is for reference only.

These files are essential to the proper operation of **WHUD3**. If any of these files becomes corrupted, you must reinstall **WHUD3** from the distribution disk(s). Re-installation will not affect your client HUD data files. Naturally, you should back up the data directory periodically to protect yourself.

- | | |
|--------------------|---|
| WHUD3.EXE | is the executable file that is the WHUD program itself; |
| WHUD3.CHM | is a file that is used by WHUD's on-line help system. It must always be in the same directory as the executable file; |
| DEFAULT.HD3 | is a necessary file that seeds any new client file you create in WHUD3 . It must be located in the WHUD3 client file directory, usually C:\Puritas\WHUD3\Files. It should be set up by the user so it contains the personalized, normally unchanging startup values for WHUD3 . |
| PAGEXX.DAT | are a series of files numbered 1 through 17 that are used internally by WHUD3 to define the characteristics of the form answers. |
| PAGEXX.RTF | are a series of files also numbered 1 through 17 that are used internally by WHUD3 to create the actual forms that are displayed and printed. |

Installing WHUD



In General

Install *HUD Settlement Statements—Version 3 (WHUD3)* to your hard drive by following the steps outlined below. Before starting the installation, we should mention that the files on the distribution CD are compressed, and therefore, you must “install” *WHUD3* to your computer rather than simply copying the files from the CD to your hard drive. For that same reason, you cannot run *WHUD3* from the CD. You must install *WHUD3* to your hard drive.

Installation Steps

- A. Place the distribution disk in your drive.
- B. Perform the following three steps to start the installation process:
 1. Press the **Start** button;
 2. Click on the **Run** item; and
 3. Type the command shown below. Note that if you’re installing from a different drive, you must use the correct drive letter.

D:SETUP.EXE

- C. The **Setup** progress meter will appear until the **Welcome** dialog appears. Click the **Next** button to proceed with installation. Click **Cancel** if you want to abort installation.
- D. 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.
- E. Verify your user identification information and click the **Next** button.
- F. 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.

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

Running *WHUD3*

To run the program, either double-click on the *WHUD3* icon that is placed on your desktop by the installation process or click the item on your Start menu: Start|Programs|Puritas Springs Software|*WHUD3*.

Updating and Reinstallation

Periodically, based on changes in the law and program modifications, it will be necessary to update your program. So long as updates are free, you can obtain them by following the three steps outlined below.

1. Download the Upgrade.

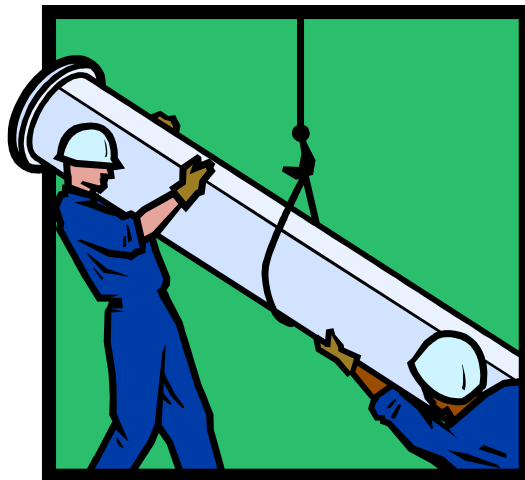
- A. Click on *WHUD3*'s Help menu and select Download Upgrade.
- B. In the Download Upgrade dialog box, click on the Check Availability button. Note that some systems, typically networks, may have security software and/or hardware in place that prohibit downloading executable files. If this is true in your office or you are having problems with the download, check with your network administrator.
- C. After clicking the Check Availability button, you may get one of three responses.
 - 1) You are notified that a newer version is available and the Check Availability button changes to a Download Upgrade button. Click on Download Upgrade button and see the file downloading.
 - 2) You are notified that there is no newer version available, in which case, you're done.
 - 3) A message indicates an error, i.e., "HTTP Get Failed." Talk with your network administrator or send in your disk according to our instructions on the Current Versions page of our web site: www.puritas-springs.com.

2. Remove *WHUD3*. First, it is important to know that removing the *WHUD3* program using *Windows*' Add/Remove function will not delete or harm your client files. That being said, you should always back up the Files subfolder that is contained within the *WHUD3* program folder. It is there that your client files are stored. The default path is C:\Puritas\WHUD3\Files\. Here are the steps for removing the prior version of *WHUD3*.

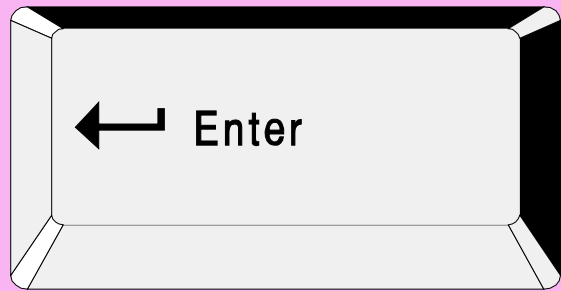
- A. Exit the *WHUD3* program.
- B. Click on the Start button. From the Start menu select Settings, and then Control Panel. Note that in some *Windows* versions, you may need to navigate to Control Panel in a different way. However, once in Control Panel,

double-click the Add/Remove Programs icon. If you don't see the Add/Remove Programs icon, you may need to click on the Classic View link or option.

- C. Select WHUD3 from the program list within the Install/Uninstall tab. With the WHUD3 item highlighted, click the Add/Remove button.
 - D. When the Welcome dialog appears, click the Next button to begin the removal process.
 - E. The next dialog box to appear is titled Program Maintenance. Click the radio button next the Remove item, and then click the Next button.
 - F. Remove the Program is the next dialog box to appear. The *InstallShield Wizard* will begin to remove the old **WHUD3** program when you click the Remove button.
 - G. You are notified when the removal function is complete. In the dialog box that appears, click the Finish button to close the *InstallShield Wizard*
3. **Install the New Version.** The final step in the upgrade process is to install the new version by executing the file you downloaded. The name of the downloaded file is **setupwhud3.exe** (note that sometimes the **exe** extension is hidden) and it is located by default at C:\Puritas\WHUD3\Files. When you find the file, double-click on it and follow the installation instructions contained on page 4 of this manual. If you don't know how to find the file, try following these steps:
- A Go to My Computer
 - B Double-click the C:/ or Local Hard Drive icon.
 - C Double-click the Puritas folder.
 - D Double-click the WHUD3 folder.
 - E Double-click the Files folder. The setupwhud3.exe file is in this folder. Double-click the file to begin installation. Don't be fooled by the fact that *Windows* usually hides the **exe** extension.



Entering Information



When you start *HUD Settlement Statements—Version 3 (WHUD3)*, it displays the Main Window. Your experience with *WHUD3* 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 an instruction 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 *WHUD3*. You should be familiar with the look and feel of the tree view because it is a standard *Windows* component. You may recognize it as part of the *Windows Explorer* user interface. **You can do two things in the tree view – click on nodes or click on items.** Both are explained below. Note that if you ever cover the Main Window with a form and wish to see it again, you can click on the Main Window button on the *button bar* (also called the *tool bar*) or use the Display menu's Main Window command. You can also use the <F9> key to view the Main Window. 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 [+] or [-] buttons you see in front of certain items in the tree view. The [+] sign means that there are elements or sub items within that item. You can view or expand the sub items by clicking on the [+]. When you do, you'll see the list of sub items and the [+] will change to a [-]. If you wish to collapse or hide the sub items, click on the [-]. 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.

The Instruction Window. Start Here. Even though you can click on any item in


any order, we've arranged the first level of sub items in a top-to-bottom order that logically organizes the data entry process by building on information entered in prior levels.

Step 1. Choose Settlement Statement.







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  key after each entry, we recommended you use  (TAB) after each entry. Note also, however, that **if you hold the  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 **WHUD3** based on your total from page 2, line 1400. There aren't any circumstances where line 103 won't equal line 1400, so **WHUD3** 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 **WHUD3** 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 **WHUD3**-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   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, **WHUD3** will transfer that name automatically to the first signature position. If you have two borrowers, *i.e.*, “John H. Smith and Mary P. Smith,” **WHUD3** 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 **WHUD3** 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

literals 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 percent (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 **WHUD3** performs the total months times dollar-per-month automatically. **WHUD3** 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, **WHUD3**, 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 automatically 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 command, simply click on the Step 2 item in the Main Window. You may use any valid *Windows* file name, but by all means, use the HD3 extension, or better yet, leave it off and let **WHUD3** 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 HD3. If you simply type the file name and don’t type the period and extension (HD3), the **WHUD3** will attach the extension automatically and this is probably the easiest course to follow.
2. Save your client files in the default **WHUD3** directory (C:\Puritas\WHUD3\Files\). **WHUD3** 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. **WHUD3** 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. Save File Again

Another reminder to save your work. You won't see much happen when you click here because the file has already been named, so all it's doing is resaving your changes. It happens so fast, you might think nothing's happening.

Step 5. Printing the Forms

The Settlement Statement is available to be printed in several variations. They are all self-explanatory and available on the **File** menu's **Print** submenu as well as the hierarchy of sub items in the tree view of the Main Window. Be aware that any form that can be printed can also be sent to your word processor in the event you wanted to make certain custom changes to the final forms.

Step 6. Sending Forms to Your Word Processor

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 your word processor. There **WHUD3** works best with Microsoft's *Word for Windows*, but can be used with any word processors capable of handling rich text format (RTF) files. When it

ships, **WHUD3** is set to use *Word for Windows*. If you need to use a different word processor, you can go to the Options menu's Set Word Processor function to make the necessary adjustment. *Word's* printing functions are so extensive that almost any requirements can be met using this function. Some users use it in place of the Print function.



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 WHUD3 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 we 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 through 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.