

HB

398

HB 398

Meeting 2-19-76

Justified:

1. Miles Schlosberg
Director of Banking
Dept. Commerce
2. Rep. Ted Smith
3. Mr. Broch, Pres.
Behrens Bank.
Ak Bankers Association



PEOPLES BANK & TRUST

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JOHN F. KAMPER
ASSISTANT VICE PRESIDENT

May 21, 1975

File

The Honorable Bob Bradley
Alaska State House of Representatives
Pouch V
State Capitol Building
Juneau, Alaska 99881

RE: House Bill #398
Section 34.15.370 Disclosure of closing costs

Dear Mr. Bradley:

In light of 12USC2601, commonly referred to as the Real Estate Settlement Procedures Act of 1974, becoming effective on June 20th of this year, it appears that the above referenced House bill is a case of over protection and over legislation.

I refer in particular to Section 6 of 12USC2605 of RESPA which reads:

"Any lender ... shall provide ... an itemized disclosure in writing of each charge arising in connection with such settlement."

12USC2601 places this and many other responsibilities on lenders and I urge you to read that law. House Bill #398 is accordingly not necessary, and it in effect closes the barn door after the horse is gone. It places a needless responsibility on lenders that are already overburdened in their responsibilities in regard to real estate closings.

I urge you not only to vote "nay" on this bill, but to urge your fellow representatives to realize the uselessness of such over-kill legislation.

Very truly yours,

John F. Kamper
John F. Kamper
Assistant Vice President

JFK/pm

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT DISCLOSURE/SETTLEMENT STATEMENT	B. TYPE OF LOAN:	
	1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FMHA 3. <input type="checkbox"/> CONV. UNINS. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS.	
	6. FILE NUMBER	7. LOAN NUMBER
If the Truth-in-Lending Act applies to this transaction, a Truth-in-Lending statement is attached as page 3 of this form.		
B. MORTG. INS. CASE NO.		

C. NOTE: This form is furnished to you prior to settlement to give you information about your settlement costs, and again after settlement to show the actual costs you have paid. The present copy of the form is:

ADVANCE DISCLOSURE OF COSTS. Some items are estimated, and are marked "(e)". Some amounts may change if the settlement is held on a date other than the date estimated below. The preparer of this form is not responsible for errors or changes in amounts furnished by others.

STATEMENT OF ACTUAL 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 totals.

D. NAME OF BORROWER	E. SELLER	F. LENDER
G. PROPERTY LOCATION	H. SETTLEMENT AGENT	
	I. DATES	
PLACE OF SETTLEMENT	SETTLEMENT	DATE OF PRORATIONS IF DIFFERENT FROM SETTLEMENT

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 (from line 1400, Section L)	403.
104.	404.
105.	Adjustments for items paid by seller in advance:
Adjustments for items paid by seller in advance:	405. City/town taxes to
106. City/town taxes to	406. County taxes to
107. County taxes to	407. Assessments to
108. Assessments to	408. to
109. to	409. to
110. to	410. to
111. to	411. to
112. to	420. GROSS AMOUNT DUE TO SELLER
120. GROSS AMOUNT DUE FROM BORROWER:	<i>NOTE: The following 500 and 600 series sections are not required to be completed when this form is used for advance disclosure of settlement costs prior to settlement.</i>
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	500. REDUCTIONS IN AMOUNT DUE TO SELLER:
201. Deposit or earnest money	501. Payoff of first mortgage loan
202. Principal amount of new loan(s)	502. Payoff of second mortgage loan
203. Existing loan(s) taken subject to	503. Settlement charges to seller (from line 1400, Section L)
204.	504. Existing loan(s) taken subject to
205.	505.
Credits to borrower for items unpaid by seller:	506.
206. City/town taxes to	507.
207. County taxes to	508.
208. Assessments to	509.
209. to	Credits to borrower for items unpaid by seller:
210. to	510. City/town taxes to
211. to	511. County taxes to
212. to	512. Assessments to
220. TOTAL AMOUNTS PAID BY OR IN BEHALF OF BORROWER	513. to
300. CASH AT SETTLEMENT REQUIRED FROM OR PAYABLE TO BORROWER:	514. to
301. Gross amount due from borrower (from line 120)	515. to
302. Less amounts paid by or in behalf of borrower	520. TOTAL REDUCTIONS IN AMOUNT DUE TO SELLER:
	600. CASH TO SELLER FROM SETTLEMENT:
	601. Gross amount due to seller

DISCLOSURE/SETTLEMENT STATEMENT

L. SETTLEMENT CHARGES				PAID FROM BORROWER'S FUNDS	PAID FROM SELLER'S FUNDS
700.	SALES BROKER'S COMMISSION based on price	\$	@ %		
701.	Total commission paid by seller Division of commission as follows:				
702.	\$	to			
703.	\$	to			
704.					
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				
806.	Mortgage Insurance application fee to				
807.	Assumption/refinancing fee				
808.					
809.					
810.					
811.					
900.	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE.				
901.	Interest from	to	@ \$	/day	
902.	Mortgage insurance premium for	mo. to			
903.	Hazard insurance premium for	yrs. to			
904.		yrs. to			
905.					
1000.	RESERVES DEPOSITED WITH LENDER FOR:				
1001.	Hazard insurance	mo. @ \$		/ mo.	
1002.	Mortgage insurance	mo. @ \$		/ mo.	
1003.	City property taxes	mo. @ \$		/ mo.	
1004.	County property taxes	mo. @ \$		/ mo.	
1005.	Annual assessments	mo. @ \$		/ mo.	
1006.		mo. @ \$		/ mo.	
1007.		mo. @ \$		/ mo.	
1008.		mo. @ \$		/ mo.	
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				
	<i>(includes above items No. :</i>)		
1108.	Title insurance to				
	<i>(includes above items No. :</i>)		
1109.	Lender's coverage	\$			
1110.	Owner's coverage	\$			
1111.					
1112.					
1113.					
1200.	GOVERNMENT RECORDING AND TRANSFER CHARGES				
1201.	Recording fees:	Deed \$; Mortgage \$	Releases \$	
1202.	City/county tax/stamps;	Deed \$; Mortgage \$		
1203.	State tax/stamps:	Deed \$; Mortgage \$		
1204.					
1300.	ADDITIONAL SETTLEMENT CHARGES				
1301.	Survey to				
1302.	Pest inspection to				
1303.					
1304.					
1305.					
1400.	TOTAL SETTLEMENT CHARGES <i>(entered on lines 103 and 503, Sections J and K)</i>				

NOTE: Under certain circumstances the borrower and seller may be permitted to waive the 12-day period which must normally occur between advance disclosure and settlement. In the event such a waiver is made, copies of the statements of waiver, executed as provided in the regulations of the Department of Housing and Urban Development, shall be attached to and made a part of this form when the form is used as a settlement statement.