



# Combined One Time Closing

How to order a Combined One-Time Closing in PPDocs

Updated October 2026

## What is a "Combined Disclosure"?

The original way to disclose a One Time Closing is with **Separate Disclosures**: one LE/CD for the Draw Period and a second LE/CD for the Permanent Period.

A **Combined Disclosure** puts the Draw Period and the Permanent Period together on *one* LE/CD.

Here is how the two look on the Closing Disclosure:

### Separate Disclosure: two CDs

| Closing Disclosure                                                                                                                                                                                                                                     |                                                                                                                                                                | This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.                                                                                                                                                                                               |                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Closing Information</b>                                                                                                                                                                                                                             | <b>Transaction Information</b>                                                                                                                                 | <b>Loan Information</b>                                                                                                                                                                                                                                                                                      | <b>Loan Information</b>                                                                                                                                                                                                                                |
| <b>Date Issued</b> 9/26/2018<br><b>Closing Date</b> 10/2/2018<br><b>Disbursement Date</b> 10/2/2018<br><b>Settlement Agent</b> PPDocs<br><b>File #</b> 18006114<br><b>Property</b> 1029 Fisher St.<br>Houston, TX 77018<br><b>Sale Price</b> \$200,000 | <b>Borrower</b> Borrower One<br>1617 W 23rd St<br>Houston, TX 77008<br><b>Seller</b> Seller One<br>Seller Street<br>Richmond, TX 77406<br><b>Lender</b> PPDocs | <b>Loan Term</b> 1 year<br><b>Purpose</b> Purchase<br><b>Product</b> 11 mo. Interest Only, Fixed Rate<br><b>Loan Type</b> <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA<br><input type="checkbox"/> VA <input type="checkbox"/><br><b>Loan ID #</b> 75012715<br><b>MIC #</b> | <b>Date Issued</b> 9/26/2018<br><b>Closing Date</b> 10/2/2018<br><b>Disbursement Date</b> 10/2/2018<br><b>Settlement Agent</b> PPDocs<br><b>File #</b> 18006114<br><b>Property</b> 1029 Fisher St.<br>Houston, TX 77018<br><b>Sale Price</b> \$200,000 |

### Combined Disclosure: one CD

| Closing Disclosure                                                                                                                                                                                                                                     |                                                                                                                                                                | This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.                                                                                                                                                                                                 |                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Closing Information</b>                                                                                                                                                                                                                             | <b>Transaction Information</b>                                                                                                                                 | <b>Loan Information</b>                                                                                                                                                                                                                                                                                        | <b>Loan Information</b>                                                                                                                                                                                                                                |
| <b>Date Issued</b> 9/26/2018<br><b>Closing Date</b> 10/2/2018<br><b>Disbursement Date</b> 10/2/2018<br><b>Settlement Agent</b> PPDocs<br><b>File #</b> 18006114<br><b>Property</b> 1029 Fisher St.<br>Houston, TX 77018<br><b>Sale Price</b> \$200,000 | <b>Borrower</b> Borrower One<br>1617 W 23rd St<br>Houston, TX 77008<br><b>Seller</b> Seller One<br>Seller Street<br>Richmond, TX 77406<br><b>Lender</b> PPDocs | <b>Loan Term</b> 31 years<br><b>Purpose</b> Purchase<br><b>Product</b> 1 Year Interest Only, Fixed Rate<br><b>Loan Type</b> <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA<br><input type="checkbox"/> VA <input type="checkbox"/><br><b>Loan ID #</b> 75012715<br><b>MIC #</b> | <b>Date Issued</b> 9/26/2018<br><b>Closing Date</b> 10/2/2018<br><b>Disbursement Date</b> 10/2/2018<br><b>Settlement Agent</b> PPDocs<br><b>File #</b> 18006114<br><b>Property</b> 1029 Fisher St.<br>Houston, TX 77018<br><b>Sale Price</b> \$200,000 |

**Loan Terms** Can this amount increase after closing?

## Rules and What to Expect

- If your Loan Estimate is disclosed using **Separate** Disclosures, your Closing Disclosure **must** also be Separate. If your Loan Estimate is disclosed using **Combined** Disclosures, your Closing Disclosure **must** also be Combined.
- To make that rule even clearer: you cannot switch from Separate to Combined between the LE and the CD, or the other way around.
- Conventional and FHA loans allow the Combined Disclosure. VA does not currently support it.
- Testing the points and fees portion of the QM / Section 32 / Section 43 analysis is a little more involved. With a split disclosure, some fees could be designated as draw period fees, which excluded them from the analysis. A combined disclosure has no draw period fee screens, only one fee screen. Lenders who currently exclude fees this way may find their fees over the limits on combined disclosures.
- Combined documents treat the draw portion of the payments as the initial obligation, so the monthly principal and interest payment shows the initial interest-only payment paid during the draw portion of the loan.
- QM also looks at the loan term, and there is a toxic-feature test for a 30-year loan. On a combined disclosure we consider only the permanent term, not the entire loan, and we also check that the draw period is one year or less. A draw period longer than one year fails Section 43. A loan with a 1-year draw phase and a 30-year permanent phase passes the loan term test.

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## ORDER FORM

### Turning on Combined Disclosures

One question decides whether your order is Separate or Combined: “Do you want to disclose this transaction on combined disclosures?”

If you are ordering the **Loan Estimate** through PPDocs, you’ll find the question on the **Loan Setup** screen. If you are ordering only the **Closing Disclosure**, it is on the **Loan Information** screen, shown below.

#### Separate One Time Closing

Leave the answer as **No** and the rest of your order follows the Separate route.

|                                                                      |                                                               |
|----------------------------------------------------------------------|---------------------------------------------------------------|
| Have you provided an initial CD to the consumer?                     | <input type="radio"/> No <input checked="" type="radio"/> Yes |
| Do you want to adjust the origination fee according to a percentage? | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Has there been a changed circumstance?                               | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Do you want to disclose this transaction on combined disclosures?    | <input type="radio"/> Yes <input checked="" type="radio"/> No |

#### Combined One Time Closing

Select **Yes** and the rest of your order form follows the Combined route.

|                                                                      |                                                               |
|----------------------------------------------------------------------|---------------------------------------------------------------|
| Have you provided an initial CD to the consumer?                     | <input type="radio"/> No <input checked="" type="radio"/> Yes |
| Do you want to adjust the origination fee according to a percentage? | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Has there been a changed circumstance?                               | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Do you want to disclose this transaction on combined disclosures?    | <input checked="" type="radio"/> Yes <input type="radio"/> No |

## ORDER FORM

### Your screen list changes to match

Once you answer the question, the list of screens on the left of the order form adjusts.

#### Separate One Time Closing

The order form adds a Draw Period version of each disclosure screen, marked **(DP)** or **Draw Period**.

|                                         |
|-----------------------------------------|
| Escrow Account Setup                    |
| Simultaneous Issue Title Policy         |
| Closing Cost Details (DP)               |
| Closing Cost Details                    |
| Credit Breakdown                        |
| Tolerance                               |
| Summaries of Transactions (Draw Period) |
| Summaries of Transactions               |
| Other Details (DP)                      |
| Other Details                           |
| Section 43 QM Analysis                  |
| Additional Docs & Conditions            |
| Req. / Corrections                      |
| Contractor Info                         |
| Seller Information                      |
| Truth In Lending-Draw Period            |
| Truth In Lending                        |
| Payment Table Preview                   |

#### Combined One Time Closing

Those screens are merged, so each disclosure screen appears once.

|                                 |
|---------------------------------|
| Escrow Account Setup            |
| Simultaneous Issue Title Policy |
| Closing Cost Details            |
| Credit Breakdown                |
| Tolerance                       |
| Summaries of Transactions       |
| Other Details                   |
| Section 43 QM Analysis          |
| Additional Docs & Conditions    |
| Req. / Corrections              |
| Contractor Info                 |
| Seller Information              |
| Truth In Lending                |
| Payment Table Preview           |

## LOAN INFORMATION

### Choosing a Loan Plan

#### Separate & Combined One Time Closing

Both Separate and Combined Disclosures need an appropriate **Loan Plan**. It can be confusing where to start; common questions range from “Do I choose an investor I always use?” to “What is a Loan Plan?”

**Loan Plans** let PPDocs pick the right **Note** for your documents. One Time Closing orders commonly use our **Flexible Bank Note**, found under the **PPDocs** loan program. The Flex Bank Note allows flexibility in your terms throughout the loan, including the ARM information.

The screenshot shows a dark-themed form with the following fields:

- Investor: \* No Investor \*
- Loan Plan: PPDocs/Flexible Bank Note - Fixed (highlighted with a red box)
- Occupancy type: Primary Residence
- Flood: No Flood
- Assistance: Federal Disaster Relief NOT Available
- Appraisal Receipt: Borrower is receiving appraisal 3 days prior to closing.
- Will borrower owe additional money directly to builder after closing? ☐ Yes ☒ No
- Loan Advanced: Full upfront (highlighted with a red box)

#### How to choose this Loan Plan

- 1 Click the button at the end of the **Loan Plan** field to open **Select Loan Program**.
- 2 Choose **PPDocs** from the Loan Program menu.
- 3 Select the most applicable Note, such as **Flexible Bank Note - Fixed**.
- 4 Click **OK**.

The screenshot shows the 'Select Loan Program' dialog box with the following details:

- Loan Program: PPDocs (highlighted with a red box)
- Loan Plans list:
  - Flexible Bank Note - Fixed (Note: 7614) (highlighted with a red box)
  - Flexible Bank Note - Fixed - Multiple Advance - Interim Loan (Note: 7614)
- Buttons: Apply Defaults (checked), OK (highlighted with a red box), Cancel

**Note:** **Loan Advanced** should always be **Full upfront** on a One Time Closing.

## Calculation Method & Loan Purpose

### Cash to Close Calculation Method (Loan Information)

#### Separate One Time Closing

You choose two Calculation Methods: one for the Repayment (Permanent) Period and one for the Draw Period.

#### Combined One Time Closing

There is one combined Calculation Method covering both the Draw Period and the Repayment (Permanent) Period.

### Loan Purpose to Print (Other Details)

#### Separate One Time Closing

Once your screens are complete, **Other Details** has two menus: one for the **Draw Period** and one for the **Permanent Period** disclosures.

#### Combined One Time Closing

You go through the screens as usual, but **Other Details** has a single **Loan Purpose to Print on Combined Disclosures** menu.

Not sure which Loan Purpose to use? Use the **How to select the correct purpose for TRID documents?** link under the menu, or see our [Loan Purpose Flow Chart](#).

## LOAN DETAIL

# TRID 2.0: Construction Contract Amounts

### Separate & Combined One Time Closing

For both Separate and Combined Disclosures, the order form includes the TRID 2.0 fields below.

Appraised Value 450,000.00  
Acquisition Price 400,000.00  
Is the lot free and clear? ☒ Yes ☐ No  
Down Payment 40,000.00  
Loan Amount 360,000.00  
Construction Contract #1 Description and Payee ABC Custom Builders, LLC  
Construction Contract #1 Amount 300,000.00  
Construction Contract #2 Description and Payee  
Construction Contract #2 Amount 0.00  
Unpaid Principal Balance 0.00  
Total Loan Amount 360,000.00  
Loan to Value (LTV) 80.000%

- Your **Loan Detail** screen has two sets of fields for two separate **Construction Contract Amounts (CCA)**.
- Enter one **or** two amounts. You do **not** need to fill in both with the same amount. *\$0.00 is an appropriate value for the second CCA.*
- Use **Construction Contract #1 Description and Payee** to describe the payoff, for example the builder's name.

- Once your CCA is on the Loan Detail screen, it is pulled straight into **Summaries of Transactions** as a payoff, under the description you entered.
- If you have two CCAs, lines **K.05** and **K.06** are both filled in with the separate amounts.
- If you leave the Construction Contract #1 (or #2) description blank, it prints as "Construction Contract #1" (or #2).

### Summaries of Transactions (Draw Period)

|                                                 |                                                      |            |
|-------------------------------------------------|------------------------------------------------------|------------|
| K.                                              | Due from Borrower at Closing                         | 700,000.00 |
| 01                                              | Sale Price of Property                               | 400,000.00 |
| 02                                              | Sale Price of Any Personal Property Included in Sale | 0.00       |
| 03                                              | Closing Costs Paid at Closing (J)                    | 0.00       |
| 04                                              |                                                      | 0.00       |
| Adjustments                                     |                                                      |            |
| 05                                              | ABC Custom Builders, LLC                             | 300,000.00 |
| 06                                              |                                                      | 0.00       |
| 07                                              |                                                      | 0.00       |
| Adjustments for Items Paid by Seller In Advance |                                                      |            |

For a more in-depth look at the TRID 2.0 changes, [watch our walk-through with Nick Bailey](#).

## ESCROW ACCOUNT SETUP

### Escrow Account Setup

Both versions start the same way. Choose the **Escrow Account** type and enter your disbursements; the **First Escrow Payment Date** is filled in for you as the Permanent Period first payment date.

Escrow Account Yes - Aggregate Escrow Analysis

Setup

First Escrow Payment Date 08/01/2024

Cushion for MI 0

Cushion for Other 2

**Q:** How can I get escrows to start during the Draw Period? **A:** The First Escrow Payment Date defaults to the Perm Period first payment date. Change it to the Draw Period first payment date. This works the same way on Separate and Combined orders.

#### Separate One Time Closing

The recap adjusts automatically to show both the **Draw Period** and the **Perm Period**.

| Recap                 |        |                  |                  |      |
|-----------------------|--------|------------------|------------------|------|
| Draw Period           |        |                  |                  |      |
| Description           | Months | Amount Per Month | Total Amount Due |      |
| Homeowner's Insurance |        | 0.00             | 0.00             | 0.00 |
| Mortgage Insurance    |        | 0.00             | 0.00             | 0.00 |
| Property Taxes        |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
|                       |        | 0.00             | 0.00             | 0.00 |
| Perm Period           |        |                  |                  |      |
| Description           | Months | Amount Per Month | Total Amount Due |      |
| Homeowner's Insurance | 3.00   | 150.00           | 450.00           |      |
| Mortgage Insurance    | 0.00   | 0.00             | 0.00             |      |
| Property Taxes        | 8.00   | 500.00           | 4,000.00         |      |
| Aggregate Adjustment  | 0.00   | 0.00             | -1,050.00        |      |

#### Combined One Time Closing

The recap adjusts automatically to a single, **combined** escrow account instead of two. Your **Payment Table Preview** still shows when escrows start (see Projected Payments on page 15), including payment shock notices when appropriate.

| Recap                 |        |                  |                  |  |
|-----------------------|--------|------------------|------------------|--|
| Perm Period           |        |                  |                  |  |
| Description           | Months | Amount Per Month | Total Amount Due |  |
| Homeowner's Insurance | 3.00   | 150.00           | 450.00           |  |
| Mortgage Insurance    | 0.00   | 0.00             | 0.00             |  |
| Property Taxes        | 8.00   | 500.00           | 4,000.00         |  |
| Aggregate Adjustment  | 0.00   | 0.00             | -1,050.00        |  |

## CLOSING COST DETAILS

### Closing Cost Details

#### Separate One Time Closing

With separate disclosures you have two screens: **Closing Cost Details (DP)** holds the **construction** (Draw Period) closing costs, and **Closing Cost Details** holds all **other** closing costs.

Closing Cost Details (DP)

| Loan Costs                            | Borrower-Paid |            |                | Seller-Paid |                | Other  |       |
|---------------------------------------|---------------|------------|----------------|-------------|----------------|--------|-------|
|                                       | Estimated     | At Closing | Before Closing | At Closing  | Before Closing | Lender | Other |
| A. Origination Charges                |               |            |                |             |                |        |       |
| 0 % of Loan Amount (Points)           |               |            |                |             |                |        |       |
| <a href="#">Add Item</a>              |               |            |                |             |                |        |       |
| B. Services Borrower Did Not Shop For |               |            |                |             |                |        |       |
| <a href="#">Add Item</a>              |               |            |                |             |                |        |       |
| C. Services Borrower Did Shop For     |               |            |                |             |                |        |       |
| <a href="#">Add Item</a>              |               |            |                |             |                |        |       |
| D. TOTAL LOAN COSTS (Borrower-Paid)   |               |            |                |             |                |        |       |

Closing Cost Details

| Loan Costs                                    | Borrower-Paid |            |                | Seller-Paid |                | Other  |       |
|-----------------------------------------------|---------------|------------|----------------|-------------|----------------|--------|-------|
|                                               | Estimated     | At Closing | Before Closing | At Closing  | Before Closing | Lender | Other |
| A. Origination Charges                        |               |            |                |             |                |        |       |
| 0 % of Loan Amount (Points)                   |               |            |                |             |                |        |       |
| <a href="#">Add Item</a>                      |               |            |                |             |                |        |       |
| B. Services Borrower Did Not Shop For         |               |            | 2,414.00       |             |                |        |       |
| <a href="#">Document Preparation Fee</a>      |               | 350.00     |                |             |                |        |       |
| <a href="#">Title - Lender's Title Policy</a> |               | 2,064.00   |                |             |                |        |       |
| <a href="#">Add Item</a>                      |               |            |                |             |                |        |       |
| C. Services Borrower Did Shop For             |               |            |                |             |                |        |       |
| <a href="#">Add Item</a>                      |               |            |                |             |                |        |       |
| D. TOTAL LOAN COSTS (Borrower-Paid)           |               |            | 2,414.00       |             |                |        |       |

#### Combined One Time Closing

With combined disclosures, all of your closing costs, construction and otherwise, go on the one **Closing Cost Details** screen.

**Reminder of what to expect:** a combined disclosure has no draw period fee screen, just one fee screen. Lenders who currently exclude fees by putting them on the draw period may find their fees over the limits on combined disclosures. Make sure every fee is included in your disclosure.

## CREDIT BREAKDOWN

### Credit Breakdown

#### Separate One Time Closing

With separate transactions you have credits for **each side**, Draw Period and Permanent Period, covering Lender and Seller credits.

| Draw Period                  |          |
|------------------------------|----------|
| Lender Credit Breakdown      |          |
| Lender Credits (Generalized) | 0.00     |
| + Lender Cure                | 0.00     |
| Lender Credits               | 0.00     |
| Seller Credit Breakdown      |          |
| Seller Credits (Generalized) | 0.00     |
| + Seller Credits (Itemized)  | 0.00     |
| Seller Credits               | 0.00     |
| Permanent Period             |          |
| Lender Credit Breakdown      |          |
| Lender Credits (Generalized) | 0.00     |
| + Lender Cure                | 2,414.00 |
| = Lender Credits             | 2,414.00 |
| Seller Credit Breakdown      |          |
| Seller Credits (Generalized) | 0.00     |
| + Seller Credits (Itemized)  | 0.00     |
| + OTP Credit                 | 0.00     |
| = Seller Credits             | 0.00     |

#### Combined One Time Closing

Combined Disclosures have all credits on one disclosure instead of two.

| Lender Credit Breakdown      |          |
|------------------------------|----------|
| Lender Credits (Generalized) | 0.00     |
| + Lender Cure                | 2,414.00 |
| = Lender Credits             | 2,414.00 |
| Seller Credit Breakdown      |          |
| Seller Credits (Generalized) | 0.00     |
| + Seller Credits (Itemized)  | 0.00     |
| + OTP Credit                 | 0.00     |
| = Seller Credits             | 0.00     |

On both, credits update the Closing Disclosure automatically. One reminder: your LE **Lender Credits must** carry over to the CD at that exact amount.

**Tip:** it is good practice to leave Lender Credits to the CD side and disclose all fees as borrower-paid on the LE.

**Tip:** itemized Seller Credits still show on your LE as a borrower-paid item, with the credit shown in the **Calculating Cash to Close** section.

## SUMMARIES OF TRANSACTIONS

# Summaries of Transactions / Payoffs

### Separate One Time Closing

As with Closing Cost Details, you have two screens: one for the Draw Period and one for the Perm Period. When you are purchasing property, the sale price sits on the Draw Period under **Sale Price of Property**, and the construction contract is the payoff on line K.05.

Summaries of Transactions (Draw Period)

|                                                         |            |
|---------------------------------------------------------|------------|
| K. Due from Borrower at Closing                         | 700,000.00 |
| 01 Sale Price of Property                               | 400,000.00 |
| 02 Sale Price of Any Personal Property Included in Sale | 0.00       |
| 03 Closing Costs Paid at Closing (J)                    | 0.00       |
| 04                                                      | 0.00       |
| Adjustments                                             |            |
| 05 ABC Custom Builders, LLC                             | 300,000.00 |
| 06                                                      | 0.00       |
| 07                                                      | 0.00       |
| Adjustments for Items Paid by Seller In Advance         |            |

Summaries of Transactions

|                                                         |              |
|---------------------------------------------------------|--------------|
| K. Due from Borrower at Closing                         | 363,698.00   |
| 01 Sale Price of Property                               | 0.00         |
| 02 Sale Price of Any Personal Property Included in Sale | 0.00         |
| 03 Closing Costs Paid at Closing (J)                    | 3,698.00     |
| 04                                                      | 0.00         |
| Adjustments                                             |              |
| 05                                                      | 0.00         |
| 06                                                      | 0.00         |
| 07 City/Town Taxes                                      | From To 0.00 |
| Adjustments for Items Paid by Seller In Advance         |              |

### Combined One Time Closing

Combined Disclosures have one **Summaries of Transactions** screen for all of your payoffs and credits. If you are purchasing property, the price is under **Sale Price of Property**, just as on separate transactions, and the construction loan is the payoff on K.05.

|                                                         |            |
|---------------------------------------------------------|------------|
| K. Due from Borrower at Closing                         | 763,698.00 |
| 01 Sale Price of Property                               | 400,000.00 |
| 02 Sale Price of Any Personal Property Included in Sale | 0.00       |
| 03 Closing Costs Paid at Closing (J)                    | 3,698.00   |
| 04                                                      | 0.00       |
| Adjustments                                             |            |
| 05 Construction Loan Payoff                             | 360,000.00 |
| 06                                                      | 0.00       |
| 07                                                      | 0.00       |
| Adjustments for Items Paid by Seller In Advance         |            |

Split disclosures have the advantage of not referencing the other half of the loan: the draw period purpose and terms describe only the draw portion, and the perm describes only the permanent portion.

A combined transaction discloses the loan terms based on the *first* portion of the obligation, the draw period. So where a split one time may disclose the permanent portion as simply a fixed rate loan, a combined disclosure says it is interest only, because it looks at the loan as a whole rather than as two transactions.

## DOCUMENT SELECTION

### Document Selection

#### Separate One Time Closing

You receive **two** LEs/CDs: one for the Construction (Draw) phase and one for the Permanent phase.

The screenshot shows the 'Suggest Documents' window with two sections. The top section, 'Consider Adding:', has two checkboxes: 'Loan Estimate - TRID' and 'Loan Estimate - TRID - Draw Period'. The bottom section, 'PPDocs', shows a 'Loan Estimate' form for a property at 2310 W Interstate 20, 100 • Arlington, TX 76017. The form includes fields for DATE ISSUED (5/7/2018), APPLICANTS (Jane Doe), PROPERTY (111 Main Drive, Colleyville, TX 76034), and PROP. VALUE (\$675,000). The LOAN TERM is 30 years, PURPOSE is Refinance, and PRODUCT is Fixed Rate. The LOAN TYPE is Conventional, and the RATE LOCK is NO. The form also includes a 'Can this amount increase after closing?' checkbox.

#### Combined One Time Closing

Your combined disclosure is listed as **Loan Estimate (combined) - TRID**. It shows the Draw **and** Perm phases as one Loan Term.

The screenshot shows the 'Suggest Documents' window with one checkbox in the 'Consider Adding:' section: 'Loan Estimate - Combined OTC TRID'. The bottom section, 'PPDocs', shows a 'Loan Estimate' form for the same property. The LOAN TERM is 31 years, PURPOSE is Construction, and PRODUCT is 1 Year Interest Only, Fixed Rate. The LOAN TYPE is Conventional, and the RATE LOCK is NO. The form also includes a 'Can this amount increase after closing?' checkbox.

**Reminder:** the Combined Disclosure is available for **Conventional** and **FHA**. VA does not currently support Combined Disclosures; VA loans must use Separate Disclosures.

## ADDITIONAL DOCUMENT CHANGES

### Loan Term, Purpose & Product

#### Separate One Time Closing

On a split one time with a 12-month draw period, the draw period product prints as **11 mo. Interest Only**, because the 12th payment is the final balloon payment of principal and interest.

|           |                                  |
|-----------|----------------------------------|
| LOAN TERM | 1 year                           |
| PURPOSE   | Construction                     |
| PRODUCT   | 11 mo. Interest Only, Fixed Rate |

  

|           |            |
|-----------|------------|
| LOAN TERM | 30 years   |
| PURPOSE   | Refinance  |
| PRODUCT   | Fixed Rate |

The separate disclosures print their own purposes, **Construction** and **Refinance**. A combined disclosure prints **one** purpose, decided by whether a land purchase or a dwelling refinance is included. We print the draw period purpose because it is the most relevant when the borrower receives the combined disclosure.

#### Combined One Time Closing

On a combined loan the product shows the actual **1 Year Interest Only**, since it is one transaction and no longer a balloon.

1. The loan term covers the entire obligation, so 12 months interest only followed by 360 monthly payments of principal and interest reads as **"31 years"**.

|           |                                  |
|-----------|----------------------------------|
| LOAN TERM | 31 years                         |
| PURPOSE   | Construction                     |
| PRODUCT   | 1 Year Interest Only, Fixed Rate |

2. If the rate is fixed during the draw period and then fixed at a different rate in the permanent phase, the product is a **step rate**: the initial term is the draw term in years, followed by **"/0"** because there is no subsequent change. When a loan's rate adjustments are known at consummation, they must be disclosed as a step rate.

|           |                                     |
|-----------|-------------------------------------|
| LOAN TERM | 31 years                            |
| PURPOSE   | Construction                        |
| PRODUCT   | 1 Year Interest Only, 1/0 Step Rate |

**Note:** when the draw period is fixed but the permanent portion is a **floating rate** or an **ARM**, the product shows an **adjustable rate**, even though that isn't what happens first.

## ADDITIONAL DOCUMENT CHANGES · COMBINED ONE TIME CLOSING

### Loan Terms

The interest rate in Loan Terms is the initial rate; on a combined one time, that is the starting rate of the draw period. If the rate adjusts, the disclosure says that it will change, and when.

| Loan Terms                                                                                                               |          | Can this amount increase after closing?                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loan Amount                                                                                                              | \$60,000 | NO                                                                                                                                                                                                                                                        |
| Interest Rate                                                                                                            | 6.049%   | YES <ul style="list-style-type: none"> <li>Adjusts every 3 years starting in year 3</li> <li>Can go as high as 18% in year 6</li> <li>See AIR table on page 4 for details</li> </ul>                                                                      |
| Monthly Principal & Interest<br><small>See Projected Payments below for your<br/>Estimated Total Monthly Payment</small> | \$151.23 | YES <ul style="list-style-type: none"> <li>Adjusts every month starting in mo. 1</li> <li>Can go as high as \$865 starting in year 6</li> <li>Includes only interest and no principal until year 2</li> <li>See AP table on page 4 for details</li> </ul> |

The **Principal & Interest** payment is the *initial* payment, the first *interest-only* payment of the draw portion. It also discloses the maximum principal and interest payment once payments switch from interest only to principal and interest.

|          | Can this amount increase after closing?                                                                                                                                                                                                                   |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$60,000 | NO                                                                                                                                                                                                                                                        |
| 6.049%   | YES <ul style="list-style-type: none"> <li>Adjusts every 3 years starting in year 3</li> <li>Can go as high as 18% in year 6</li> <li>See AIR table on page 4 for details</li> </ul>                                                                      |
| \$151.23 | YES <ul style="list-style-type: none"> <li>Adjusts every month starting in mo. 1</li> <li>Can go as high as \$865 starting in year 6</li> <li>Includes only interest and no principal until year 2</li> <li>See AP table on page 4 for details</li> </ul> |

After the **YES** for “Can this amount increase after closing?” we show that it can adjust every month, because of the nature of a draw loan: the outstanding amount can change with the first payment if more of the loan is drawn. It discloses when the loan reaches its maximum amount; if the amount doesn’t vary, that is simply when the loan goes from interest only to principal and interest. It also shows the length of the interest-only period.

Like the projected payments table, this amount assumes each period is the same length, so the two match. On whether the amount can increase after closing, the CFPB clarified that the technical answer is **NO**, but the creditor may answer **YES** to reflect the nature of construction financing. We continue to disclose **YES**.

### Balloon Payment

Loan Terms no longer prints a balloon just for the draw term. With the phases combined, the end of the draw term is not a balloon. If the permanent portion has a balloon, it is disclosed in the normal way.

|                 |    |
|-----------------|----|
| Balloon Payment | NO |
|-----------------|----|

# Projected Payments

## Projected Payments Table

The projected payments table now covers the entire loan obligation. The first column shows the draw portion and ends when the loan switches to P&I payments; a change in P&I starts a new column. If the permanent loan has an interest-only (interest first) period, it gets a new column even though it is still interest only. Draw period interest-only payments are based on ½ outstanding, while the permanent portion is based on the entire loan balance.

| Projected Payments                                       |                                  |                 |
|----------------------------------------------------------|----------------------------------|-----------------|
| Payment Calculation                                      | Year 1                           | Years 2 - 31    |
| Principal & Interest                                     | \$151.23<br><i>only interest</i> | \$379.40        |
| Mortgage Insurance                                       | + 0                              | + 0             |
| Estimated Escrow<br><i>Amount can increase over time</i> | + -                              | + 105.86        |
| <b>Estimated Total Monthly Payment</b>                   | <b>\$151.23</b>                  | <b>\$485.26</b> |

## Projected Payments Escrow

If escrows are due during the *draw period*, the estimated escrow shows in the first column. If escrows aren't due until the *permanent phase*, the second column carries the escrow amount and it is left out of the first column. Unlike separate disclosures, escrows are disclosed upfront even if they don't start right away.

*Mortgage insurance never starts in the first column.*

| Projected Payments                                                                                                        |                                  |                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Calculation                                                                                                       | Year 1                           | Years 2 - 31                                                                                                                                                                                                                        |
| Principal & Interest                                                                                                      | \$151.23<br><i>only interest</i> | \$379.40                                                                                                                                                                                                                            |
| Mortgage Insurance                                                                                                        | + 0                              | + 0                                                                                                                                                                                                                                 |
| Estimated Escrow<br><i>Amount can increase over time</i>                                                                  | + -                              | + 105.86                                                                                                                                                                                                                            |
| <b>Estimated Total Monthly Payment</b>                                                                                    | <b>\$151.23</b>                  | <b>\$485.26</b>                                                                                                                                                                                                                     |
| Estimated Taxes, Insurance & Assessments<br><i>Amount can increase over time</i><br><small>See page 4 for details</small> | \$105.86<br>a month              | <div>                     This estimate includes<br/> <input checked="" type="checkbox"/> Property Taxes<br/> <input checked="" type="checkbox"/> Homeowner's Insurance<br/> <input type="checkbox"/> Other:                 </div> |
|                                                                                                                           |                                  | In escrow?<br>YES<br>YES                                                                                                                                                                                                            |

## For comparison: an ARM

ARM projected payments look like the fixed rate, with additional columns for each change, from the interest-only term through each interest adjustment under the ARM terms.

| Projected Payments                                       |                                  |                 |                        |                        |
|----------------------------------------------------------|----------------------------------|-----------------|------------------------|------------------------|
| Payment Calculation                                      | Year 1                           | Year 2          | Years 3 - 5            | Years 6 - 31           |
| Principal & Interest                                     | \$151.23<br><i>only interest</i> | \$379.40        | \$306 min<br>\$460 max | \$220 min<br>\$581 max |
| Mortgage Insurance                                       | + 0                              | + 0             | + 0                    | + 0                    |
| Estimated Escrow<br><i>Amount can increase over time</i> | + -                              | + 105.86        | + 105.86               | + 105.86               |
| <b>Estimated Total Monthly Payment</b>                   | <b>\$151.23</b>                  | <b>\$485.26</b> | <b>\$412-\$566</b>     | <b>\$326-\$687</b>     |

## AP & AIR Tables and Loan Calculations

**AP:** a Combined One Time Closing shows an Adjustable Payment (AP) table, because the loan changes from *interest only* to *principal and interest*.

**AIR:** when a fixed draw period rate is followed by a different fixed rate in the permanent phase, the Adjustable Interest Rate (AIR) table appears. A step rate also includes an AIR table, whether the rate goes up or down; a decrease shows as a negative adjustment. Subsequent adjustments are left out, since there are none.

| Adjustable Payment (AP) Table                  |                                | Adjustable Interest Rate (AIR) Table   |                         |
|------------------------------------------------|--------------------------------|----------------------------------------|-------------------------|
| Interest Only Payments?                        | YES for your first 12 payments | Interest Rate Adjustments              | 0.451%                  |
| Optional Payments?                             | NO                             | Initial Interest Rate                  | 6.049%                  |
| Step Payments?                                 | NO                             | Minimum/Maximum Interest Rate          | 6.049%/6.50%            |
| Seasonal Payments                              | NO                             | <b>Change Frequency</b>                |                         |
| <b>Monthly Principal and Interest Payments</b> |                                | First Change                           | Beginning of 13th month |
| First Change/Amount                            | 1st payment                    | Subsequent Changes                     | No subsequent changes   |
| Subsequent Changes                             | Every payment                  | <b>Limits on Interest Rate Changes</b> |                         |
| Maximum Payment                                | \$379 starting at 13th payment | First Change                           | 0.451%                  |
|                                                |                                | Subsequent Changes                     | No subsequent changes   |

## Loan Calculations

The Loan Estimate **Comparisons** table and the Closing Disclosure **Loan Calculations** table look at the loan as a whole. The 5-year totals include the draw phase, and the APR is a combined APR from both the draw period and the permanent phase.

| Comparisons                     | Use these measures to compare this loan with other loans. |                                                                                                        |
|---------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| In 5 Years                      | \$23,017                                                  | Total you will have paid in principal, interest, mortgage insurance, and loan costs.                   |
|                                 | \$2,972                                                   | Principal you will have paid off.                                                                      |
| Annual Percentage Rate (APR)    | 6.690%                                                    | Your costs over the loan term expressed as a rate. This is not your interest rate.                     |
| Total Interest Percentage (TIP) | 130.661%                                                  | The total amount of interest that you will pay over the loan term as a percentage of your loan amount. |

| Loan Calculations                                                                                                                                        |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled. | \$141,333.44 |
| <b>Finance Charge.</b> The dollar amount the loan will cost you.                                                                                         | \$79,323.76  |
| <b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.                                                              | \$59,072.88  |
| <b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.                                  | 6.637%       |
| <b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.           | 130.661%     |

## Amortization Schedule

The amortization schedule also looks a little different. We previously did not amortize the draw loan, because there was no clear way to show an expected payment schedule with a varying loan balance. Appendix D, section 17(c), lets us assume ½ outstanding across the board for multiple-advance construction loans, so the interest-only portion now appears as the first part of the loan.

For instance, the schedule might show 12 interest-only payments at half outstanding; on the 13th payment, payments rise to the P&I amount and the balance rises to fully outstanding. The regulations also let us ignore odd days, within certain limits, for true daily loans and assume all payments are equal. Because we treat the draw portion of the one time as true daily, draw period amounts appear as if calculated as scheduled, rather than assuming a different number of days each month. That makes the schedule easier to read and prevents unnecessary ranges in the projected payments table.

| Finance Charge Summary |              |                  | Payment Analysis |              | Amort Schedule |               | Worst Case Analysis |               | Worst Case Schedule |        |
|------------------------|--------------|------------------|------------------|--------------|----------------|---------------|---------------------|---------------|---------------------|--------|
| Payment Number         | Payment Date | Periodic Payment | Mortgage Ins     | Accrual Rate | Prin Paid      | Interest Paid | Buydown             | Total Balance | LTV                 | T+H    |
| 1                      | 05/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 2                      | 06/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 3                      | 07/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 4                      | 08/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 5                      | 09/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 6                      | 10/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 7                      | 11/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 8                      | 12/03/2018   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 9                      | 01/03/2019   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 10                     | 02/03/2019   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 11                     | 03/03/2019   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 30000.00      | 50.000              | 0.00   |
| 12                     | 04/03/2019   | 151.23           | 0.00             | 6.049        | 0.00           | 151.23        | 0.00                | 60000.00      | 100.000             | 0.00   |
| 13                     | 05/03/2019   | 379.40           | 0.00             | 6.500        | 69.54          | 309.86        | 0.00                | 59930.46      | 99.884              | 105.86 |
| 14                     | 06/03/2019   | 379.40           | 0.00             | 6.500        | 48.55          | 330.85        | 0.00                | 59881.91      | 99.803              | 105.86 |

The amortization schedule also includes a **T+H** (taxes and hazard) column. It is for information only.

## AUDITOR

### Combined One Time Closing Audits

The Combined One Time Closing comes with a set of **Stop** audits for scenarios we **cannot** handle:

- ✗ PPDocs cannot handle one time closings with the draw period is due once at the end of the period when the permanent portion is also due at maturity.
- ✗ PPDocs cannot handle one time closings with the draw period as part of the ARM program when the permanent portion is a fixed rate.
- ✗ PPDocs cannot handle one time closings with the draw period as a floating rate when the permanent portion is also a floating rate.

The answers that trigger these audits are on the **Loan Setup**, **Loan Information** and **Loan Detail** screens, and they vary between the initial disclosure and Closing Disclosure sides. On **Loan Detail**, check the Draw Period payment frequency and the **Construction Interest Rate** (Fixed, Part of ARM Program, or Floating), along with how the Repayment Period payments are due.

The screenshot displays the 'Loan Detail' screen with the following fields and values:

- Draw Period Payment Frequency:** Monthly (dropdown menu)
- First Payment Date:** 07/11/2024 (calendar icon)
- Completion Date:** 06/11/2025 (calendar icon, info icon)
- Draw Period:** 365
- Late Charge Percentage %:** 5.00
- Late Charge After (days):** 15
- Construction Interest Rate:**
  - ☒ Fixed At 6.000
  - ☐ Part of ARM Program (construction period is included in first change of permanent loan, the rate will be the same as the permanent rate)
  - ☐ Floating rate based on...

On **Loan Information**, the **Interest Rate** (Fixed or Adjustable) sets the permanent portion.



**Don't hesitate to get with our team on any questions or concerns!**

Here is a table to help you route your question:

| Type of inquiry                                                                                                                                                      | Email Address                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Document preparation and status updates on document orders                                                                                                           | <a href="mailto:docprep@ppdocs.com">docprep@ppdocs.com</a>         |
| Questions for Legal Document Quality Control Review orders                                                                                                           | <a href="mailto:review@ppdocs.com">review@ppdocs.com</a>           |
| Questions for fulfillment orders                                                                                                                                     | <a href="mailto:fulfillment@ppdocs.com">fulfillment@ppdocs.com</a> |
| Questions about rescission requirements, federal or state predatory lending test questions, guidance for particular scenarios, or other compliance related questions | <a href="mailto:compliance@ppdocs.com">compliance@ppdocs.com</a>   |
| Technical support, bug reporting                                                                                                                                     | <a href="mailto:support@ppdocs.com">support@ppdocs.com</a>         |
| Legal specific questions                                                                                                                                             | <a href="mailto:legal@ppdocs.com">legal@ppdocs.com</a>             |
| Registering, signing up, pricing quotes                                                                                                                              | <a href="mailto:cr@ppdocs.com">cr@ppdocs.com</a>                   |
| Billing, invoicing, credit card payments                                                                                                                             | <a href="mailto:accounting@ppdocs.com">accounting@ppdocs.com</a>   |