How to Read Your Loan Estimate & Closing Disclosure

The two documents every borrower receives, explained page by page — which numbers can change, which can't, and what's different about closing in Georgia and Florida.

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Every mortgage in America comes with two standardized documents: the **Loan Estimate** when you apply, and the **Closing Disclosure** before you sign. If you've never bought in the U.S., these forms are unfamiliar — but once you know how to read them, no one can surprise you at the closing table.

The Loan Estimate: Your Offer in Writing

Within **3 business days** of your application, the lender must send you this 3-page form. It's the same layout at every lender in the country — which makes it perfect for comparing offers.

Page 1 — The Deal

- **Loan Terms table:** loan amount, interest rate, and monthly principal & interest — each with a "Can this amount increase?" column. On a fixed-rate loan the answer should be *NO* for all three.
- **Projected Payments:** your full payment including estimated taxes and insurance (escrow).
- **Costs at Closing:** the headline totals — closing costs and cash to close.

Page 2 — Where Every Dollar Goes

- **Section A:** the lender's own charges (origination, points)
- **Section B:** services you cannot shop for (appraisal, credit report)
- **Section C:** services you *can* shop for (title work — more on Georgia and Florida below)
- **Sections E–G:** government taxes, prepaid interest and insurance, and the initial escrow deposit

Page 3 — The Comparison Tools

Three numbers built for comparing lenders: **In 5 Years** (total cost over five years), **APR** (rate including fees), and **TIP** (total interest as a percentage of the loan). When two offers look similar, page 3 breaks the tie.

The Closing Disclosure: The Final Numbers

You must receive this 5-page form at least **3 business days before closing** — that waiting period is your legal right. It mirrors the Loan Estimate line for line, so put them side by side and compare.

What's allowed to change — and what isn't

- **Zero tolerance:** the lender's own fees (Section A) and transfer taxes cannot increase. Period.
- **10% tolerance:** recording fees and services you chose from the lender's list can rise at most 10% combined.
- **Can change:** prepaid interest (depends on your closing date), homeowner's insurance, and escrow amounts.

> **If a zero-tolerance fee went up, the lender owes you the difference.** Send us your Closing Disclosure the moment it arrives — we review it line by line with every client, in your language, before you sign anything.

What's Different in Georgia and Florida

- **Georgia is an attorney-closing state:** a licensed closing attorney (not a title company) conducts your closing — you'll see the attorney's fee in Sections B/C. Wire fraud targets attorney closings: *always verify wire instructions by phone with the attorney's office before sending money.*
- **Florida closings** typically run through a title company, and Section E includes Florida's **documentary stamp tax on the note (~$0.35 per $100 borrowed)** and **intangible tax (~0.2% of the loan amount)**.
- **Georgia's version:** an intangible recording tax of **~$1.50 per $500 borrowed**, plus a transfer tax customarily paid by the seller.
- **Florida escrows run higher:** hurricane/windstorm and (in flood zones) flood insurance are collected in your escrow — expect a larger Section G than a comparable Georgia home.
- **Property taxes are prorated** in both states — the seller credits you for their portion of the year, which appears on page 3 of the Closing Disclosure.

Your 5-Minute Review Routine

1. Check the rate, loan amount, and P&I on page 1 against what you were quoted.
2. Confirm "Can this increase?" says NO on a fixed-rate loan.
3. Compare Section A to your Loan Estimate — it must match.
4. Scan cash to close: if it moved more than a few hundred dollars, ask why.
5. Call us with anything you don't recognize — before signing, not after.

These forms exist to protect you. Read them with us, and they will.

Let's Talk About Your Mortgage

Our team serves you in English, Portuguese, and Spanish — no cost, no obligation.

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