



Title Talk...



SEPTEMBER 2009

Overview of Key Changes in the New RESPA Rule

New GFE and HUD-1/1A Forms

- The GFE has been shortened from four pages to three.
- The HUD-1 has a new third page that includes a chart comparing the amounts listed for particular settlement costs on the GFE. Lenders are required to provide all information needed to complete the comparison chart.
- Everyone must use the new GFE and HUD-1 forms by January 1, 2010, however, some lenders may be early adopters. If the new GFE is used, the new HUD-1 must be used.

Average Pricing

Settlement service providers can utilize average costs for services such as credit reports and courier fees. There is a three-year recordkeeping requirement, and the total average costs over the utilized time period must not exceed the total paid for those services. Excluded from average cost pricing are services based on the value of a property or loan, including any type of insurance.

Ineligible Fees

Fees based on loan amount or property values
Transfer Tax
Interest
Escrow Reserves
Insurance premiums (including title)
Provider's own internal charges

Eligible Fees

All other fees including third party fees

Calculations based on specific class of transactions

During a specific time period (not less than 30 days, not more than six months)
For a specific geographical area
Charge may not exceed average calculation
Charge may not exceed the total price paid to third-party provider
Originator must retain all documentation determining accuracy of pricing method for at least three years

There are three categories of tolerances from the GFE to the HUD-1:

Zero Tolerance

(fees that cannot change)
Origination Fee
Points (or credited YSP to offset origination fee)
Adjusted origination charges
Transfer Taxes

10% Tolerance

(fees that cannot change more than 10% aggregate)
Required services (if lender recommended providers are chosen)
Title services and lender's title insurance (if lender recommended providers are chosen)
Owner's title insurance (if lender recommended providers are chosen)
Government Recording Fees

No Tolerance Limit

(fees that can change with no tolerance limit)
Required services (if selected by borrower)
Title services and lender's title insurance (if selected by the borrower)
Owner's title insurance (if selected by the borrower)
Initial escrow deposit
Daily interest charges
Homeowner's insurance

Required Use

The intent of Required Use is to allow bona fide discounts and disallow any discounts predicated on preferred service providers. It declares as illegal any economic incentives or disincentives used to improperly influence a consumer's choices. In other words, a discount of fees or services shouldn't be predicated on the selection of a specific provider. However, there is an exemption of the Required Use provision for AfBAs if:

- The combination of services is optional AND
- The lower price is not made up elsewhere in the transaction

(Homebuilders and their affiliates are excluded from the AfBA exemption pending the outcome of a lawsuit filed in January of 2009. Effective Date of Required Use—July 2009)

*Excerpt from "The New RESPA" by Michelle Sweet. **Title News**

Employee Anniversaries

Laurie Hawk, Mt. Carroll~ 2005

Lisa Howe, Rockford~ 2007

Steve Knight, Rock Island~ 2008

Miriam Schlueter, Freeport~ 1997

H. B. Wilkinson celebrates Terrie Miller's 20th Anniversary!

Mrs. Theresa Miller, Operations Officer, has been working for H.B. Wilkinson Title Company for 20 years. Please join us in congratulating her for her 20 years of dedication. Terrie's knowledge and expertise of the title industry is part of the foundation of our success as a company. Her drive and willingness to work surpass all expectations. Thank You Terrie for 20 years of your hard work and here's to 20 more!

1989– Joined H.B. Wilkinson

1999– Became Office Manager of Mount Carroll

2003– Added Management of Rock Island Office

2006– Became Corporate Operations Officer



H.B. Wilkinson Title Company

Office Locations:

Carroll County

108 East Market Street
Mt. Carroll, IL 61053
1.815.244.9566 FAX 1.815.244.2731

Jo Daviess County

(Also servicing Dubuque County, Iowa)
321 North Bench Street
P.O. Box 215
Galena, IL 61036
1.815.777.3318 FAX 1.815.777.1754

Lee County

(Also servicing Bureau County)
218 South Ottawa Avenue
Dixon, IL 61021
1.815.284.1160 FAX 1.815.284.1165

Ogle County

(Also servicing DeKalb County)
203 South 5th Street
Oregon, IL 61061
1.815.732.7840 FAX 1.815.732.4761

Rock Island County

(Also servicing Henry & Mercer Counties
in Illinois & Scott County, Iowa)
322 16th Street
Rock Island, IL 61201
1.309.794.0518 FAX 1.309.794.0617

Stephenson County

216 West Exchange Street
Freeport, IL 61032
1.815.232.2511 FAX 1.815.232.3798

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500 North Cherry Street
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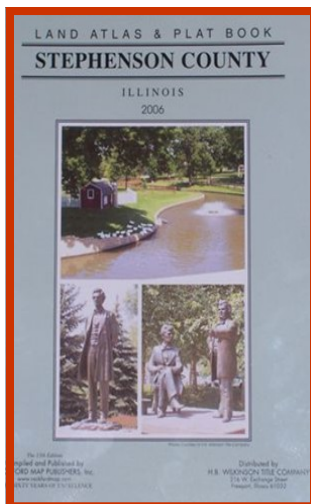
Winnebago County

202 East Sixth Street
Sterling, IL 61081
1.815.626.1066 FAX 1.815.626.6788

Winnebago County

(Also servicing Boone County)
7025 Rote Road, Suite 105
Rockford, IL 61107
1.815.229.1925 FAX 1.815.229.1924

Plat Books On Sale



Whiteside County: On sale at our Morrison, Sterling, Mt. Carroll, Dixon, and Rock Island offices.

Stephenson County: On sale at our Freeport, Galena, Mt. Carroll, and Oregon locations.

\$20.00

