CHICAGO TITLE
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Home Buyers Guide

PURCHASING A HOME IN AUSTIN FROM CONTRACT TO CLOSE

CHICAGO TITLE

MAP AND OFFICE LOCATIONS

BALCONES – FEE ATTORNEY
HANCOCK, MCGILL & BLEAU, LLLP
6010 Balcones Dr., #100, Austin, TX 78731
Phone: 512-459-6010

BASTROP – FEE ATTORNEY
TUCK LAW GROUP, PLLC
908 Main St., Bastrop, TX 78602
Phone: 512-549-6001

BEE CAVE OFFICE
13215 Bee Cave Pkwy, Bldg. B, #100
Bee Cave, TX 78738
Phone: 512-840-5290

CEDAR PARK OFFICE
1335 E. Whitestone Blvd., #Z-100
Cedar Park, TX 78613
Phone: 512-690-9490

COMMERCIAL SERVICES
1501 S. Mopac Expy, #130
Austin, TX 78746
Phone: 512-480-8353

DOWNTOWN – FEE ATTORNEY
JOHN T. BEARD P.C.
100 Congress Ave., #2000, Austin, TX 78701
Phone: 512-903-0904

GREAT HILLS OFFICE
8911 N. Capital of TX Hwy.
Bldg. 2, #2105
Austin, TX 78759
Phone: 512-345-6525

KYLE – FEE ATTORNEY
ROGERS LAW, PLLC
1300 Dacy Ln., #220, Kyle, TX 78640
Phone: 512-842-6573

SPICEWOOD SPRINGS – FEE ATTORNEY
MARGARET M. MORGAN & ASSOC.
4833 Spicewood Springs Rd., Ste 100
Austin, TX 78759
Phone: 512-593-2930

ROUND ROCK OFFICE
2300 Greenhill Dr., #310
Round Rock, TX 78664
Phone: 512-358-9450

SOUTH MOPAC OFFICE
1501 S. Mopac Expy, #130
Austin, TX 78746
Phone: 512-480-8353

W. 6TH – FEE ATTORNEY
LEON J. BARISH
ATTORNEY AT LAW
1409 W. 6th St., Austin, TX 78703
Phone: 512-477-9058

CORPORATE/WESTLAKE OFFICE
4301 Westbank Dr., Bldg. A, #100
Austin, TX 78746
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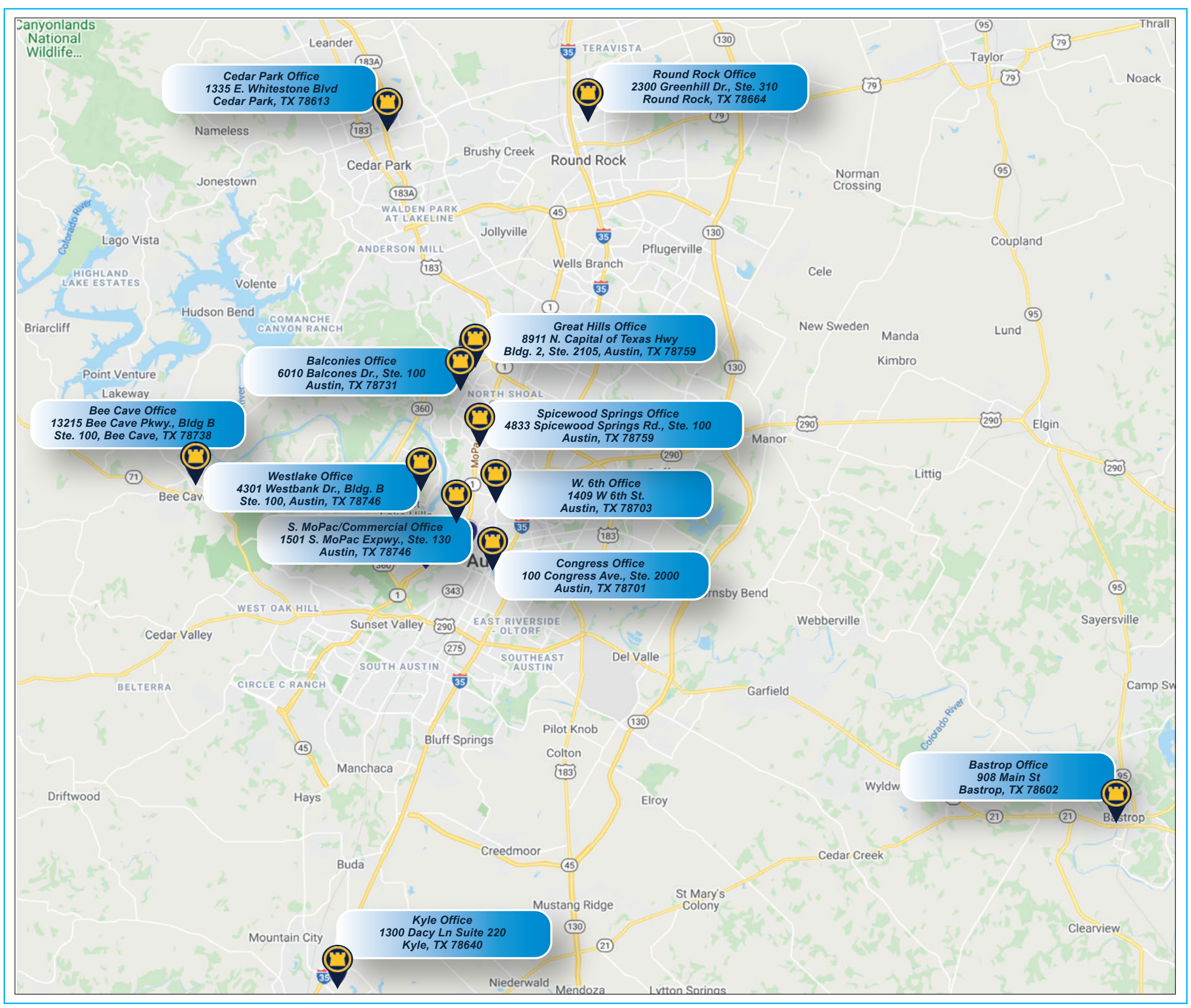

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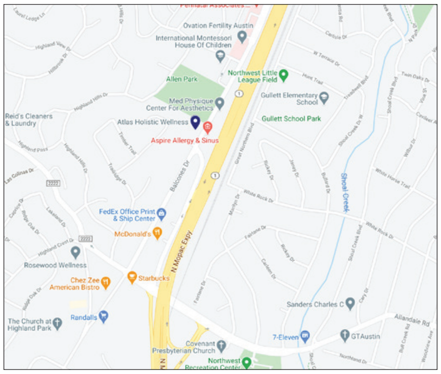

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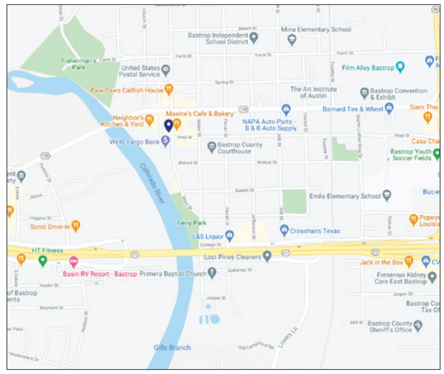

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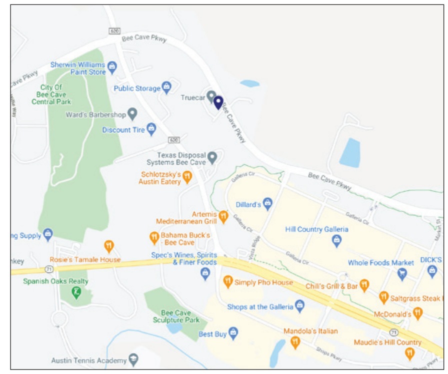

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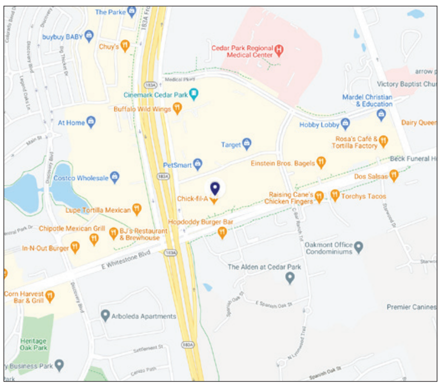

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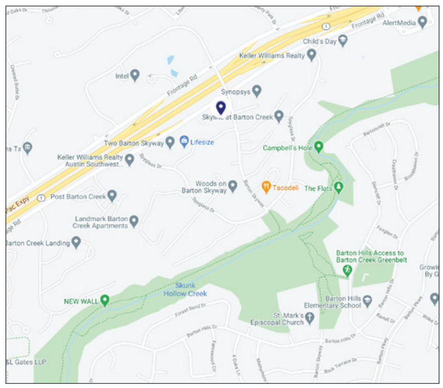

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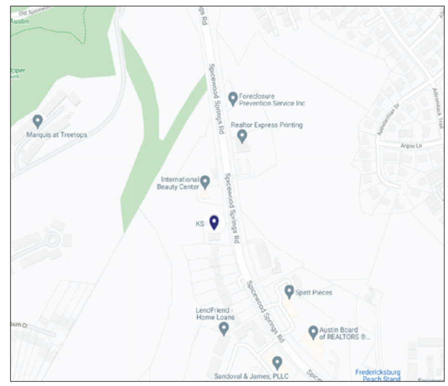

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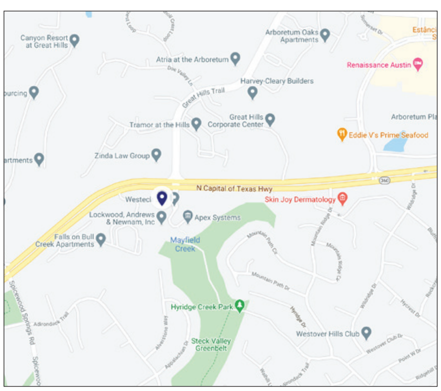

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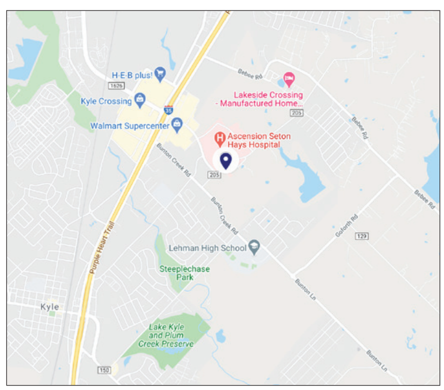

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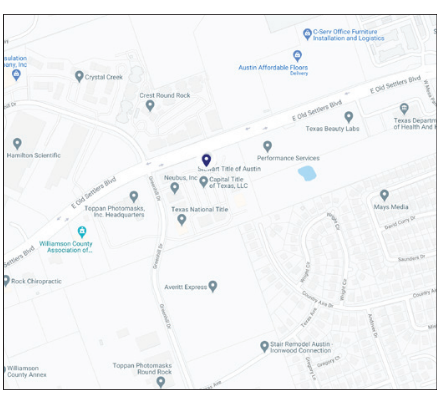

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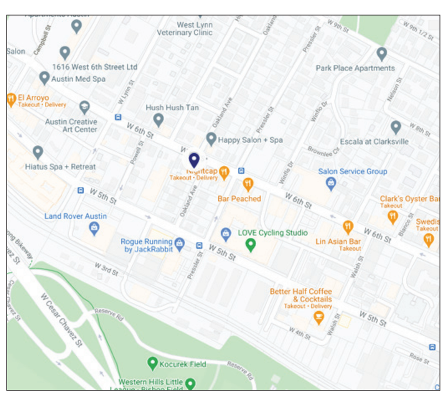

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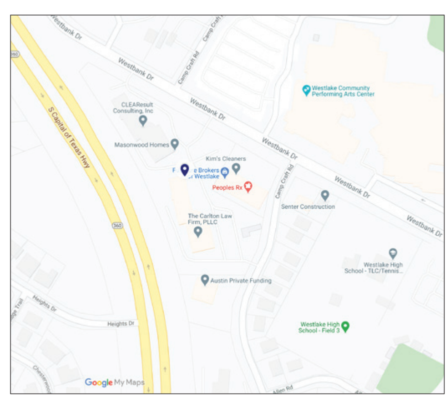


Why you need a REALTOR®

1. They have loads of expertise

Real estate has its own language, full of acronyms and semi-arcane jargon, and your Realtor is trained to speak that language fluently.

Plus, buying or selling a home usually requires dozens of forms, reports, disclosures, and other technical documents. Realtors have the expertise to help you prepare a killer deal—while avoiding delays or costly mistakes.

2. They have turbocharged searching power

Realtors have access to more listings than you can find on your own. Sometimes properties are available but not actively advertised. A Realtor can help you find those hidden gems.

Plus, a good local Realtor is going to know the search area way better than you ever could. Your Realtor is equipped to know the ins and outs of every neighborhood, so they can direct you toward a home in your price range that you may have overlooked.

3. They have bullish negotiating chops

Any time you buy or sell a home, you're going to encounter negotiations and as today's housing market heats up, those negotiations are more likely than ever to get a little heated. You can expect lots of competition, cutthroat tactics, all-cash offers, and bidding wars. A Realtor will help draw up a purchase agreement that allows enough time for inspections, contingencies, and whatever is crucial to your particular needs.

4. They're connected to everyone

Realtors make it their mission to know just about everyone who can possibly help in the process of buying or selling a home. Mortgage brokers, real estate attorneys, home inspectors, home stagers, interior designers-and they're all in your Realtor's network. Use them.

5. They adhere to a strict code of ethics

Not every real estate agent is a Realtor, who is a licensed real estate salesperson who belongs to the National Association of Realtors®, the largest trade group in the country.

Realtors are held to a higher ethical standard than licensed agents and must adhere to a Code of Ethics.

6. They're your stage parent/data analyst/therapist - all rolled into one

The thing about Realtors: They wear a lot of different hats. Sure, they're salespeople, but they actually do a whole heck of a lot to earn their commission. They're constantly driving around, checking out listings for you. They spend their own money on marketing your home (if you're selling) and they're researching comps to make sure you're getting the best deal.

Source: Realtor.com | By Rachel Stults

BEST-KEPT SECRETS for Buying a Home

Buying Secret #10: Keep Your Money Where It Is

It's not wise to make any huge purchases or move your money around three to six months before buying a new home. You don't want to take any big chances with your credit profile. Lenders need to see that you're reliable and they want a complete paper trail so that they can get you the best loan possible. If you open new credit cards, amass too much debt or buy a lot of big-ticket items, you're going to have a hard time getting a loan.

Buying Secret #9: Get Pre-Approved for Your Home Loan

There's a big difference between a buyer being pre-qualified and a buyer who has a pre-approved mortgage. Anybody can get pre-qualified for a loan. Getting pre-approved means a lender has looked at all of your financial information and they've let you know how much you can afford and how much they will lend you. Being pre-approved will save you a lot of time and energy so you are not running around looking at houses you can't afford. It also gives you the opportunity to shop around for the best deal and the best interest rates.

Buying Secret #8: Avoid a Border Dispute

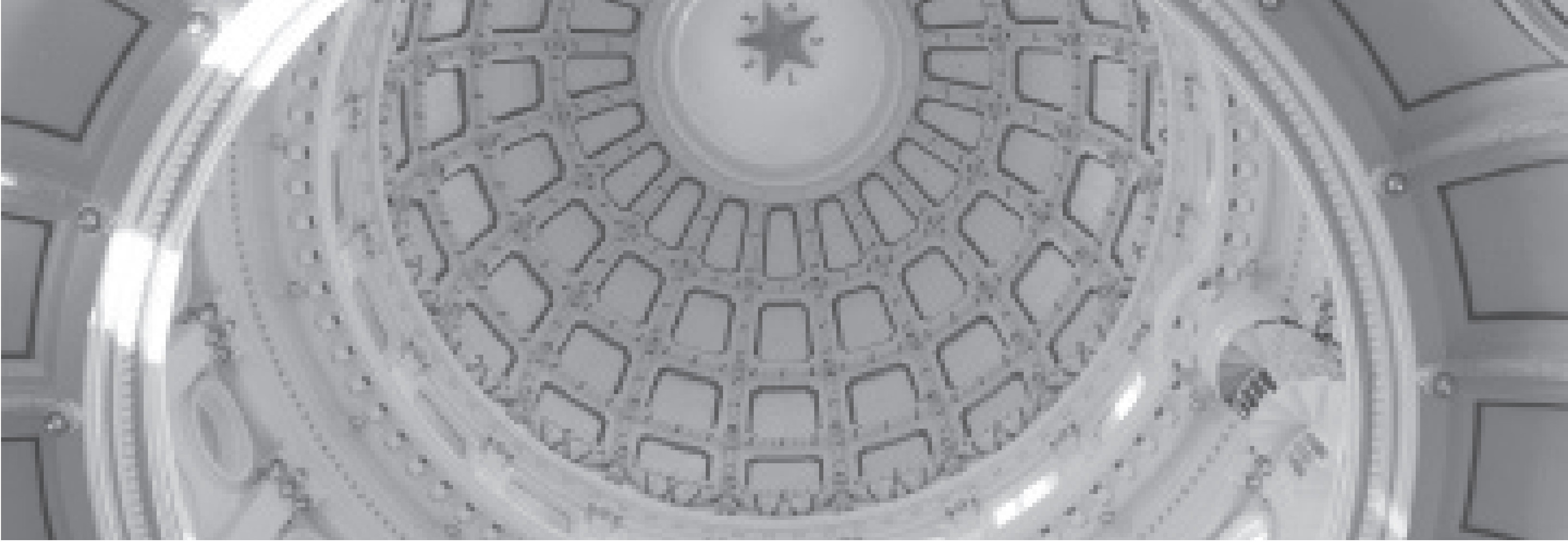
It's absolutely essential to get a survey done on your property so you know exactly what you're buying. Knowing precisely where your property lines are may save you from a potential dispute with your neighbors. Also, your property tax is likely based on how much property you have, so it is best to have an accurate map drawn up.

Buying Secret # 7: Don't Try to Time the Market

Don't obsess with trying to time the market and figure out when is the best time to buy. Trying to anticipate the housing market is impossible. The best time to buy is when you find your perfect house and you can afford it. Real estate is cyclical, it goes up and it goes down and it goes back up again. So, if you try to wait for the perfect time, you're probably going to miss out.

Buying Secret # 6: Bigger Isn't Always Better

Everyone's drawn to the biggest, most beautiful house on the block. But bigger is usually not better when it comes to houses. There's an old adage in real estate that says don't buy the biggest, best house on the block. The largest house only appeals to a very small audience and you never want to limit potential buyers when you go to re-sell. Your home is only going to go up in value as much as the other houses around you.



Buying Secret #5: Avoid Sleeper Costs

The difference between renting and homeownership is the sleeper costs. Most people just focus on their mortgage payment, but they also need to be aware of the other expenses such as property taxes, utilities and homeowner-association dues. New homeowners also need to be prepared to pay for repairs, maintenance and potential property-tax increases. Make sure you budget for sleeper costs so you'll be covered and won't risk losing your house.

Buying Secret #4: You're Buying a House – Not Dating It

Buying a house based on emotions is just going to break your heart. If you fall in love with something, you might end up making some pretty bad financial decisions. There's a big difference between your emotions and your instincts. Going with your instincts means that you recognize that you're getting a great house for a good value. Going with your emotions is being obsessed with the paint color or the backyard. It's an investment, so stay calm and be wise.

Buying Secret #3: Give Your House a Physical

Hire an inspector. It could end up saving you thousands. A home inspector's sole responsibility is to provide you with information so that you can make a decision as to whether or not to buy. It's really the only way to get an unbiased third-party opinion. If the inspector does find any issues with the home, you can use it as a bargaining tool for lowering the price of the home.

Buying Secret #2: The Secret Science of Bidding

Your opening bid should be based on two things: what you can afford (because you don't want to outbid yourself), and what you really believe the property is worth. Make your opening bid something that's fair and reasonable and isn't going to totally offend the seller. A lot of people think they should go lower the first time they make a bid. It all depends on what the market is doing at the time. You need to look at what other homes have gone for in that neighborhood and you want to get an average price per square foot. Sizing up a house on a price-per-square-foot basis is a great equalizer.

Buying Secret #1: Stalk the Neighborhood

Before you buy, get the lay of the land – drop by morning noon and night. Many homebuyers have become completely distraught because they thought they found the perfect home, only to find out the neighborhood wasn't for them. Drive by the house at all hours of the day to see what's happening in the neighborhood. Do your regular commute from the house to make sure it is something you can deal with on a daily basis. Find out how far it is to the nearest grocery store and other services. Even if you don't have kids, research the schools because it affects the value of your home in a very big way.

https://www.hgtv.com/lifestyle/clean-and-organize/10-best-kept-secrets-for-buying-a-home

What is TITLE INSURANCE?

WHAT IS TITLE INSURANCE?

Title insurance is different from other forms of insurance because it insures against events that occurred before the title policy is issued, as opposed to insuring against events in the future, as health, property and life insurance do. Title insurance is in essence loss prevention insurance.

When purchasing real estate, it is of utmost importance that you receive clear title to the property. In order to do so, you must first be informed of any existing rights or claims that may be asserted against the property, then any of those rights or claims that are unacceptable to you must be resolved or extinguished prior to your purchase of the property.

In Texas, many property records go back to grants from the 1880s, hence it is important that the full history of the property is thoroughly researched and presented to you.

WHEN IS THE PREMIUM PAID?

Unlike other forms of insurance, for a relatively low one-time premium, the original title premium is your only cost protecting you for as long as you and your heirs own the property. The premium is paid at closing and there are no annual payments to keep your Owner's Title Insurance Policy in force. Rates for title insurance are regulated by the state and are promulgated in Texas.

Real Estate DEFINITIONS

AMORTIZATION – The killing off of an existing debt by regular partial payments.

APR – Annual Percentage Rate. The yearly interest percentage of a loan as expressed by the actual rate of interest paid.

APPRAISAL – An estimate of value of property from analysis of facts about the property; an opinion of value.

BROKER – One who acts as an agent for another in negotiating sales or purchases in return for a fee or commission.

CHAIN OF TITLE – Beginning with a conveyance out of an original source of title such as a government, each succeeding deed, will or other medium which conveys and transfers the title to succeeding owners constitutes a link in the chain of title. The chain of title is the composite of all such links.

CLOSING – In some areas called a "settlement." The process of completing a real estate transaction during which deeds, mortgages, leases and other required instruments are signed and/or delivered, an accounting between the parties is made, the money is disbursed, the papers are recorded, and all other details such as payment of outstanding liens and transfer of hazard insurance policies are attended to.

CLOSING DISCLOSURE – The five-page Closing Disclosure must be provided to the consumer three business days before they close on the loan. The Closing Disclosure details all of the costs associated with their mortgage transaction.

CLOSING STATEMENT – A summation, in the form of a balance sheet, made at a closing, showing the amounts of debits and credits to which each party to a real estate transaction is entitled.

CLOUD ON TITLE – An irregularity, possible claim, or encumbrance which, if valid, would affect or impair the title.

CONTRACT – Same as "agreement," but usually more formal.

DEED – A written document by which title to real estate is conveyed from one party to another.

DEPRECIATION – Loss in value occasioned by ordinary wear and tear, destructive action of the elements, or functional or economic obsolescence.

EARNEST MONEY – Down payment or a small part of the purchase price made by a purchaser as evidence of good faith.

ENDORSEMENT – Addition to or modification of a title insurance policy that expands or changes coverage of the policy, fulfilling specific requirements of the insured.

ESCROW – Technically, this term strictly refers to a deed delivered to a third person to be held by him until the fulfillment or performance of some act or condition by the grantee. In the title industry, it means the depositing with an impartial third party (typically an escrow agent or title company) of anything pertaining to a real estate transaction including money and documents of all kinds. The money and documents are to be disbursed and delivered to the rightful parties by the escrow agent or title company when all conditions of the transaction have been met.

ESCROW AGREEMENT – A written agreement usually made between buyer, seller and escrow agent, but sometimes only between one person and the escrow agent. It sets forth the conditions to be performed incident to the object deposited in escrow, and gives the escrow agent instructions.

EXAMINATION – In title industry terms, to peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the title status.

EXAMINER – Usually referred to, in title industry terms, as title examiner. One who examines and determines the condition and status of real estate titles.

EXCEPTIONS – Insurance policies include a list of items excluded from coverage. Items excluded from coverage can be found in section two of Schedule B of the policy.

FORECLOSURE – A legal proceeding for the collection of real estate mortgages and other types of liens on real estate, which results in cutting off the right to redeem the mortgaged property and usually involves a judicial sale of the property.

GENERAL WARRANTY – A warranty provision in a deed or mortgage or other real estate instrument containing all of the common law items of warranty. Also known as a full warranty.

LIEN – The liability of real estate as security for payment of a debt. Such liability may be created by contract, such as a mortgage, or by operation of law, such as a mechanics lien.

MORTGAGE – A temporary conditional pledge of property to a creditor as security for the payment of a debt that may be cancelled by payment.

OWNER'S POLICY – This policy is purchased for a one-time fee and protects a homeowner's investment in a property for as long as they or their heirs have an interest in the property.

POWER OF ATTORNEY – A legal instrument authorizing one to act as another's agent or attorney.

PREMIUM – The amount payable for an insurance policy.

PROBATE – A legal procedure in which the validity and probity of a document, such as a will, is proven.

PROMISSORY NOTE – A written promise to pay or repay a specified sum of money.

QUIT CLAIM DEED – Deed that does not imply the grantor holds title, but which surrenders and gives to the grantee any possible interest or rights that the grantor may have in the property.

SETTLEMENT – In some areas called a "closing." The process of completing a real estate transaction during which deeds, mortgages, leases and other required instruments are signed and/or delivered, an accounting between the parties is made, the money is disbursed, the papers are recorded, and all other details such as payment of outstanding liens and transfer of hazard insurance policies are attended to.

SPECIAL WARRANTY DEED – A deed that warrants the title only with respect to acts of the seller and the interests of anyone claiming by, through, or under him.

SURVEY – The map or plat drawn by a surveyor that represents the property surveyed and shows the results of a survey.

TITLE – (1) A combination of all the elements that constitute the highest legal right to own, possess, use, control, enjoy, and dispose of real estate or an inheritable right or interest therein. (2) The rights of ownership recognized and protected by the law.

TITLE COMMITMENT – An offer to issue a title insurance policy. The title commitment will describe the various conditions, exclusions and exceptions that will apply to that particular policy.

TITLE COVENANTS – Covenants ordinarily inserted in conveyances and in transfers of title to real estate for the purpose of giving protection to the purchaser against possible insufficiency of the title received. A group of such covenants known as "common law covenants" includes: (a) covenants against encumbrances; (b) covenant for further assurance (in other words, to do whatever is necessary to rectify title deficiencies); (c) covenant of good right and authority to convey; (d) covenant of quiet enjoyment; (e) covenant of seisin; (f) covenant of warranty.

TITLE DEFECT – (1) Any possible or patent claim or right outstanding in a chain of title that is adverse to the claim of ownership. (2) Any material irregularity in the execution or effect of an instrument in the chain of title.

TITLE EXAMINATION – To peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

TITLE INSURANCE – Insurance that protects purchasers of real estate and mortgages against loss from defective titles, liens and encumbrances.

TITLE PLANT – A geographically filed assemblage of title information which is to help in expediting title examinations, such as copies of previous attorneys' opinions, abstracts, tax searches, and copies or take-offs of the public records.

TITLE SEARCH – A search and perusal of the public records for recorded instruments that affect the title to a particular piece of land.

UNDERWRITER – An insurance company that issues insurance policies either to the public or to another insurer.

WARRANTY DEED – A deed containing one or more title covenants.

UNDERSTANDING **TITLE INSURANCE**

Before issuing a title policy, title companies check for defects by examining public records, including deeds, mortgages, wills, divorce decrees, court judgments, tax records, liens and maps. The title search determines who owns the property, what outstanding debts are against it and the condition of the title. If someone claims interest in the property, the title company will pay for any actual loss (up to the amount of coverage) and defend your title in court when:

1. A deed or other document in your chain of title is invalid;
2. A lien against your title exists because a previous owner failed to pay either a mortgage or deed of trust, judgment, or a charge by a homeowner's association;
3. A lien exists for labor materials furnished by a contractor without your consent;
4. Leases, contracts or options on your land weren't recorded in the public records or disclosed to you;
5. A notary public error or someone failed to properly sign a document in your chain of title;
6. The title policy failed to disclose legal restrictions on how you can use your property;
7. An easement exists that isn't in public records and that you don't know about;
8. Other liens or encumbrances on your title exist but aren't listed in the policy exceptions.

Possible defects include:

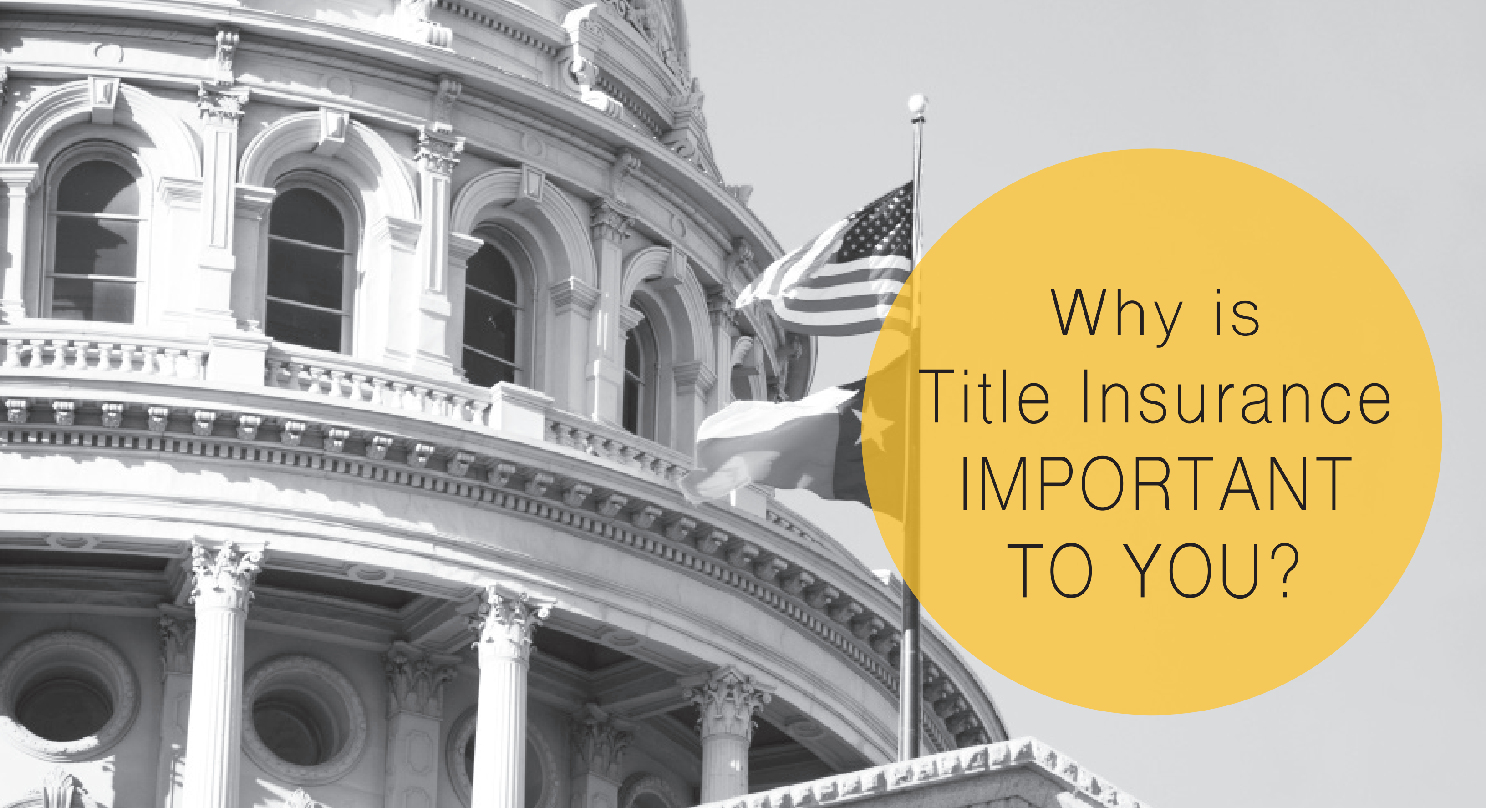
- **Errors or omissions in deeds**
- **Mistakes made in examining records**
- **Forgery and undisclosed heirs**
- **Liens for unpaid taxes or contractors**

IS MY POLICY STILL ACTIVE IF I REFINANCE MY HOME?

Most lenders require borrowers to buy new loan title policies when refinancing. When the new loan pays off the existing loan, the old title policy is no longer in effect. A title company issues new policies in connection with new loans. Title companies must discount the premium if refinancing occurs within seven years of the original loan date. Your owner title policy remains in full force and effect after a refinance.

WHO DOES TITLE INSURANCE PROTECT?

Most lending institutions won't loan money for a house or other property unless you provide a loan title policy. This policy protects the lender's investment by paying the mortgage if a title defect voids the owner's/buyer's title. Investors who buy the new loan often require a loan title policy. When you buy a house, title companies also issue an owner's policy, unless you reject it in writing. You don't have to buy an owner's policy. The owner's policy protect your title against the covered risk set out in policy.



Why is Title Insurance IMPORTANT TO YOU?

1. PROTECTS YOUR LARGEST INVESTMENT. A home is probably the single largest investment you will make in your life. For a one-time fee, owner's title insurance protects your property rights for as long as you own your home.

2. REDUCES YOUR RISK. If you're buying a home, there are many hidden issues that may pop up only after you purchase your home. Getting an owner's title insurance policy is the best way to protect yourself from unforeseen legal and financial title discrepancies.

<u>Unexpected title claims include:</u>

- outstanding mortgages and judgments, or a lien against the property because the seller has not paid his taxes
- pending legal action against the property that could affect you
- an unknown heir of a previous owner who is claiming ownership of the property

3. YOU CAN'T BEAT THE VALUE. Owner's title insurance is a one-time fee that's very low relative to the value it provides. It typically costs around 0.5% of the home's purchase price.

4. COVERS YOU. As long as you own your home, owner's title insurance protects your property rights.

5. NOTHING COMPARES. Homeowners insurance and warranties protect only the structure and belongings of your home. Getting owner's title insurance ensures your family's property rights stay protected.

6. 8 IN 10 HOMEBUYERS AGREE. Each year, more than 80% of America's home buyers choose to get owner's title insurance.

7. PEACE OF MIND. If you're buying a home, owner's title insurance lets you rest assured, knowing that you're protected from inheriting most existing debts or legal problems, once you've closed on your new home.

MUNICIPAL UTILITY DISTRICT Basics

A Municipal Utility District (MUD) is one of several types of special districts that function as independent, limited governments. The purpose of a MUD is to provide a developer an alternate way to finance infrastructure, such as water, sewer, drainage, and road facilities. Managed by a Board elected by property owners within the MUD, a MUD may issue bonds to reimburse a developer for authorized improvements and the MUD will utilize property tax revenues and user fees received from water and sewer services operated by the MUD to repay the debt. As the MUD pays off its debt, more of its tax revenue can be directed to other services.

Originally, MUDs were very limited in what they were allowed to finance and what services they could provide. Over time, MUDs began taking on more responsibilities and providing enhanced services for their residents such as parks and recreation, deed restriction enforcement, and solid waste service. MUDs rely on the County to provide police and road maintenance services and Emergency Service Districts (ESDs) for providing fire protection.

What is a Title COMITTMENT

Schedule A: This is where you will find the who, what, where and how much information. The most important information here will be the name of the person who holds the existing title, the legal description of the land and the name of the proposed insured (buyer), the sales price and the name of the lender. All parties and the title company should make sure all of the information is accurate when it is compared to the sales contract.

Schedule B: This is the section of the title commitment that addresses where other parties have any interest or control of the use of the property. Examples of this are utility easements and building setbacks. A utility easement is a common item to find here. This would be a part of the land that a utility company has the right to use. A setback prevents the owner from building a certain distance from a property line. Schedule B is also the section in which exceptions will be noted. Exceptions in this case are anything that will not be covered by title insurance.

Schedule C: This is the section in which any issues must be resolved before the buyer can close on the property. Common issues here are an existing mortgage that needs to be paid off, a marital status issue or unpaid taxes and liens on the property.

Schedule D: This final section outlines all parties who will collect any part of the insurance premium including underwriters, title agents and attorneys. It will also show the amounts being paid for the owner's title insurance policy, the mortgagee policy amount and any endorsements.

A HOME WARRANTY is a contract between a homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components, such as the furnace, air conditioning, plumbing and electrical system. A home warranty may also cover major appliances such as washers and dryers, refrigerators and swimming pools. Most plans have a basic component that provides all homeowners who purchase a policy with certain coverages. In addition to the standard items, expanded coverage can usually be added at a premium.

A home warranty is not the same as homeowners insurance, nor is it a replacement for homeowners insurance. Homeowners insurance covers major perils such as fire, hail, property crimes and certain types of water damage that could affect the entire structure and/or the homeowner's personal possessions. A home warranty does not cover these perils.

Home warranty companies have agreements with approved service providers. When something that is covered by a home warranty breaks down, the homeowner calls the home warranty company, and the home warranty company sends one of its service providers to examine the problem. If the provider determines that the needed repair or replacement is covered by the warranty, the homeowner only pays a small service fee per your service call at the time service is rendered.

The annual cost can vary depending on coverages and exclusions, but typically ranges from a few hundred dollars for small condominiums to eight hundred dollars for larger homes. This is a negotiable item on the contract.

For more information about home warranties, please contact your local Chicago Title!

THE IMPORTANCE OF **SURVEYS**

Here are some of the principal reasons to obtain and review a survey:

- To determine whether improvements (buildings, driveways, fences, utility lines, etc.) intended to be located on your property encroach into a neighbor's property, or vice-versa.
- To mark the boundaries on the ground, so that they are clear to observers standing on or near the property.
- To discover trails and other evidence of use by third parties that might suggest that someone has established an implied easement over a portion of the property, or might claim a portion of the property by reason of adverse possession.
- To provide the evidence needed by the title insurer to delete certain standard exceptions to coverage and thereby provide "extended coverage" against off-record title matters (including matters that would be revealed by an accurate survey).

WHEN TO USE AN EXISTING SURVEY

The TREC Contract was revised several years ago giving the option to sellers and buyers to use existing surveys when appropriate. Per the TREC contract, not only does the buyer have to accept the survey, but lenders and title companies must also approve and accept it. Survey affidavits assist in research and review, however, the best information comes from those who have been on the property, particularly prospective buyers and their REALTORS®.

To avoid costly delays, the following guidelines for using an existing survey are provided:

- Survey should be completely legible. It must have the property address, complete legal description, flood certification and the surveyor's signature and seal on the drawing.
- Survey must reflect all permanent improvements that are currently on the property, including pools, fences, spas, decks, and additional square footage.If the sellers have added permanent structures that are not shown on survey, it is important to identify new improvements, such as a pool, gazebo, fence, etc. when signing the survey affidavit. This notifies all parties that the survey provided is not an accurate rendering of the property as of the current date.

Almost always it is advisable to forego using an existing survey if improvements have been built since the time the initial survey work was performed.

When an incorrect survey is delivered to the buyer and their agent, a new one should be requested. The title company and lender must be informed of the need for a new survey.

WHEN TO OBTAIN A NEW SURVEY

It is recommended that a purchaser obtain a new survey if one or more of the following conditions exist:

- A survey shows that all significant improvements currently located on the property do not exist or cannot be found.
- Surveys exist only for portions of the property, but the property as a whole consists of two or more parcels that are not platted and that are described by "metes and bounds," such that without a surveyor's interpretation of the legal descriptions one cannot be certain of whether the parcels are contiguous, or whether there might exist a "gap" between, or overlap of, property boundaries.

Even when one or more of the foregoing conditions are present, a survey might not be necessary, and the purchaser might wish to bear the risk of proceeding without a survey; unless required by your lender.

HOMESTEAD EXEMPTION

WHAT IS A HOMESTEAD EXEMPTION?

Property tax exemptions are one of the most meaningful and simple ways to reduce property taxes. Homestead exemptions are granted by the county appraisal district where the property is located. The exemption reduces a homeowner's property tax bill by removing part of the home's value from taxation. All Texas homeowners may receive a General Residence Homestead Exemption of $25,000 on the value of their property for school taxes. Other taxing entities may also offer exemptions of some percentage of the home's value. Other exemptions are available to homeowners who are over 65 or disabled, and require the same application process. This information can be found on the Texas Comptroller website link at the bottom of the page.

HOW DO I KNOW IF I QUALIFY FOR A HOMESTEAD EXEMPTION?

These requirements must be met to receive the exemption:

1. You must own your home on January 1st of the year for which you are applying (If you are over 65 and/or disabled, January 1st ownership and residency are not required.)
2. You must reside at the home as your principal residence on January 1st of that year, and not claim any other property as homestead.
3. Only individual homeowners (not corporations or other entities) may receive a homestead exemption.
4. A homestead can be a house, condominium or a manufactured home. It can include up to 20 acres, if the land is also owned by the homeowner and used as a yard, or for another purpose related to the residential use of the home.
5. You must apply between January 1st and April 30th of the year for which you want the exemption.

HOW DO I GET A HOMESTEAD EXEMPTION?

1. Complete the APPLICATION FOR RESIDENTIAL HOMESTEAD EXEMPTION (available on the websites of most county appraisal districts, or at the Texas Comptroller's website at: http://comptroller.texas.gov/taxinfo/taxforms/50-114.pdf)
2. Include a copy of your DRIVER'S LICENSE or IDENTIFICATION CARD from the Texas Department of Public Safety at www.txdps.state.tx.us. The address MUST MATCH the homestead address.

Texas Homestead Exemption FAQ

Property tax exemptions are one of the most meaningful and simple ways to reduce property taxes. The Texas legislature has provided numerous property tax exemptions for Texas taxpayers. Exemptions for homestead, over 65 homestead, disabled homestead, disabled veteran is just the start. Texas property taxes can be reduced by legitimate use of exemptions. This document was prepared by the Texas Comptroller and is presented for your convenience.

Q: Do I, as a homeowner, get a tax break from property taxes?
A: You may apply for homestead exemptions on your principal residence. Homestead exemptions remove part of your home's value from taxation, so they lower taxes.

Q: Do all homes qualify for homestead exemptions?
A: No, only a homeowner's principal residence qualifies. To qualify, a home must meet the definition of a residence homestead: The home's owner must be an individual (for example: not a corporation or other business entity) and use the home as his or her principal residence on January 1 of the tax year. If you are age 65 or older, the January 1 ownership and residency are not required for the age 65 homestead exemption.

Q: What is a homestead?
A: A homestead can be a separate structure, condominium or a mobile home located on owned or leased land, as long as the individual living in the home owns it. A homestead can include up to 20 acres, if the land is used as a yard or for another purpose related to the residential use of the homestead.

Q: How do I get a homestead exemption?
A: You must file an Application for Residential Homestead Exemption with the county appraisal district between January 1 and April 30 of the tax year -- up to one year after you pay your taxes. During the year, if you turn 65 or become disabled, you must apply for the 65 or older or disabled exemption no later than one year from the qualification date. Once you receive the exemption, you do not need to reapply unless the chief appraiser sends you a new application. In that case, you must file the new application. If you should move or your qualifications end, you must inform the appraisal district in writing before the next May 1st. A list of appraisal district addresses and phone numbers is available online.

Q: What homestead exemptions are available?
A: There are several types of exemptions you may receive.

School taxes: All residence homestead owners may receive a $25,000 homestead exemption from their home's value for school taxes.

County taxes: If a county collects a special tax for farm-to-market roads or flood control, a residence homestead owner may receive a $3,000 exemption for this tax. If the county grants an optional exemption for homeowners age 65 or older or disabled, the owners will receive only the local-option exemption.

Age 65 or older and disabled exemptions: Over-65 and/or disabled residence homestead owners may qualify for a $10,000 homestead exemption for school taxes, in addition to the $25,000 exemption for all homeowners. If the owner qualifies for both the $10,000 for over-65 homeowners and the $10,000 exemption for disabled homeowners, the owner must choose one or the other for school taxes. The owner cannot receive both exemptions.

Optional percentage exemptions: Any taxing unit-including a city, county, school, or special district-may offer an exemption of up to 20 percent of a home's value. But, no matter what the percentage is, the amount of an optional exemption cannot be less than $5,000. Each taxing unit decides if it will offer the exemption and at what percentage. This percentage exemption is added to any other home exemption for which an owner qualifies. The taxing unit must decide before July 1 of the tax year to offer this exemption.

Optional over-65 or disabled exemptions: Any taxing unit may offer an additional exemption of at least $3,000 for taxpayers age 65 or older and/or disabled.

Q: How do I qualify for a disabled person's exemption?
A: You are eligible for this exemption if you can't engage in gainful work because of a physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of the blindness. To qualify, you must meet the Social Security definition for disabled. You qualify if you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration. Disability benefits from any other program do not automatically qualify you. To prove your eligibility, you may need to provide the appraisal district with information on disability ratings from the civil service, retirement programs, or from insurance documents, military records, or a doctor's statement.

Q: What if I miss the deadline for filing for a homestead exemption?
A: You may file for a homestead exemption up to one year after the delinquency date -usually February 1. If you are 65 or older or disabled, you must apply for the exemption no later than one year from your 65th birthday or one year after the delinquency date, whichever is later.

Q: May I continue to receive the residence homestead exemption on my home if I temporarily move away?
A: If you temporarily move away from your home, you may continue to receive the exemption if you do not establish a principal residence elsewhere, you intend to return to the home, and you are away less than two years. You may continue to receive the exemption if you do not occupy the residence for more than two years only if you are in military service or live in a facility providing services related to health, infirmity or aging from the two-year period.

Q: May I continue to receive the residence homestead exemption on my home if I temporary move away?
A: If you temporarily move away from your home, you may continue to receive the exemption if you do not establish a principal residence elsewhere, you intend to return to the home, and you are away less than two years. You may continue to receive the exemption if you do not occupy the residence for more than two years only if you are in military service or live in a facility providing services related to health, infirmity or aging from the two-year period.

Q: Does the school tax ceiling transfer when a person who is age 65 or older or is disabled or is the surviving spouse (age 55 or older) of a person who was age 65 or older moves to another home?
A: A percentage of the school tax ceiling may be transferred. The ceiling on the new home would be calculated to give you the same percentage of tax paid as the ceiling on the original home. For example, if you currently have a tax ceiling of $100, but would pay $400 without the ceiling, the percentage of tax paid is 25 percent. If you move to another home and the taxes on the new homestead would normally be $1,000 in the first year, the new tax ceiling would be $250, or 25 percent of $1,000.

Q: If I am the surviving spouse of a disabled person, am I entitled to the school tax ceiling?
A: No, only surviving spouses (55 years of age or older) of persons who were 65 years of age or older when they died may benefit from the tax ceiling.

Q: If I am 65 years of age or older, disabled, or a surviving spouse who is age 55 or older, does a tax ceiling apply to county, city or junior college district property taxes?
A: Yes, if the county commissioners court, city council or board of the junior college district authorizes a tax limitation on the homesteads of persons 65 years of age or older or disabled persons. The taxing unit's governing bodies or voters may adopt the limitation. This local option exemption does not apply to other special districts such as water, hospital, etc.

Q: Can the local option ceiling transfer if the owner who is age 65 or older or disabled moves to another home?
A: Yes, but the home must be located within the applicable taxing unit - city, county or junior college district. The ceiling on the new home is calculated the same as the school district.

Q: Can the local option ceiling transfer to another home owned by the surviving spouse who is 55 year of age or older?
A: No, regardless of the underlying qualifications (65 & older or disabled person).

Q: Is the disabled veteran's exemption the same as the disabled person's exemption
A: No. To receive a disabled veteran exemption, you must either be a veteran who was disabled while serving with the U.S. armed forces or the surviving spouse or child (under 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty.

In order to qualify for a disabled person exemption, you can't engage in gainful work because of physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of your blindness. If you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration, you will qualify for the disabled person exemption.

Q: What is the amount of the disabled veteran's exemption?
A: The exemption amount that a qualified disabled veteran receives depends on the veteran's disability rating from the branch of the armed service:

Disability Rating	Exemption Amount
10% to 30%	$5,000 from the property's value
31% to 50%	$7,500 from the property's value
51% to 70%	$10,000 from the property's value
71% to 100%	$12,000 from the property's value

The disabled veteran must be a Texas resident and must choose one property to receive the exemption for all property tax purposes.

Q: May I file for a disabled veteran's exemption after the deadline has passed?
A: Yes. The deadline for filing for a disabled veteran's exemption is between January 1 and April 30 of the tax year. However, you may file for a disabled veteran's exemption up to one year from the delinquency date. To file for a disabled veteran's exemption, you must complete the Application for Disabled Veteran's or Survivor's Exemptions form.

WHO PAYS FOR WHAT IN TEXAS

Below you will find the customary distribution of expenses for the purchase of real estate in Texas. Keep in mind that many of these items can be negotiated by either party at the time of the offer, excluding some expenses the lender requires the seller to pay.

BUYER TYPICALLY PAYS FOR

- Escrow fees
- Document preparation (if applicable)
- Recording changes for all documents related to the transfer of title to the buyer
- Prorated share of taxes (from the date of acquisition)
- All new loan charges and fees (except those the lender requires the seller to pay), including:
  - Appraisal
  - Credit report
  - Tax service fee
  - Loan origination/discount fee
  - Reserves for taxes and insurance
  - Flood certification
  - Mortgage insurance premium
- Title insurance premium: Lender's Policy
- Interest on the new loan from the date of funding to 30 days prior to the first payment date
- Inspection fees
- Homeowner's transfer fee (if applicable)
- Fire insurance premium for the first year

SELLER TYPICALLY PAYS FOR

- Real estate agent's commission(s)
- Escrow fees
- Payoff all loans in the seller's name (unless the existing loan balance is being assumed by the buyer), including:
  - Interest accrued to the lender that is being paid off
  - Statement fees, release fees and any prepayment penalties
- Home warranty (according to contract terms)
- Any judgments, tax liens, etc. against the seller
- Prorated share of taxes (for any taxes unpaid at the time of transfer of title)
- Any unpaid homeowners association dues
- Recording charges to clear all documents of record against the seller
- Any outstanding assessments
- Any and all delinquent taxes
- Title insurance premium: Owner's Policy
- Seller credit for closing costs (according to contract terms)

19 Steps to the CLOSING PROCESS

1. Choosing your Real Estate Agent.
2. Choosing your lender (know about different types of mortgage loans and pre-qualification).
3. Selecting your home (determine the type, the price, and the location).
4. The Offer (once you have found the property make a written offer through your real estate agent).
5. The escrow process (when you have reached an agreement with the seller, the initial good-faith deposit is given to an escrow representative, and the process begins).
6. The mortgage loan (a mortgage loan is requested, filling out the appropriate forms).
7. Preliminary title report (is reviewed and accepted).
8. Inspections and disclosures (the property is inspected during the period specified in the contract, and all disclosures made by the seller about the property are reviewed).
9. Assessment (the property value is determined by the lender).
10. Loan approval (the lender contacts the escrow agent).
11. Hidden defect insurance (the buyer tells the closer the name of the insurance company that will grant the policy).
12. Conditions (the escrow agent ensures that the conditions are met).
13. Final visit to property (the buyer inspects the property with the Real Estate Agent, before closing the transaction).
14. Document signing (the buyer signs the loan documents and the escrow instructions, and deposits the initial payment with the title company).
15. The escrow agent returns the documents to the lender.
16. The lender's fund's are electronically transferred to the title company (the monetary exchange occurs between the lender and the title company).
17. The deed is registered at the county office (this transfers the property title to the buyer).
18. The transaction closes (accounting is finalized and the account statement is remitted).
19. The keys are delivered to the new owner.

STEPS TO THE CLOSING PROCESS

FROM CONTRACT TO CLOSE

Mortgage Company

Loan Application Process Begins

Credit History, appraisal, verification of employment and sufficient funds to close

Loan application includes: verification of buyers income stability, credit, assets, confirmation of property values

Information gathered and packaged for underwriting

Buyer submitted for loan approval

Buyer approved. Lender sends closing info to title company

After receiving instructions from lender, information is compiled:
- Survey
- Legal documents ordered
- Insurance
- Termite Report

Chicago Title

Chicago Title Receipts Contract

Title Work Begins. Tax info ordered and transaction team begins file

Abstractor begins title search

Title work is reviewed by Examiner

Title searched. Includes search of the history of property, owners of record, liens, clouds on title

Commitment to issue title insurance forwarded to all parties

Closer and assistant work on pre-closing issues

Chicago Title receives closing instructions from lender

Preparation of documents. All parties advised of closing time and certified funds amount

CLOSING and FUNDING
Legal Documents Recorded
TITLE POLICY ISSUED

Participants in the CLOSING PROCESS

Los Participantes En EL PROCESO DE CIERRE

ENGLISH

The Buyer(s)
• Tender a written offer to purchase (or accepts the Seller's counter-offer) accompanied by a good faith deposit amount.
• Applies for a new loan, completing all required forms and often prepaying certain fees such as credit report and appraisal costs.
• Approves and signs the escrow instructions and other related instruments required to complete the transaction.
• Approves the preliminary report and any property, disclosure or inspection reports called for by the purchase and sale agreement (Deposit Receipt).
• Approves and signs new loan documents and fulfills any remaining conditions contained in the contract, lender's instructions and/or the escrow instructions.
• Deposits funds necessary to close the escrow. Approves any changes by signing amendments.
• Determines which hazard (fire) insurance agent to use to satisfy requirements of the lender.

The Seller(s)
• Accepts Buyer's Offer to Purchase and initial good faith deposit to open escrow.
• Submits documents and information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, any leases and/or rental agreements.
• Approves and signs the escrow instructions, grant deed and other related documents required to complete the

SPANISH

El (Los) Comprador(es)
• Presenta una oferta de compra por escrito (o acepta la contraoferta del Vendedor) acompañada de una cantidad de depósito como señal.
• Solicita un nuevo crédito, completando todos los formularios exigidos y normalmente realizando un pago previo de determinadas cuotas como un informe crediticio y los costes de valuación.
• Aprueba y firma las instrucciones de plica y otros instrumentos relacionados necesarios para completar la transacción.
• Aprueba el informe preliminar y cualquier informe de propiedad, inspección o revelación exigido por el acuerdo de compra-venta (Recibo de depósito).
• Aprueba y firma los nuevos documentos de préstamo y cumple cualquier condición restante contenida en el contrato, las instrucciones de la entidad crediticia y/o las instrucciones de plica.
• Deposita los fondos necesarios para cerrar la plica. Aprueba cualquier cambio al firmar las enmiendas en las intrucciones de plica.
• Determina qué agente de seguro por riesgos (incendio) usar para satisfacer los requisitos del acreedor.

El(Los) Vendedor(es)
• Acepta la oferta de compra al Comprador y el depósito de buena fe inicial para abrir la plica.
• Envía los documentos y la informacíon al tenedor de la plica, tales como: direcciones de tenedores de derechos prendarios, recibos de impuestos, garantías de equipo, contratos de garantía para la vivienda, cualquier acuerdo de arrendamiento y/o alquiler.
• Aprueba y firma las instrucciones de plica, otorga el título de propiedad y otros documentos relacionados necesarios para completar la transacción.
• Ordena inspecciones, recibe autorizaciones y aprueba informes finales y/o reparaciones a la propiedad según lo requieran los términos del acuerdo de

transaction.
• Orders inspections, receives clearances and approves final reports and/or repairs to the property as required by the terms of the purchase and sale agreement (Deposit Receipt).
• Fulfills any remaining conditions specified in the contract and/or escrow instructions; approves the pay off demands and/or beneficiary's statements.
• Approves any final changes by signing amendments to the escrow instructions or contract.

The Lender (When Applicable)
• Accepts the new loan application and other related documents from the Buyer(s) and begins the qualification process.
• Orders and reviews the property appraisal, credit report, verification of employment, verification of deposit(s), preliminary report and other related information.
• Submits the entire package to the loan committee and/or underwriters for approval. When approved, loan conditions and title insurance requirements are established.
• Informs Buyer(s) of loan approval terms, commitment expiration date and provides a good faith estimate of the closing costs.
• Deposits the new loan documents and instructions with the escrow holder for Buyer's approval and signature.
• Reviews and approves the executed loan package and coordinates the loan funding with the escrow officer.

The Escrow Officer
• Receives an order for escrow and title services. Orders the preliminary report on the subject property.
• Acts as the impartial "stakeholder" or depository, in a fiduciary capacity.
• Prepares the escrow instructions and required documents in accordance with terms of the sale.
• With authorization from the real estate agent or principal, orders demands on existing deeds of trust and liens or judgements, if any.
• Presents the documents, statements, loan package(s), estimated closing statements and other related documents to the principal(s) for approval and signature.
• Receives the proceeds of the loan(s) from the lender(s).
• Records the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.
• Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations.

Chicago Title
• Receives an order for title service.
• Examines the public records affecting the and issues a preliminary report.
• Determines the requirements and documents to complete the transaction and advises the closer
• Reviews and approves the signed documents, and the order for title insurance, prior to the date.
• When authorized by the escrow officer, records signed documents with the County Recorder's and issues the title insurance policies.

compraventa (Recibo de depósito).
• Cumple las condiciones restantes especificadas en el contrato y/o las instrucciones de plica; aprueba las demandas de liquidación y/o los estados del beneficiario.
• Aprueba cualquier cambio final al firmar las enmiendas a las instrucciones de plica o al contrato.

La Entidad Crediticia (si corresponde)
• Acepta la nueva solicitud de préstamo y otros documentos relacionados del(los) Compradores(es) y comienza el proceso de calificación.
• Ordena y revisa la tasación de la propiedad, el informe crediticio, la verificación de empleo, la verificación de depósito(s), el informe preliminar y cualquier otra información relacionada.
• Envía el paquete completo al comité de préstamo y/o las compañias de seguros para su aprobación. Cuando haya sido aprobado, se establecen las condiciones del préstamo y los requisitos del seguro de título.
• Notifica al(los) Comprador(es) los términos de aprobación del préstamo, la fecha de vencimiento del compromiso y proporciona un estimado de buena fe de los costos de cierre.
• Deposita los nuevos documentos e instrucciones del crédito con el tenedor de la plica para la aprobación y firma del comprador.
• Revisa y aprueba el paquete de préstamo ejecutado y coordina la financiación del préstamo con el oficial de plica

El Oficinal de Custodia
• Recibe una orden para los servicios de plica y título. Ordena el informe preliminar de la propiedad.
• Actúa como el interesado imparcial o depositario, en una capacidad fiduciaria.
• Prepara las instrucciones de plica y los documentos requeridos en conformidad con los términos de la venta.
• Con la autorización del agente de bienes raíces o mandante, ordena demandas sobre títulos de propiedad de fideicomiso y derechos prendarios preexistentes, o sentencias, si los hubiera.
• Presenta los documentos, los estados, los paquete(s) de préstamo, los estados de cierre aproximados y otros documentos relacionados al(los) mandante(s) para su aprobación.
• Recibe lo recaudado del(los) préstamo(s) del(las) entidad(es) crediticia(s).
• Registra el título de propiedad, el título de propiedad de fideicomiso y otros documentos necesarios para completar la transacción con el Registro del Condado y pide las pólizas de seguro de título.
• Cierra la plica preparando la declaración de arreglo final, desembolsando el importe de la venta al vendedor, pagando los gravámenes existentes y otras obligaciones.

Chicago Title
• Recibe una orden para servicios de título.
• Examina los registros públicos que afectan a los bienes raíces y emite un informe preliminar o compromiso de título.
• Determina los requisitos y documentos necesarios para completar la transacción y asesora al oficial y/o agentes de liquidación de la plica.
• Revisa y aprueba los documentos firmados, libera y hace el pedido de seguro de título antes de la fecha de cierre.
• Una vez autorizado por el oficial de plica, registra los documentos firmados con el oficial del registro del condado y emite las pólizas de seguro de propiedad.

REFINANCING your home

WHY DO I NEED A NEW LENDER'S POLICY?

The original lender's title insurance policy protects the lender's interest on the original loan. With the new refinanced loan, the original loan will be paid off, and the lender will require protection of its interest for the new loan. From the lender's standpoint, a refinanced loan is no different than any other mortgage loan. In addition, if the loan is sold in the secondary market, investors like Fannie Mae will require the security of title insurance on the property.

The good news is the consumer receives a discount on lender's policies for refinance during the first seven years of the loan. If your refinanced loan is with the same lender as your original loan, your lender may provide additional discounts. Chicago Title will be happy to point out ways you can save on your refinance loan.

DIDN'T THE ORIGINAL TITLE SEARCH RESOLVE OWNERSHIP ISSUES?

The lender needs the title examined again to confirm that no liens or judgments, such as liens filed by contractors, child support liens or other legal judgments, have been recorded against you or your property. Confirming the absence of these items and other title defects protects the lender's security interest in your property.

DO I ALSO NEED TO GET A NEW OWNER'S TITLE POLICY?

You will be glad to know that your original owner's title insurance policy protects your ownership rights for as long as you and your heirs own your property, as long as no value improvements have been made. So there is no need to get another owner's policy on a refinance loan.

If you did not purchase an owner's title policy, but now want the protection title insurance gives you, Chicago Title can issue an owner's title policy for you.

Life of a TITLE SEARCH

Title insurance is a contract of indemnity between the insured and a title company. The form of the contract is determined by the Texas Department of Insurance. Likewise, title insurance rates in Texas are promulgated by the Department and are uniform for all title companies.

THERE ARE TWO MAJOR TYPES OF POLICY

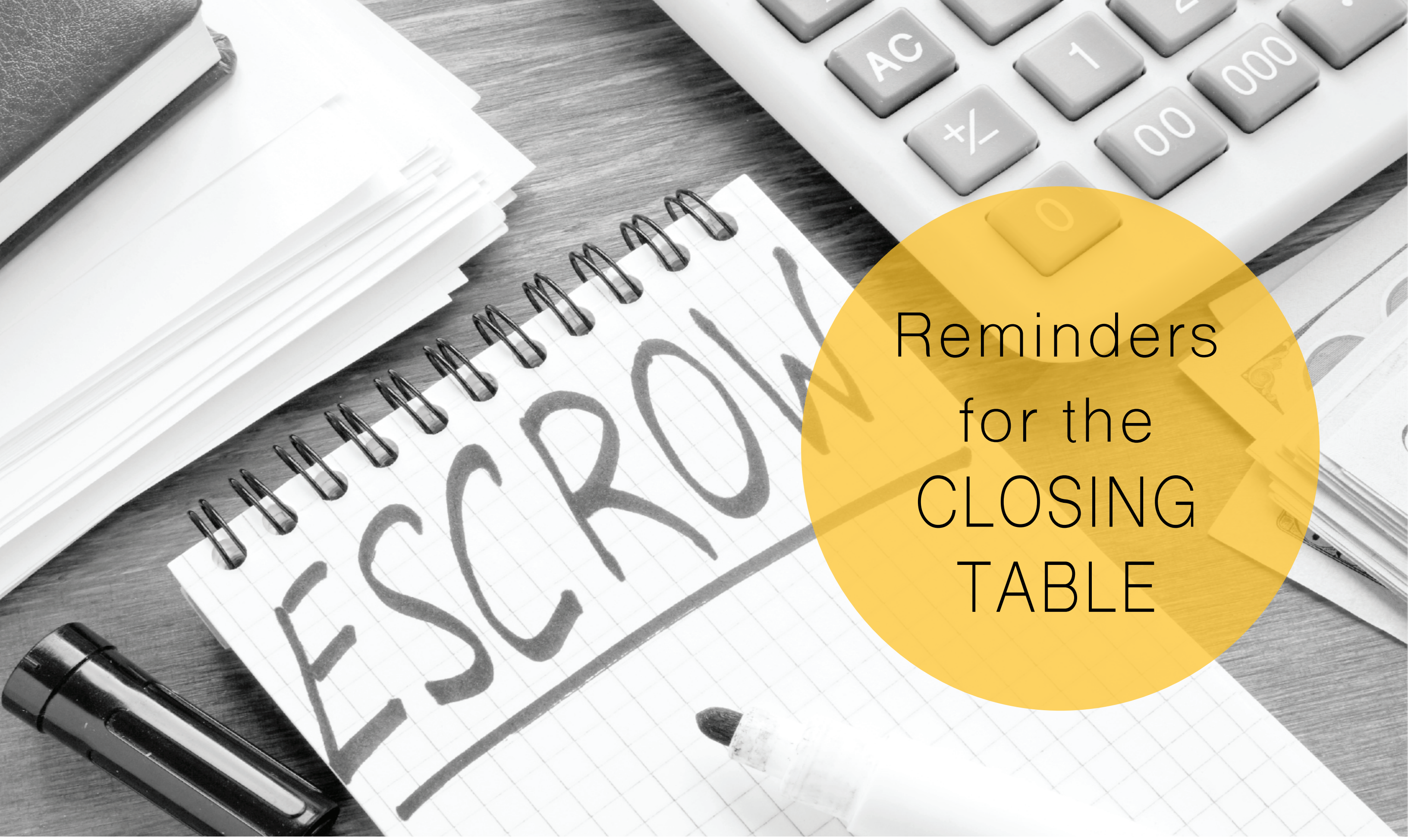
<u>**The Owner's Policy of Title Insurance**</u>
is issued to an owner/purchaser and insures against certain listed title risks.

<u>**The Mortgagee Policy of Title Insurance**</u>
is issued to a lender and insures the validity of the lender's lien against the property.

Before issuing a title policy, a careful search is made of the county, state, and federal records that affect real estate. This is accomplished by using the company abstract plant which maintains references to every deed, mortgage, death, divorce, etc. which might affect property. These instruments are examined by lay examiners employed by the title company. Based upon the results of the examination, the title company decides whether to issue a policy.

LIFE OF A TITLE SEARCH

- Customer Service verifies legal property description and how title to real property is held.
- Preliminary order and title search are opened.
- Preliminary search of real property is done.
- Title search examines real property records, general index records and tax records.
- Examiner reviews complete search package, writes and enters preliminary report into the computer.
- Messenger service delivers prelims to escrow and lenders.
- New documents, demand and statement of information submitted to the title company.
- Escrow requests payoff of existing liens and tax certificates.
- Documents are delivered to escrow to lenders.
- Escrow sets up the closing date.
- Escrow is authorized by the parties to the transaction to record the documents. Closing at the title company.
- Documents are recorded, confirmation of recording is received and liens of record are paid off.
- Escrow officer writes title policies.
- Data processor prepares final title policies.
- Title policies released to client.



Reminders for the CLOSING TABLE

THE SELLER

- Bring your check/wiring information in order to receive your proceeds
- Bring a valid, unexpired government issued form of identification to closing, such as a driver's license or passport
- Cancel/transfer utilities, homeowner's insurance & flood insurance upon funding
- House keys
- Garage door openers
- Gate codes
- Mailbox keys
- Owner's manuals
- Trash pick-up dates

THE BUYER

- Bring closing funds (cashier's check or wire transfer) to Chicago Title
- Bring a valid, unexpired government issued form of identification to closing, such as a driver's license or passport
- Set up/transfer utilities, homeowner's insurance & flood insurance
- Render your new property with the county appraisal district
- File your Homestead Exemption form (if applicable)

CLOSING CHECKLIST

PRIOR TO CLOSING:

☐ Provide a fully executed contract of sale to the title company with the earnest money check.

☐ Provide a copy of the contract of sale, receipted by the title company, to the mortgage company making your loan.

☐ Call your loan officer and arrange to make formal loan applications.

☐ If doing inspections of the home, schedule the appointment with the inspector and seller as soon as possible. A termite inspection may be required by the lender. Any bills to be paid at closing must be provided to the title company prior to closing.

☐ Obtain homeowner's insurance. Supply information to the title company at least one week prior to closing.

REQUIRED AT CLOSING:

☐ Bring with you a valid driver's license, passport, or other government-issued picture identification.

☐ Send a wire transfer for payment of funds at the time of closing. The title company must have your mortgage company's closing instructions to prepare the final closing figure. The complete closing package from the lender must be in the hands of the title company 24 hours prior to closing in order to meet the closing date deadline on the contract.

☐ Bring any document requirements that your lender has requested you to produce at the closing table.

AVOID CLOSING DELAYS:

☐ If you want to review your loan documents prior to the closing, please request that your mortgage company provide the documents to the title company at least one day prior to closing so copies can be provided for your review.

☐ If you will not be present at closing to sign documents and intend to use a Power of Attorney, the following must occur:

a) The title company must approve the POA prior to closing.

b) The original POA must be delivered to the title company before closing for recording with the County Clerk's Office.

AFTER CLOSING:

☐ The original recorded Warranty Deed that transferred title of the property to you will be sent to you by the County Clerk's Office approximately one month after closing. Store this document for safe keeping for future reference. When the deed is recorded with the County Clerk's Office, your title becomes public record.

☐ The Owner's Title Policy of the Title Insurance will be mailed to you approximately one month after closing. This document should also be stored for safe keeping.

☐ If you have not received the coupon book or other instructions about making your monthly mortgage payment, call your lender.

☐ Make certain to file your homestead with the county appraisal district. You may file for property exemptions any time between January 1st and April 30th.

☐ If your property taxes are being escrowed by your mortgage company, forward any original tax notices you may receive in the mail to your lender so that the taxes are paid in a timely matter.

☐ It is the taxpayer's responsibility to be certain that the property is rendered in the taxpayer's name for the upcoming tax year. Contact the county appraisal district for assistance in making certain this is done.

Top 10 Real Estate CLOSING DELAYS

1. DETERMINING OWNERSHIP
Verify all owners/sellers names; make sure they are listed on your contract. If any changes have occurred in marital status, if a death has occurred, or if the property is vested in a trust, we will need to know in advance.

2. FOREIGN SELLER
At the listing appointment, determine if the seller is a “foreign person,” as defined by applicable law. If you believe the seller could be classified as a foreign person, notify your escrow officer and all parties to the contract. A foreign person requires certain IRS documentation with most of the obligation falling upon the buyer.

3. LENDER INFORMATION
We are required to obtain the seller’s loan payoff information. We will need the name and phone number of the lender, the loan number, and the full social security number for each person on the loan.

4. SURVEY
If an existing survey is to be provided to the buyer by the seller per the contract, it must be accompanied with the Residential Real Property Affidavit (T47). Failure to provide the affidavit with the existing survey could result in the seller paying for a new survey.

5. IDENTIFICATION
Valid, unexpired U.S. government issued photo ID is required for each person signing documents. A State issued driver’s license, a military ID and/or a passport are acceptable forms of identification.

6. CLOUDS ON TITLE
Tax liens, judgments, HOA liens, missing liens, IRS liens, bankruptcy and any other involuntary liens will be addressed and some could take an extended time to clear. It is important to have open lines of communication between the seller and the title company to clear any clouds on title.

7. CONTRACT DATES
All dates in the contract should be complete. The effective date is the catalyst for all requirements/conditions in the contract. Incomplete dates in the contract can lead to confusion and misunderstandings which could delay your closing and funding!

8. REPAIRS NOT COMPLETED
Agreed repairs must be completed in a timely fashion. Completion of repairs in the contract is often a lender requirement to satisfy the loan. Lenders can require the appraiser to re-inspect the property prior to closing to certify the repairs were completed.

9. HOA & HOA ADDENDUMS
If the property is in a subdivision with a mandatory owners’ association, pay special attention to the boxes and blanks on the HOA addendum indicating the party responsible for delivering the subdivision information as well as the time frame required for delivery.

10. SHORT SALES & FORECLOSURES
It is important to understand the process when contracting into a short sale or foreclosure. Even after the contract is signed, the current lienholder still requires the seller to go through a process before approving the sale.

TO-DO LIST for New Homeowners

Moving into a new house can be a daunting task. Between unpacking, cleaning and trying to find that stray roll of toilet paper, it may feel you have lost your mind in a sea of bubble wrap. The items listed below may feel like back burner tasks but really, they help you feel like your new place is more like your new home.

1. Pest-proof Your New Home.
If you have access to your new place a day or so before the moving van is scheduled to arrive you could set off a bug bomb or have the exterminator come and spray. Even if you don't see any bugs, it's likely they're there, and you don't want to have to share your new digs with pests.

2. Turn on Utilities.
Notify the utility companies to transfer gas, water, electrical, trash and sewer into your name.

3. Plug in Refrigerator.
Make sure all of the appliances are plugged in and working. Many people while moving out unplug a refrigerator and turn it off.

4. Change the Locks
You really don't know who else has keys to your home, so change the locks. That ensures you're the only person who has access.

5. Inspect Your Belongings.
Once everything's off the truck, check your inventory list against what's been delivered. This is where it helps to have both the inventory list and a floor plan filled out with what goes where.

6. Steam Clean Carpets.
Do this before you move your furniture in, and your new home life will be off to a fresh start.

7. Wipe Out Your Cabinets.
Before you move in your dishes and bathroom supplies make sure to wipe inside and out and replace contact paper if necessary.

8. Replace the Furnace Filter.
One of the fastest ways to create problems with a forced-air heating and cooling system is to forget to replace the filter. Locate the furnace filter and buy replacements.

9. Check for Plumbing Leaks.
An inspector should do this for you before closing, but it never hurts to double-check. Keep an eye out for dripping faucets, running toilets, and your water heater for signs of a leak.

10. Check Smoke and CO Detector Dates.
It's important that you know where your smoke and CO detectors are located and that they are working. Smoke alarms may be the cheapest, easiest and most effective means for protecting your family and your home from a fire.

11. Locate Your Home's Water Shutoff Valve.
Know where you main water shutoff valve is in case you need to shut off the water to your entire house.

12. Locate the Electrical Panel.
Find the electrical panel so you know where to shut of the power to you whole house or an individual circuit. You'll usually find the main circuit breaker panel in a utility room, garage or basement.

13. Inspect Crawlspaces and the Attic.
It's good to familiarize yourself with the farthest corners of your home. Check for leaks, bugs, mold and other issues that you should address sooner rather than later.

14. Take Pictures.
Your house will most likely look far different on the day you move in than the day you leave. Make time to take pictures of it the first day. You and your family will enjoy comparing "now and then" pictures down the road.

15. Make a Homeowner's Journal.
Buy a ring binder and keep insurance papers, repair receipts and all other paperwork pertaining to the house in it. Storing all your house information in one handy place makes life easier for the homeowner and can be a sales 'plus' when selling the house later.

16. Enjoy a Family Meal.
Moving can be tiring and stressful. So, after a long day of work, take time to unwind together. There's no need to worry about a fancy, homemade meal -- especially if you haven't managed to unpack the kitchen yet. You can drive to the nearest restaurant for takeout or order something for delivery.

17. Meet the Neighbors.
It's wise to reach out and extend a friendly gesture to your neighbors as soon as possible. Establishing yourself in your neighborhood can also give you access to inside information, like who's the best plumber in the area.

18. Get Some Sleep.
Moving can be tiring and stressful. So, after you've spent the day schlepping furniture and unpacking boxes, you need a good night's rest. Those boxes aren't going anywhere!

Sources:

https://www.familyhandyman.com/smart-homeowner/things-to-do-when-you-move-into-your-new-home/view-all/https://www.bowerpowerblog.com/five-dos-new-home-owners/

PLANNING A SMOOTH MOVE

After your purchase offer has been accepted and your loan approved, it is time to plan your move. By pre-planning your move, you will find that the numerous tasks involved will go more smoothly. You will be prepared for the challenge of creating a new home for you and your family.

30 DAYS BEFORE

☐ Determine what you do not want to move - plan a garage sale if necessary.
☐ Decide what you are going to pack yourself and what the movers are gong to pack.
Keep in mind that the mover is not responsible for any breakage of items you will pack personally.
☐ Obtain property - packing cartons from your mover for items you will pack personally.
☐ Notify the post office of your new address.
☐ Gather medical and dental records for all family members.
☐ Notify schools and arrange to have transcripts and records forwarded to new schools.

2 WEEKS BEFORE

☐ Start packing. Plan a little at a time. Don't try to do it all in a day or two.
☐ Return borrowed items and reclaim items borrowed from you.
☐ Arrange disconnect/connect dates with local utilities.
☐ Arrange for maid service and carpet cleaners.
☐ Develop a floor plan to show the movers where you want your belongings placed.

1 WEEK BEFORE

☐ Dispose of all flammable materials that shouldn't be moved.
☐ Dismantle outdoor play or gym equipment.
☐ Transfer bond accounts and contents of safe deposit box.
☐ Pack items you want to move yourself and mark them "Do Not Move."

1 DAY BEFORE

☐ Empty your fridge and freezer. Let the appliances air out for 24 hours.
☐ Finish packing personal items.
☐ Get a good night's sleep.

MOVING DAY

☐ Strip beds. but leave the fitted bottom sheet on the mattress.
☐ Be present to answer movers' questions.
☐ Accompany movers through the house for an inventory of things to be moved.
☐ Confirm a destination address, dates and times with your mover.
☐ Close all windows, turn out lights and lock doors.