TIPS AND RESOURCES FOR THE HOME BUYING PROCESS

SOUTHEAST SETTLEMENT
and Title Company

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YOUR HOME IS YOURS.
TITLE INSURANCE HELPS KEEP IT THAT WAY.

WOULD YOU EVER THINK YOU COULD LOSE YOUR HOME BECAUSE ANOTHER PERSON LEGALLY HAS A RIGHT TO IT? THAT THOUGHT MIGHT NEVER CROSS YOUR MIND, BUT PERHAPS IT SHOULD.

There are many problems that could affect your title, including: tax liens, forged signatures in the chain of title, recording errors, title search errors and claims by missing heirs and/or an ex-spouse. In a nutshell,

TITLE INSURANCE PROTECTS FROM FUTURE LOSS IF A COVERED CLAIM AGAINST YOUR PROPERTY IS MADE.

THERE ARE TWO TYPES OF TITLE INSURANCE:

1

AN OWNER'S POLICY

protects you and provides assurance that your title company will stand behind you, if a **covered title problem** arises after you buy a home.

2

A LOAN POLICY

protects the lender for the amount of the loan. If you only have a Loan Policy, **you are not protected** if a problem materializes with your title.

YOUR HOME IS YOUR MOST VALUABLE MATERIAL ASSET. IF THE POTENTIAL LOSS OF YOUR HOME ARISES FROM A COVERED TITLE PROBLEM,
AN OWNER'S POLICY WILL PROTECT YOU.

Title insurance is about protection; protecting **your home, your family, and yourself.** It is about **preventing a mishap,** or lessening the severity of its impact. Unlike most insurance policies, title insurance is a **one-time-only fee.** An owner's policy will protect you as long as you and your heirs have an interest in the property.

CONTACT INFORMATION

☐ **Title Company** ☐ **Other:** _____

Name: _____

Company: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

☐ **Attorney** ☐ **Other:** _____

Name: _____

Company: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

☐ **Lender** ☐ **Other:** _____

Name: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

☐ **Buyer's Agent** ☐ **Other:** _____

Name: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

☐ **Seller** ☐ **Other:** _____

Name: _____

Company: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

☐ **Seller's Agent** ☐ **Other:** _____

Name: _____

Company: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Fax: _____

Email: _____

GETTING STARTED BUYERS

FINANCING – If you plan to finance your purchase, it's crucial to start the mortgage loan process early. If you have a real estate agent, they often can recommend lenders they've worked with before, or you can choose your own lender. Making contact with a lender prior to searching for your new home will help the transaction run smoothly.

LOAN OPTIONS – Talk with loan officers at financial institutions, mortgage companies or savings and loan institutions to review the types of loans that are available and/or applicable to you and compare rates.

FIRST-TIME HOMEBUYER – If you are a first-time homebuyer, you may qualify for mortgage programs with little money down, low interest rates or federal programs that give beneficial rates.

FINANCIAL HISTORY – By having good credit history and a limited debt load, you should gain a better loan rate. However, if your current credit score is less than ideal, ask your financial representative how to improve your score and earn a better rate.

PREAPPROVAL LETTER – Once you've chosen a loan and lender, it's important to get preapproved and obtain a preapproval letter. To do so, a loan officer will need to review your credit files and discuss exactly how much you can borrow. Be sure to show your preapproval letter to your real estate professional before you begin looking for homes.

WHY DO I NEED A REAL ESTATE PROFESSIONAL?

Buying a home is one of the largest investments you will ever make. A real estate professional can research homes that specifically meet your criteria and provide access for you to preview homes, helping you narrow down your list of potential properties. Homes differ and so do contract terms, financing options, inspection requirements and closing costs. When you're ready to make an offer, a real estate professional can assist you with negotiations, and guide you through the process once your offer is accepted.

HOME BUYING PROCESS

LEARN MORE ABOUT WHAT HAPPENS AFTER YOUR OFFER IS ACCEPTED

THE EXECUTED CONTRACT

Once both parties have agreed to the terms of the offer, and the seller has signed the offer and communicated acceptance, an offer becomes an executed contract. You'll need to address the next steps quickly in order to close on time.

DELIVER THE EARNEST MONEY

Earnest money is a cash deposit the buyer gives the seller via a third party intermediary, usually a real estate agent, attorney or title agent. This deposit proves you are serious about purchasing the property. Typically, the earnest money deposit is credited to the purchase price at closing.

OBTAIN A MORTGAGE LOAN

Notify your mortgage lender as soon as you have an executed contract so they can start the mortgage process. You'll need to submit extensive paperwork and pay for certain services related to your new home in order to secure the loan, even if you've been pre-approved. Your real estate agent or attorney can help serve as an intermediary between you and your lender.

SCHEDULE PROPERTY INSPECTIONS

Property inspections help expose defects in the home that could influence your decision to purchase it at the price outlined in the executed contract. A standard home inspection is most common, but other types of inspections (radon, pest, septic, structural, HVAC, mold and others) are available. If a defect is found, your real estate agent or attorney may advocate that the seller cover the cost of repairs or reduce the home's sale price, or you may wish to cancel the contract.

OBTAIN EVIDENCE OF TITLE

Your contract will usually require the seller to deliver evidence of title. In addition, your mortgage lender will require a title company to review the title history of the seller's home to ensure they will have a valid, enforceable lien on the property after closing. You can also purchase an owner's title insurance policy that protects you from covered title defects arising prior to or concurrently with your purchase of the seller's home.

EVEN IF YOUR OFFER IS ACCEPTED, THERE ARE STILL MANY STEPS TO COMPLETE BEFORE YOU CAN ENJOY YOUR NEW HOME.

This is a general overview of the home buying process, from offer to closing. The specifics of your transaction may vary; so, you may wish to seek advice from a competent attorney.

THE OFFER

Once you've found the perfect home, it's time to make an offer. A buyer and seller must enter into a written contract called a "purchase contract." Typically the process begins with the buyer's written offer to the seller. Your real estate agent or attorney may wish to use a standard form to draft an offer and present it to the seller or the seller's real estate agent. Your real estate agent or attorney can negotiate many of the terms and conditions of the offer, ***including, but not limited to:***

- Sales price
- Financing terms
- Earnest money amount
- Who will perform the settlement
- Title policy
- Property condition
- Possession terms
- Contingencies
- Any special provisions
- Any exclusions
- Settlement and other expenses
- Prorations
- Casualty loss
- Default
- Mediation
- Attorney's fees
- Representations and warranties
- Effective date
- Date of closing

ORDER AN APPRAISAL

An appraisal is also required by mortgage lenders to verify that the value of the property you intend to purchase is worth the sales price. Most lenders require the buyer to pay for an appraisal.

OBTAIN HOMEOWNER'S INSURANCE

Mortgage lenders also require buyers to purchase a homeowner's insurance policy. The policy covers any accidental damage to the home and the owner's possessions due to theft, storms, fires and some natural disasters.

CONSIDER PURCHASING A HOME WARRANTY

You may also want to purchase a home warranty, which is a service contract that provides for the repair or replacement of major systems and appliances in certain circumstances.

SET UP UTILITIES

Make arrangements to turn on your utilities and transfer all accounts to your name.

SCHEDULE A CLOSING TIME

You, your real estate agent or attorney should check in with your title agent and mortgage lender about a week before the closing date to make sure everything is in order for closing. Schedule your closing time accordingly.

CONDUCT THE FINAL WALKTHROUGH

It's recommended that homebuyers perform a final walkthrough of the property a few days before closing to verify that any repairs have been made and the seller's possessions have been removed.

CLOSING

The closing typically occurs at the title company and takes about an hour. A few days before closing, you should check with your title agent to determine what items are needed for closing. At a minimum, you should bring your driver's license and certified funds to closing. Once you've signed all documentation, your lender has funded your loan and the documents have been recorded at the County Recorder's office, you'll get the keys to your new home!

BUYER

Consult with Real Estate Agent
Sign Buyer Representation Agreement

Obtain Loan Preapproval with Lender

View Properties

Select the Home to Buy
Write the offer

Offer Presented to Seller

Negotiation of Terms

Final Executed Sales Contract

Schedule Inspections
Receive disclosures

Review Disclosures
Review inspections

Open Title with Your Title Agent
Deposit earnest money

Title Search
Commitment to issue title insurance

Submit Formal Loan Application(s)

Loan Processing Starts
Property appraisal/underwriting

Remove Inspection & Other Contingencies
Increase earnest money deposit, if applicable

Arrange For Homeowners Insurance
Arrange for movers

Loan Commitment
Remove financial contingencies

Transmit Balance of Down Payment
Sign closing and loan papers

CLOSE

Loan Funded
Record documents

Get the Keys

Welcome Home!

BUYER'S WORKSHEET

Buyer's Name: _____

CURRENT SITUATION

Currently, are you a:

☐ Homeowner ☐ First-time Buyer ☐ Renter

If renting, date lease expires: ____/____/____

When would you like to move?

☐ 1 month or less ☐ 2 – 3 months
☐ 4 – 5 months ☐ 6 months or more

Have you started shopping yet? ☐ No ☐ Yes

If so, how long have you been looking?

☐ 0 – 2 weeks ☐ 3 – 4 weeks ☐ 2 – 3 months
☐ 4 – 5 months ☐ 6 months or more

FUTURE HOME ATTRIBUTES

Desired city or ZIP code: _____

Is close proximity to work a priority? ☐ No ☐ Yes

Is close proximity to school a priority? ☐ No ☐ Yes

Is access to public transportation a priority? ☐ No

☐ Yes

What type of neighborhood do you prefer?

☐ Urban ☐ Gated ☐ Suburbs ☐ Rural

Price range: $ _____ to $ _____

What type of home do you prefer?

☐ Single-Family ☐ Townhouse/Condo ☐ Duplex

Bedrooms: _____ Bathrooms: _____

Sq. feet: _____ Lot size : _____

How many stories?

☐ One ☐ Two ☐ Three ☐ Split-Level

Desired condition of the home?

☐ Move-in Ready ☐ Some Work ☐ "Fixer Upper"

Age range for the home: _____ to _____ years

What style of home do you prefer?

☐ Contemporary	☐ Cottage	☐ Craftsman
☐ European	☐ Farmhouse	☐ Mediterranean
☐ Modern	☐ Ranch	☐ Traditional
☐ Tudor	☐ Victorian	☐ Other

What size garage?

☐ One-Car ☐ Two-Car ☐ Three-Car ☐ Carport

Desired features: (check all that apply)

☐ Air Conditioning	☐ Dining Room	☐ Family Room
☐ Large Kitchen	☐ Breakfast Area	☐ Laundry Room
☐ Large Master	☐ Walk-in Closets	☐ Office Space
☐ Storage Space	☐ Vaulted Ceilings	☐ Large Yard
☐ Patio	☐ Pool/Spa	☐ Waterfront

Other Necessities:

_____

_____

_____

_____

_____

_____

BUYER'S SCORECARD

	House 1	House 2	House 3	House 4	House 5
Property Address					

Ratings: 0 - Unacceptable | 1 - Poor | 2 - Fair | 3 - Average | 4 - Good | 5 - Excellent					
	House 1	**House 2**	**House 3**	**House 4**	**House 5**
Neighborhood					
Location					
First Impression					
Price					
Size of Home					
Number of Bedrooms					
Number of Bathrooms					
Room Size					
Utility Room					
Family Room					
Kitchen					
Dining Room					
Carpet					
Backyard					
Landscaping					
TOTAL SCORE*					

*(Add up the individual ratings in each column.)

GLOSSARY OF REAL ESTATE TERMS

ABSTRACT OF TITLE | A condensed history or summary of all transactions affecting a particular tract of land.

CHAIN OF TITLE | A term applied to the past series of transactions and documents affecting the title to a particular parcel of land.

CLOSING | Also known as "escrow" or "settlement." The process of executing legally binding documents, such as deeds and mortgages, most commonly associated with the purchase of real estate and the borrowing of money to assist in the purchase.

DEED | A written document by which the ownership of land is transferred from one person to another.

DEED OF TRUST | An instrument used in many states in place of a mortgage. Property is transferred to a trustee by the trustor (borrower), in favor of the beneficiary (lender), and reconveyed (satisfied) upon payment in full.

EARNEST MONEY | Advance payment of part of the purchase price to bind a contract for property.

EASEMENT | An interest in land owned by another that entitles its holder to a specific limited use, such as laying a sewer, putting up electric power lines or crossing the property.

ENCROACHMENT | A trespass or intrusion onto another's property, usually by a structure, wall or fence.

ENCUMBRANCE | A lien, liability or charge upon a parcel of land, e.g. a mortgage or easement.

ESCROW | A procedure whereby a disinterested third party handles legal documents and funds on behalf of a seller and buyer, and delivers them upon performance by the parties.

EXAMINATION OF TITLE | The investigation and interpretation of the record title to real property based on the title search or abstract.

EXCEPTION | In legal descriptions, that portion of land to be deleted or excluded. The term often is used in a different sense to mean an encumbrance on title, excluded from coverage in a title insurance policy.

HEIR | One who might inherit or succeed to an interest in land of an individual who dies without leaving a will (intestate).

JOINT TENANCY | An estate where two or more persons hold real estate jointly for life, the survivors to take the entire interest on the death of one of the joint tenants.

JUDGMENT | A decree of a court. In practice, this is the lien or charge upon the land of a debtor resulting from the court's award of money to a creditor.

LIEN | A hold, claim or charge allowed by a creditor upon the land of a debtor. Some examples are mortgage liens, judgment liens and mechanics' liens.

LOAN POLICY | A form of title insurance policy which insures the validity, enforceability and priority of a lender's lien. This form does not provide protection for the owner.

OWNER'S POLICY | A policy of title insurance, which insures a named owner against loss by reason of defects, liens and encumbrances not excepted to in the policy or unmarketability of the title. The company also agrees to defend covered claims made against the title.

POWER OF ATTORNEY | An instrument authorizing another to act on one's behalf in legal matters.

PRORATE | To allocate between seller and buyer their proportionate share of an obligation paid or due. For example, a proration of real property taxes or fire insurance premiums.

SURVEY | The process of measuring land to determine its size, location and physical description, and the resulting drawing or map.

TITLE | (i) ownership of real property, which stands against the right of anyone else to claim the property; (ii) the evidence of right which a person has to the ownership and possession of land.

TITLE DEFECT | Any legal right held by others to claim property or to make demands upon the owner.

TITLE INSURANCE | An agreement to indemnify the insured against loss arising from a covered defect in title to a particular parcel of real property, which is typically issued to both the buyer to protect their property rights (through an owner's title insurance policy), and the lender to protect its lien rights (through a loan policy of title insurance).

TITLE INSURANCE POLICY | A written contract of title insurance.

TITLE SEARCH | An examination of public records, laws and court decisions to disclose the current facts regarding ownership of real estate.

EMAIL SCAMS TARGET CLOSING FUNDS

Email phishing scams attempt to trick people into clicking a link, opening an attachment or responding to a message so criminals can exploit personal information. The Federal Trade Commission and the National Association of REALTORS® have warned consumers of an email phishing scam in which hackers compromise the email accounts of buyers and/or sellers, pose as a trusted real estate agent or title insurance company, and attempt to fool their targets into wiring closing funds into the hacker's own account.

We are committed to protecting our clients, and taking security measures to prevent unauthorized access to our network. Criminals know secure networks are difficult to access, so instead, they target consumers' popular web-based email, which is more vulnerable to cyber attacks.

THE SCAM

Once hackers gain access to a buyer or seller's unsecure email account, they look for the source of an upcoming financial transaction (e.g. abcagent.com). Hackers use this information to register a fake domain name that mimics the domain name of the legitimate source, making spelling changes so subtle that most people would never notice (e.g. abcagent.com). The hackers then use the fake domain name to email false wire transfer instructions to their target. If the consumer responds with financial information, he or she could lose significant sums of money.

EASY TIPS FOR AVOIDING EMAIL PHISHING SCAMS

1. Be wary of emails that are unusual, unexpected or require a change in routine. Look carefully for grammar or spelling mistakes, and be leery of those that use threats if swift action is not taken.
2. Avoid conveying sensitive information through unsecure email accounts or websites, and be aware that information you share on social networks can be used by scammers.
3. Do not click on links in emails. Instead, hover your mouse over a link to view its true web address. If it's different than what displays in the email, beware.
4. Create "fake" answers to password recovery questions; "real" answers can be discovered. Write down the false answers to help you remember them.
5. If anything in an email – even one from a trusted source – seems suspicious, call the sender using a previously known or verifiable phone number. Never reply to the email or information in the message.

FINANCIAL STRENGTH BEHIND THE POLICY

Nothing else

assures a homebuyer's peace of mind quite like

title insurance.

The choice is yours!

Ask for an Old Republic National Title Insurance Company policy.

The protection of your owner's policy is only as strong as the company underwriting the policy. Since 1907, Old Republic National Title Insurance Company has been insuring residential and commercial properties across America. Weathering every storm, we protect property rights through good times and bad.

Old Republic Title's parent Company, Old Republic International Corporation, is one of the nation's 50 **largest shareholder-owned insurance businesses.**

Old Republic Title Insurance Group is the third largest title insurance group in the nation.* **We offer unsurpassed financial strength ratings, a strong balance sheet and the strongest claims-paying ability of all the national underwriters.****

Strength and stability for over a century.

* Based on total premiums written, as reported in 2018 market share data compiled by the American Land Title Association (ALTA).
** Based on combined Form 9 Annual Statements for all insurers within each family, as compiled by ALTA December 31, 2018.

MOVING TIPS

The key to a successful move is to plan well ahead. Once you've identified your move date, use this checklist to help make your move as smooth as possible.

8 WEEKS BEFORE THE MOVE

- ☐ If moving yourself, get estimates for a moving truck and make a reservation.
- ☐ If using a moving company, hire one with good references. It should be licensed/bonded and have workers' compensation insurance. Ask about discounts, get estimates in writing and make a reservation. If using movers to pack, schedule at least two days before the move.
- ☐ Create a file for receipts and important information needed during the move.

7 WEEKS BEFORE THE MOVE

- ☐ Gather copies of legal, medical, dental, financial and pet immunization records for your move file.
- ☐ Arrange to transfer school and veterinarian records.
- ☐ Contact health clubs and organizations to cancel or transfer memberships.

6 WEEKS BEFORE THE MOVE

- ☐ Begin purging your home. Decide what to keep, discard, sell or donate.
- ☐ Plan a garage sale.
- ☐ Use up household products you don't want to move.

5 WEEKS BEFORE THE MOVE

- ☐ Arrange for storage, if needed.
- ☐ Submit a "Change of Address" form to the post office.
- ☐ Arrange for necessary repairs to your current home.

4 WEEKS BEFORE THE MOVE

- ☐ Host a garage sale and donate unsold items.
- ☐ If moving yourself, determine how many boxes you will need.
- ☐ Arrange to cancel, transfer or initiate utility services.

3 WEEKS BEFORE THE MOVE

- ☐ Gather moving supplies:
  - ☐ __ Boxes
  - ☐ __ Labels
  - ☐ __ Packing tape
  - ☐ __ Scissors
  - ☐ __ Bubble wrap
  - ☐ __ Newspaper
  - ☐ __ Nylon string and rope
  - ☐ __ Styrofoam peanuts
  - ☐ __ Furniture pads
  - ☐ __ Utility knife
- ☐ Pack items that won't be used prior to the move. Clearly label each box with its contents and the room for which it is destined.
- ☐ Make hotel reservations and travel arrangements for pets, if needed.

2 WEEKS BEFORE THE MOVE

- ☐ Transfer bank accounts to new branches, and cancel payment arrangements on accounts you're closing.
- ☐ Cancel or transfer delivery services and subscriptions.
- ☐ Notify legal, medical, dental, financial, insurance and home maintenance professionals; schools; and government offices (tax assessor, state vehicle registration, Social Security, IRS and VA) of your move.
- ☐ Give friends and family your new address.
- ☐ Confirm parking for your moving truck or container. Obtain permits, if needed.

1 WEEK BEFORE THE MOVE

- ☐ Arrange for a sitter to care for your children while you are packing or moving, if needed.
- ☐ Fill prescriptions you will need during the move, and transfer maintenance medications to a pharmacy near your new home.
- ☐ Add copies of your driver's license, vehicle registration and insurance to your move file.

2 DAYS BEFORE THE MOVE

- ☐ Have payment ready for the moving truck or company.
- ☐ Set aside items that should travel with you: valuables, changes of clothes and your move file.
- ☐ Pack your shipment. Load goods in a pre-designated order, saving "last load" items for the rear of the shipment.
- ☐ Empty and defrost your refrigerator.

MOVING DAY

- ☐ If moving yourself, pick up the truck as early as possible.
- ☐ If using a moving company, read the conditions before signing the "Mover Agreement," and add it and your bill of lading to your move file. Supervise movers and give them a contact number to reach you.
- ☐ Create a list of every item loaded onto the truck.
- ☐ Conduct a final walk-through of every room, including closets, attic and garage, to make sure nothing is left behind. Turn off the water and all appliances.
- ☐ Leave future tenants a note with your new address so they can forward stray mail.
- ☐ Lock all windows and doors.

DELIVERY DAY

- ☐ Make sure utilities are connected and appliances work before moving in.
- ☐ Gather essential first-day items:

__ Cleaning supplies
__ Toilet paper
__ Scissors
__ Masking tape
__ Trash bags
__ Snacks and drinks
__ Paper plates and plastic-ware
__ Cups and mugs
__ Writing utensils and paper
__ Basic toiletries

Clean your new home.

Refer to your list to check off items as they come off the truck.

- ☐ Install new locks.
- ☐ Unpack and enjoy your new home!

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