



SELLING A HOME IN OKLAHOMA

www.okfirstam.com



First American Title™

FIRST AMERICAN TITLE OKLAHOMA BRANCH LOCATOR



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TABLE OF CONTENTS

QUICK REFERENCE	4
BENEFITS FROM A PROFESSIONAL REALTOR® / FOR SALE BY OWNER	5
ADVANTAGES / FAST FACTS FOR SELLERS	6
LIFE OF AN ESCROW	7
PREPARING YOUR HOME FOR SALE / STAGING YOUR HOME FOR SHOW	8
ESCROW QUESTIONS AND ANSWERS	9
TITLE SEARCH	10
THE ESCROW & TITLE INSURANCE PROCESS	11
COMMITMENT FOR TITLE INSURANCE / UNDERSTANDING TITLE INSURANCE	12
BENEFITS OF FIRST AMERICAN TITLE'S EAGLE OWNER'S POLICY	13
EAGLE OWNER'S POLICY COVERAGE COMPARISON	14
ADDITIONAL TITLE THREATS / A HOME WARRANTY	15
TERMS YOU SHOULD KNOW	16
PLANNING YOUR MOVE	17

QUICK REFERENCE

YOUR ESCROW NUMBER _____

YOUR NEW ADDRESS _____

CITY/STATE/ZIP _____

REALTOR®	Name _____	Phone (____) _____
	Assistant _____	Cell (____) _____
	Company _____	Email _____
	Address _____	Fax (____) _____
	City/State/Zip _____	

ESCROW	Escrow Officer _____	Email _____
	Escrow Assistant _____	Email _____
	Address _____	Phone (____) _____
	City/State/Zip _____	Fax (____) _____

INSURANCE	Agent _____ Phone (____) _____ New Agent _____ Phone (____) _____	Policy # _____ Policy # _____	STOP DATE ____/____/____	START DATE ____/____/____
GAS	Oklahoma Natural Gas 405.551.4000 www.ong.com New gas company _____		____/____/____	____/____/____
CABLE	Cox 405.600. 8282 www.cox.com/okc New cable company _____		____/____/____	____/____/____
ELECTRIC	OG&E 405.272.9741 www.oge.com • Edmond Electric 359.4541 www.edmondok.com OK Electric Coop 321.2024 www.okcoop.org • Cimarron Electric Coop 375.4121 www.comarronelectric.com New electric company _____		____/____/____	____/____/____
COMMUNICATIONS	AT&T 800.403.3302 www.att.com • Birch 866.347.3843 www.birch.com Cox 405.604.3663 www.cox.com • TDS Telecom 405.390.2291 www.tdstelecom.com Long distance carrier, if different _____ New phone company _____ Your new phone (____) _____ New fax (____) _____ Cell phone _____ Internet service _____		____/____/____	____/____/____
WATER/SEWER/GARBAGE	Oklahoma City Water 297.2833 Midwest City 739.1252 Norman Water 366.5320 Oklahoma City Garbage 297.2833 Midwest City 739.1254 Piedmont Garbage 800.211.3717 Bethany 789.2146 Mustang 376.4474 Piedmont Water 373.2000 Del City 671.2826 Nichols Hills 843.6673 Village 751.4933 Edmond 359.4541 Norman Garbage 329.1023 Yukon 354.1895 New water company _____		____/____/____	____/____/____
OTHER	Voter Registration Okla. County Election Board 405.713.1515 www.oklahomacounty.org Auto Tag and Registration Oklahoma Tax Commission 405.521.3221 www.oktax.state.ok.us Drivers License Okla. Dept. of Public Safety 405.425.2424 www.dps.state.ok.us/dls _____ _____ _____		____/____/____	____/____/____

BENEFITS FROM A PROFESSIONAL REALTOR®

Before you make the decision to try to sell your home alone, consider the benefits a REALTOR® can provide that you may not be aware of:

- › Understands market conditions and has access to information not available to the average homeowner.
- › Can advertise effectively for the best results.
- › Knows how to price your home realistically, to give you the highest price possible within your time frame.
- › Is experienced in creating demand for homes and how to show them to advantage.
- › Knows how to screen potential Buyers and eliminate those who can't qualify or are looking for bargain-basement prices.
- › Knows how to go toe-to-toe in negotiations.
- › Is always "on-call," answering the phone at all hours, and showing homes evenings and weekends.
- › Can remain objective when presenting offers and counter-offers on your behalf.
- › Maintains errors-and-omissions insurance.
- › Will listen to your needs, respect your opinions and allow you to make your own decisions.
- › Can help protect your rights, particularly important with the increasingly complicated real estate laws and regulations.
- › Is experienced with resolving problems to facilitate a successful closing on your home.

Only you can determine whether you should attempt to sell your home—probably your largest investment—all alone. Talk with a REALTOR® before you decide. You may find working with a professional is a lot less expensive and much more beneficial than you ever imagined!



FOR SALE BY OWNER

Many people believe they can save a considerable amount of money by selling their homes themselves. It may seem like a good idea at the time, but while you may be willing to take on the task, are you qualified? The following are some questions to help you realistically assess what's involved:

- › Do you have the knowledge, patience, and sales skill needed to sell your home?
- › If your buyer is aggressive, can you negotiate a successful outcome for yourself?
- › Do you know how to determine the current market value of your home?
- › Are you aware of conditions in the marketplace today that affect value and length of time to sell?
- › Do you know how to determine whether or not a buyer can qualify for a loan?
- › Are you concerned about having strangers walking through your home?
- › Do you understand the steps of an escrow and what's required of you and the buyer?
- › Are you familiar enough with real estate regulations to prepare a binding sales contract? Counter-offers?
- › Are you aware that every time you leave your home, you are taking it off the market until you return?
- › Have you made arrangements with an escrow and title company, home warranty company, pest-control service and lender to assist you with the transaction?
- › Do you need to hire a real estate attorney? If so, do you know what the cost will be and how much liability they will assume in the transaction?
- › Do you know how to advertise effectively and what the costs will be?
- › Are you aware that prospective buyers and bargain hunters will expect you to lower your cost because there's no REALTOR® involved?
- › Do you understand the various types of loans buyers may choose and the advantages and disadvantages for the seller?
- › Are you prepared to give up your evenings and weekends to show your home to potential Buyers and "just-looking" time wasters?



FAST FACTS FOR SELLERS

REALTOR®

A REALTOR® is a licensed real estate agent and a member of the National Association of REALTORS®, a real estate trade association.

REALTORS® also belong to their state and local Boards of REALTORS®. They have a wealth of resources at their disposal, including the Multiple Listing Service and continuing education. All association members agree to abide by a 17-article Code of Ethics and strive for the height of professionalism.

REAL ESTATE AGENT

A real estate agent is licensed by the state to represent parties in the transfer of property. Every REALTOR® is a real estate agent, but not every real estate agent is a professional REALTOR®.

LISTING AGENT

A listing agent forms a legal relationship with the homeowner to sell the property and places the property in the Multiple Listing Service.

BUYER'S AGENT

A buyer's agent or buyer broker is an agent hired by the buyer. Generally, the buyer broker is paid from the commission fee agreed to by the seller.

MULTIPLE LISTING SERVICE (MLS)

The MLS is a database of properties listed for sale by REALTORS® who are members of the local Board of REALTORS®. Information on an MLS property is available to thousands of REALTORS®.

THE ADVANTAGES

of working with only one REALTOR® include:

- The REALTOR® becomes familiar with your family's needs.
- You develop better rapport and communication when working towards your goal with only one REALTOR®.
- The REALTOR® is more committed to you because you return that commitment.
- You avoid any uncomfortable situation arising from agent conflict.

EXCERPT FROM PREAMBLE TO THE REALTOR'S® CODE OF ETHICS:

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal. In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule: "Whatsoever ye would that others should do to you, do ye even so to them."

LIFE OF AN ESCROW





Staging Your Home for Show

PREPARING YOUR HOME FOR SALE

First impressions have a major impact on potential buyers. Try to imagine what a potential buyer will see when they approach your house for the first time and walk through each room. Ask your REALTOR® for advice; they know the marketplace and what helps a home sell. Here are some tips to present your home in a positive manner:

- › Mow and edge the lawn regularly, and trim the shrubs.
- › Make your entry inviting: paint your front door and buy a new front door mat.
- › Paint or replace the mailbox, if needed.
- › If screens or windows are damaged, replace or repair them.
- › Repair or replace worn shutters and other exterior trim.
- › Make sure the front steps are clear and hazard-free. Make sure the doorbell works properly and has a pleasant sound.
- › Ensure that all exterior lights are working.
- › Check stucco walls for cracks and discoloration.
- › Remove any oil and rust stains from the driveway and garage.
- › Clean and organize the garage, and ensure the door is in good working order.
- › Shampoo carpeting or replace if worn. Clean tile floors, particularly the caulking.
- › Brighten the appearance inside by painting walls, cleaning windows and window coverings, and removing sunscreens.
- › Repair leaky faucets and caulking in bathtubs and showers.
- › Repair or replace loose knobs on doors and cabinets. If doors stick or squeak, fix them.
- › Make sure toilet seats look new and are firmly attached.
- › Repair or replace loud ventilating fans.
- › Replace worn shower curtains.
- › Rearrange furniture to make rooms appear larger. If possible, remove and/or store excess furniture, and avoid extension cords in plain view.
- › Remove clutter throughout the house. Organize and clean out closets.
- › Clean household appliances and make sure they work properly.
- › Air conditioners/heaters, evaporative coolers, hot water heater should be clean, working and inspected if necessary. Replace filters.
- › Check the pool and/or spa equipment and pumps. Make sure all are working properly and that the pool and/or spa are kept clean.
- › Inspect fences, gates and latches. Repair or replace as needed.

To make the best impression, keep your home clean, neat, uncluttered and in good repair. Please review this list prior to each showing:

- › Keep everything clean. A messy or dirty home will cause prospective buyers to notice every flaw.
- › Clear all clutter from counter tops.
- › Let the light in. Raise shades, open blinds, pull back the curtains and turn on the lights.
- › Get rid of odors such as tobacco, pets, cooking, etc., but don't overdo air fresheners or potpourri. Fresh baked bread and cinnamon can make a positive impact.
- › Send pets away or secure them away from the house, and be sure to clean up after them.
- › Close the windows to eliminate street noise.
- › If possible you, your pets, and your children should be gone while your home is being shown.
- › Clean trash cans and put them out of sight.
- › If you must be present while your home is shown, keep noise down. Turn off the TV and radio. Soft, instrumental music is fine, but avoid vocals.
- › Keep the garage door closed and the driveway clear. Park autos and campers away from your home during showings
- › Hang clean attractive guest towels in the bathrooms.
- › Check that sink and tub are scrubbed and unstained.
- › Make beds with attractive spreads.
- › Stash or throw out newspapers, magazines, junk mail.



ESCROW QUESTIONS & ANSWERS

How is escrow opened? As soon as the buyer and seller execute the purchase agreement, the real estate agent(s) will open escrow. At that time, the buyer deposits his "Earnest Money" into the real estate broker's trust account.

What information do the buyer and seller have to provide? The buyer must inform the escrow officer and new lender of the manner in which the buyer will hold title to their new house so that all documents can be prepared correctly. The manner in which the buyer holds title can have tax and legal consequences. We suggest you consult your attorney or tax advisor to assist you in your decision.

What happens after the borrower submits the loan application? After receiving the loan application, the lender is required to deliver a Loan Estimate to the borrower. The lender will then begin the qualification process including verification of information submitted on the application, a credit report, and appraisal of the value of the property.

The lender will require that the borrower obtain hazard/fire insurance and flood insurance, if the property is in a specific type of flood hazard zone. It is important that the borrower contact the Escrow Officer as soon as possible with the name and telephone number of the insurance agent they have selected.

It is also a requirement of the lender that the borrower furnish a policy of title insurance, which protects their security interest in the property. The Escrow Officer will order this title policy as part of the escrow process.

Once the loan is approved and all invoices and paperwork have been provided, the lender and title company will collaborate on the preparation of the Closing Disclosure. In order to close on time, all paperwork and invoices should be submitted at least 10 days prior to the expected close of escrow date. The borrower must receive the CD at least three days* prior to consummation of the loan (typically the signing date). The escrow officer will also prepare an estimated settlement statement and tell the buyer the balance of the down payment and closing costs needed to close escrow.

What do the parties need to bring with them when they come to the title company to sign?

- › Identification in the form of a valid driver's license or I.D. card, or current valid passport. Identification is required so the signing party's identity can be verified by the notary public. Lenders may also have additional identification requirements.
- › A cashier's check for the balance of funds needed to close the escrow, made payable to First American Title. A wire transfer of funds directly to the escrow trust account can also be arranged and is also the preferred method of providing "good funds."

When is "close of escrow"? The escrow officer will prepare the final Settlement Statement, which is detailed accounting of all receipts and disbursements made through the escrow. Each party will review and approve the Settlement Statement and execute all documents for the transfer of the property.

When all the conditions of the lender and those contained in the escrow instructions have been satisfied, the lender will forward the loan funds to the escrow trust account. The funds in the escrow are disbursed to the entitled parties and escrow is "closed". The escrow officer will arrange for the documents to be recorded.

**For purposes of the Closing Disclosures "business day" is defined as every day except Sundays and Federal legal holidays.*



TITLE SEARCH

WHAT HAPPENS RIGHT AFTER ESCROW IS OPENED?

The escrow officer orders a title search to be conducted to trace the chain of title back through every available record. This title search will determine whether the person representing himself as the current owner actually has legal ownership and hence the right to sell the property at all. The search will also reveal what, if any, defects and encumbrances exist on the title. Just as a life insurance company will not insure a person without a thorough physical examination, a title insurance company will not issue a policy of title insurance without doing a thorough title search.

The state of Oklahoma requires an Abstract of Title, or “abstract” for short, which reflects the various documents in the chain of title without giving any determination as to the title’s condition.

HOW IS A TITLE SEARCH PERFORMED?

In order to trace a property’s chain of title, an abstractor searches the records of the county recorder, county treasurer, and other government agencies to locate any and all documents which might affect the title to a given property. Only a duly bonded and licensed abstractor who holds a “Certificate of Authority” may provide an abstract. The abstract is then “certified” and delivered to an attorney who is licensed to practice law in Oklahoma and approved by the title insurance company.

The attorney will review the abstract and provide his “opinion of title”. Based upon the abstract and attorney’s opinion, the title company will issue a “Commitment” for title insurance to the buyer and the lender.

IN THE SEARCH

THE TITLE EXAMINER HAS FIVE PRIMARY DETERMINATIONS TO MAKE:

1. The exact description of the property.
2. The estate or interest in the property.
3. The vesting of the estate or interest.
4. The exceptions (liens, encumbrances and defects) affecting the particular vested interest.
5. The requirement that must be met by the seller in order to convey clear and marketable title under Oklahoma law.

The results of this search are compiled into a Commitment for Title Insurance. It reflects the conditions under which a title company is willing to issue a policy of title insurance.



THE ESCROW & TITLE INSURANCE PROCESS

WHAT IS AN ESCROW?

An escrow is a depository for all monies, instructions and documents necessary for the purchase of your home.

An escrow company is a neutral third party that holds legal documents and funds and distributes them according to the buyer and seller instructions found in your contract and lenders instructions.

In addition, the escrow company orders a commitment for title insurance. A commitment includes the legal description of the land and the ownership interest of the property based on a search of public records on a city, county, state and federal level. This commitment is also a reminder to issue a title insurance policy based on the exceptions set forth in the report and satisfaction of requirements to convey a clear and marketable title.

A title insurance policy protects a real estate owner or lender against any loss or damage they might experience because of claims of ownership, improperly recorded documents, fraud, forgery, liens, encroachments, easements and other items specified in the actual policy. Different levels of coverage are available and should be discussed with your escrow office or real estate agent. Once a title policy is issued, if for some reason any claim which is covered under your policy is ever filed against your property, First American will pay the legal fees involved in defense of your rights, as well as any covered loss arising from a valid claim. This protection, which in effect as long as you or your heirs own the property, is yours for a one-time premium.

For more information on title insurance, visit

WWW.FIRSTAM.COM

BASIC STEPS OF AN ESCROW

As the Escrow Agent, First American Title impartially completes the following duties:

- › Serves as a neutral third party and liaison among all parties involved.
- › Requests a Commitment for Title Insurance to determine the status of the title to the property.
- › Requests a payoff demand from lenders when the seller is paying off debts.
- › Receives demands, termite and certain other inspections.
- › Verifies terms with buyers' and sellers' real estate professionals.
- › Collaborates with lender on the preparation of the CD.
- › Prepares the settlement statement.
- › Prepares most remaining documents and homeowners insurance.
- › Pro-rates taxes related to the property as required by the contract.
- › Receives closing instructions, documents, buyer's funds and reviews file to determine that all conditions have been met.
- › Receives funds from buyer and verifies any checks deposited to escrow account.
- › Requests loan funds from buyers lender.
- › Records the deed and any other documents.
- › Disburses funds as authorized by the homeowners, including charges for title insurance, recording fees, real estate commissions and loan payoffs.
- › Causes the title insurance policy to be issued for buyer and lender if a lender has been used.

COMMITMENT FOR TITLE INSURANCE

A commitment for Title Insurance is a signed and dated formal report which sets out in detail the condition of title on a particular parcel of land. It may only be used by a duly licensed title insurance agent who is also an abstractor or attorney.

WHAT TO LOOK FOR IN YOUR COMMITMENT FOR TITLE

- › **Owner's Name:** Are the names the same as shown on the Purchase Agreement?
- › **Type of Estate or Interest:** Fee title or other (leasehold or equitable)
- › **Printed Exceptions:** Current taxes, supplemental taxes (due to recent reassessment), lien for future supplemental taxes, sale to State for unpaid delinquent taxes/bonds.
- › **Easements:** Understand the type of location of all easements.
- › **Covenants, Conditions and Restrictions:** Declaration by owners of any subdivisions prior to sale describing property restrictions and agreements affecting said property and future owner's.
- › **Mortgages:** All existing loans against the property of the existence of any paid-off loans which have not yet been reconveyed of record.
- › **Notice of Pendency:** Alerts all parties of an existing foreclosure proceeding.
- › State or Federal tax liens, judgements, bankruptcy or other court proceedings affecting the seller and/ or property.
- › **Legal Description:** A method of geographically identifying a parcel of land, by lot and block or meets and bounds. First American Title also discloses assessors parcel number.

DO ALL COMPANIES OFFER THE SAME PROTECTION?

Any standard American Land Title Association (ALTA) policy covers the same basic items. However, First American Title's EAGLE policy combines the easy-to-understand Plain Language Policy with additional coverages, including coverage for events happening after the policy date. Some examples:

- › Post-policy Encroachment. The owner has been in his home for several years when a neighbor builds a patio cover on the property. We'll provide legal defense.
- › Post-policy Forgery. Someone forges the homeowners name on a mortgage. We'll provide legal defense.
- › Building Permit Violation. A room added prior to the closing date did not receive a city permit, and the new homeowner is being forced to remove the structure. We'll pay for the removal, per policy limits.
- › Automatic Inflation Coverage of 150%, a 10% increase in the policy amount for each of the first five years.



Understanding Title Insurance

What is Title Insurance? Title Insurance provides coverage for certain losses due to defects in the title that occurred prior to your ownership. The seller can give only those rights that previously have been received with "good title". Title insurance protects against defects such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment.

Why Title Insurance is Needed? Title insurance assures the buyers that they are acquiring marketable title from the seller. It is designed to eliminate risk or loss caused by defects in title from the past. Title insurance protects the interest of the mortgage lender as well as the equity of the buyer for as long as they or their heirs have any interest in the property.

When is the Premium Due? It is a one-time premium which is paid at the close of escrow. It is customary for the buyer to pay for the Owner's Policy. If there is a new loan, the buyer pays for the Lender's Policy. The policy has a perpetual term and provides coverage for as long as you are in a position to suffer a loss.

“There is a Difference”

THE BENEFITS OF

First American Title's Eagle Owner's Policy versus the Standard ALTA Owner's Policy

First American Title's EAGLE Owner's Policy provides expanded title coverage for owners of one-to-four family residences, including condominiums. The post-policy coverages automatically included in the EAGLE Owner's Policy offer the highest levels of protection available to our nation's homeowners.

What's more, the EAGLE Owner's Policy never expires, even when the homeowner no longer holds title. No policy offers a broader, more comprehensive, more assuring range of coverages for the homeowner—that's why the EAGLE Owner's Policy has become the industry's standard of care.

- **Post-policy Forgery**
- **Post-policy Encroachments**
- **Post-policy Cloud on Title**
- **Post-policy Adverse Possession**
 - Coverage extended to a homeowner when someone claims to have the insured's title arising out of someone else's continued use and occupancy
- **Post-policy Easement by Prescription**
 - Coverage if another claims right to use a part of the insured's land as an easement because of continuous use over time
- **Building Permit and Zoning Violation**
 - Coverage for losses up to \$25,000, after a small deductible, for building permit violations and forced remediation of zoning violations, and up to the full Policy Amount for forced removal of structures due to zoning violations
- **Expanded Access**
 - Expanded to include both vehicular and pedestrian access to and from land, based upon legal right
- **Encroachment of Improvements onto Easements and Set-backs**
- **Subdivision Violation**
 - Homeowners are covered up to \$10,000, after a small deductible, for protection against subdivision violations prior to purchase
- **Restrictive Covenant Violations**
 - Coverage provided for violations of restrictive covenants, occurring before homeowner acquired land if the homeowner is forced to correct or remove the violation or if the homeowner's title is lost or taken because of the violation
- **Structural Damage for Easement Use**
- **Living Trust Coverage**
 - Coverage includes not only the trustees of a trust, but also the beneficiaries as well
- **Encroachment of Boundary Walls and Fences**
 - Protection up to \$5,000, after a small deductible, for encroachments onto a neighbor's land, onto an easement, or over a building set-back line
- **Inflation Coverage**
 - Your policy increases in value up to 150% over five years

Covered Risks	Our Eagle	Standard ALTA
1. Someone else owns an interest in your title	x	x
2. A document is not properly signed	x	x
3. Forgery, fraud, duress in the chain of title	x	x
4. Defective recording of any document	x	x
5. There are restrictive covenants	x	x
6. There is a lien on your title because there is:	x	x
a) Mortgage	x	x
b) a judgement, tax, or special assessment	x	x
c) a charge by a homeowner's association	x	x
7. Title is unmarketable	x	x
8. Unrecorded lien by a homeowners association	x	x
9. Prior invalid transfer because of bankruptcy or creditors' rights laws	x	x
10. Mechanics lien protection**	x	
11. Forced removal of a structure because it:		
a) extends on another property and/or easement	x	
b) violates a restriction in Schedule B	x	
c) violates an existing zoning law*	x	
12. Available to investors on 1 to 4 unit residential properties		x
13. Cannot use the land for a single-family residence because the use violates a restriction in Schedule B or a zoning ordinance	x	
14. Unrecorded easements	x	
15. Rights under unrecorded leases	x	
16. Plain language statements of policy coverage and restrictions	x	
17. Building permit violations*	x	
18. Land was improperly subdivided*	x	
19. Restrictive covenant violations	x	
20. Post policy forgery protection	x	
21. Post policy encroachment protection	x	
22. Post policy Living Trust coverage	x	
23. Enhanced access - vehicular and pedestrian	x	
24. Post policy inflation coverage with automatic increase in value up to 150% over five years	x	
25. Post Policy protection against adverse possession	x	
26. Post policy protection from a cloud on title	x	
27. Post policy protection from a prescriptive easement	x	
28. Protection from covenant violation resulting in your title reverting to a previous owner	x	
29. Coverage for boundary wall or fence encroachment*	x	
30. Added ownership coverage leads to enhanced marketability	x	
31. Protection from violation of building setback regulations	x	
32. Protection from discriminatory covenants	x	
33. Insurance coverage for a lifetime	x	
34. Your deed was not properly filed, recorded or indexed in the public records	x	
35. Expanded claims coverage if company is unsuccessful in establishing title		
a) policy amount increases by 10%	x	
b) you may have your loss determined at the date of your claim or at the date of settlement	x	
36. Living Trust Coverage protects post-policy transfer to Trustee and Beneficiaries.	x	

* Deductible and maximum limits apply ** Subject to underwriting approval

See policy for exact statements of coverage. All coverages are subject to special exceptions set forth in Schedule B of the policy.

As with any insurance contract, the insuring provisions express the coverage afforded by the title insurance policy and there are exceptions, exclusions and conditions to coverage that limit or narrow the coverage afforded by the policy. Also, some coverage may not be available in a particular area or transaction due to legal, regulatory, or underwriting considerations. Please contact a First American representative for further information. The services described above are typical basic services. The services provided to you may be different due to the specifics of your transaction or the location of the real property involved.



ADDITIONAL TITLE THREATS

There are many title issues that could cause you to lose your property or your mortgage investment. Even the most careful search of public records may not disclose the most dangerous threat: hidden risks. These issues may not be uncovered until years later. Without title insurance from a reputable and financially solvent company, your title could be worthless. With the proper insurance, your rights will be defended in court. Here are some of the issues that occur most frequently.

- › Deeds by persons supposedly single, but secretly married
- › Deeds delivered after death of grantor/grantee, without consent of grantor
- › Deeds in lieu of foreclosure given under duress
- › Marital rights of spouse purportedly, but not legally, divorced
- › Impersonation of the true owner of the land
- › Deeds by minors
- › Deeds by persons of unsound mind
- › Deeds to or from defunct corporations
- › Defective acknowledgments by notaries
- › Discovery or will of apparent intestate
- › Duress in execution of instruments
- › Erroneous reports furnished by tax officials
- › Forged deeds, releases, etc.
- › Misrepresentation of will
- › Mistakes in recording legal documents
- › Surviving children omitted from will
- › Administration of estate of persons absent but not deceased
- › Birth or adoption of children after date of will
- › Claims of creditors against property sold by heirs or devisees
- › Deed of community property recited to be separate property
- › Deeds by foreign parties

A HOME WARRANTY

A Home Warranty is an insurance policy that covers a variety of mechanical, electrical, and plumbing items, as well as some appliances, inside the home. Optional coverage is available for more expensive systems such as air conditioners, refrigerators, pools and spas.

The seller may purchase a home warranty plan prior to selling to protect against repairs needed during the listing period, and the buyer may be able to assume the policy at the close of escrow. Or the Seller may offer to purchase a home warranty policy for the buyer. Offering a home warranty plan may provide these benefits:

- › Increase the marketability of your home by reassuring potential buyers.
- › Help sell your home faster and at a higher price.
- › Ward off potential disputes after the sale for repair and/or replacement of covered items.

Most home warranty plans can be paid for at the close of escrow. A copy of the invoice is presented to First American Title, and it becomes part of the seller's closing costs.

TERMS YOU SHOULD KNOW

APPRAISAL

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

ANNUAL PERCENTAGE RATE (APR)

The borrower's costs of the loan term expressed as a rate. This is not their interest rate.

BENEFICIARY

The recipient of benefits, often from a deed of trust; usually the lender.

CLOSING DISCLOSURE (CD)

Closing Disclosure form designed to provide disclosures that will be helpful to borrowers in understanding all of the costs of the transaction. This form will be given to the consumer three (3) business days before closing.

CLOSE OF ESCROW

Generally the date the buyer becomes the legal owner and title insurance becomes effective.

COMPARABLE SALES

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

CONSUMMATION

Occurs when the borrower becomes contractually obligated to the creditor on the loan, not, for example, when the borrower becomes contractually obligated to a seller on a real estate transaction. The point in time when a borrower becomes contractually obligated to the creditor on the loan depends on applicable State law. Consummation is not the same as close of escrow or settlement.

DEED OF TRUST

An instrument used in many states in place of a mortgage.

DEED RESTRICTIONS

Limitations in the deed to a parcel of real property that dictate certain uses that may or may not be made of the real property.

DISBURSEMENT DATE

The date the amounts are to be disbursed to a buyer and seller in a purchase transaction or the date funds are to be paid to the borrower or a third party in a transaction that is not a purchase transaction.

EARNEST MONEY DEPOSIT

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

EASEMENT

A right, privilege or interest limited to a specific purpose that one party has in the land of another.

ENDORSEMENT

As to a title insurance policy, a rider or attachment forming a part of the insurance policy expanding or limiting coverage.

HAZARD INSURANCE

Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended coverage for personal property.

IMPOUNDS

A trust type of account established by lenders for the accumulation of borrower's funds to meet periodic payments of taxes, mortgage insurance premiums and/or future insurance policy premiums, required to protect their security.

LEGAL DESCRIPTION

A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire parcel of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

LIEN

A form of encumbrance that usually makes a specific parcel of real property the security for the payment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.

LOAN ESTIMATE (LE)

Form designed to provide disclosures that will be helpful to borrowers in understanding the key features, costs and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the borrower three (3) business days after application.

MORTGAGE

The instrument by which real property is pledged as security for repayment of a loan.

PITI

A payment that includes Principal, Interest, Taxes, and Insurance.

POWER OF ATTORNEY

A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an "Attorney-in-Fact."

RECORDING

Filing documents affecting real property with the appropriate government agency as a matter of public record.

SETTLEMENT STATEMENT

Provides a complete breakdown of costs involved in a real estate transaction.

TRID

TILA-RESPA Integrated Disclosures



PLANNING YOUR MOVE

SIX WEEKS BEFORE:

- Create an inventory sheet of items to move.**
- Research moving options.** You'll need to decide if yours is a do-it-yourself move or if you'll be using a moving company.
- Request moving quotes.** Solicit moving quotes from as many moving companies and movers as possible. There can be a large difference between rates and services within moving companies.
- Discard unnecessary items.** Moving is a great time for ridding yourself of unnecessary items. Have a yard sale or donate unnecessary items to charity.
- Packing materials.** Gather moving boxes and packing materials for your move.
- Contact insurance companies.** (Life, Health, Fire, Auto) You'll need to contact your insurance agent to cancel/transfer your insurance policy. Do not cancel your insurance policy until you have and closed escrow on the sale.
- Seek employer benefits.** If your move is work-related, your employer may provide funding for moving expenses. Your human resources rep should have information on this policy.
- Changing Schools.** If changing schools, contact new school for registration process.

FOUR WEEKS BEFORE:

- Contact utility companies.** Set utility turnoff date, seek refunds and deposits and notify them of your new address.
- Obtain your medical records.** Contact your doctors, physicians, dentists and other medical specialists who made currently be retaining any of your family's medical records. obtain these records or make plans for them to be delivered to your new medical facilities.
- Note food inventory levels.** Check your cupboards, refrigerator and freezer to use up as much of your perishable food as possible.
- Service small engines** for your move by extracting gas and oil from the machines. This will reduce the chance to catch fire during your move.
- Protect jewelry and valuables.** Transfer jewelry and valuables to safety deposit box so they can not be lost or stolen during your move.
- Borrowed and rented items.** Return items which you may have borrowed or rented. Collect items borrowed to others.

ONE WEEK BEFORE:

- Plan your itinerary.** Make plans to spend the entire day at the house or at least until the movers are on their way. Someone will need to be around to make decisions. Make plans for kids and pets to be at the sitters for the day.
- Change of address.** Visit USPS for change of address form.
- Bank accounts.** Notify bank of address change. Make sure to have a money order for paying the moving company if you are transferring or closing accounts.
- Service automobiles.** If automobiles will be driven long distances, you'll want to have them serviced for a trouble-free drive.
- Cancel services.** Notify any remaining service providers (newspapers, lawn services, etc) of your move.
- Start packing.** Begin packing for your new location.
- Travel items.** Set aside items you'll need while traveling and those needed until your new home is established. Make sure these are not packed in the moving truck!
- Scan your furniture.** Check furniture for scratches and dents before so you can compare notes with your mover on moving day.
- Prepare Floor Plan.** Prepare floor plan for your new home. This will help avoid confusion for you and your movers.

MOVING DAY:

- Review the house.** Once the house is empty, check the entire house (closets, the attic, basement, etc) to ensure no items are left or no home issues exist.
- Sign the bill of lading.** Once your satisfied with the mover's packing your items into the truck, sign the bill of lading. If possible, accompany your mover while the moving truck is being weighed.
- Double check with your mover.** Make sure your mover has the new address and your contact information should they have any questions during your move.
- Vacate your home.** Make sure utilities are off, doors and windows are locked and notify your real estate agent you've left the property.



*First American Title*TM