

UNDER CONTRACT & IN ESCROW

Once you and the seller

have agreed on terms, a sales agreement is signed and the house is officially under contract and in escrow. Here are the steps that follow:

PUT YOUR DEPOSIT INTO AN ESCROW ACCOUNT

Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company or bank) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment which is paid at closing.

SCHEDULE A HOME INSPECTION

Home inspections are optional but highly recommended to make sure that the home is in the condition for which it appears. Inspections are typically completed within 10-14 days after signing the sales agreement.

RENEGOTIATE IF NECESSARY

The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself.

COMPLETE YOUR MORTGAGE APPLICATION

Once you've come to an agreement on the final offer, it's time to finalize your loan application and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request.

ORDER AN APPRAISAL

The appraisal takes into account factors such as similar property values, the home's age, location, size and condition to determine the current value of the property.



WHAT NOT TO DO DURING THE HOME BUYING PROCESS

It's Extremely Important

NOT TO DO ANY OF THE FOLLOWING UNTIL AFTER THE HOME BUYING PROCESS IS COMPLETE:

- ✘ BUY OR LEASE A CAR
- ✘ CHANGE JOBS
- ✘ MISS A BILL PAYMENT
- ✘ OPEN A LINE OF CREDIT
- ✘ MOVE MONEY AROUND
- ✘ MAKE A MAJOR PURCHASE



Any of these types of changes could jeopardize your loan approval. It's standard procedure for lenders to also do a final credit check before closing.



FINAL STEPS BEFORE CLOSING

INSURANCE REQUIREMENTS

Most lenders require both homeowner's insurance and title insurance. See following pages for more detailed information on each of these.

CLOSING DISCLOSURE

At least 3 days before closing, your lender is required to provide you with a Closing Disclosure with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, title insurance, and HOA dues if applicable.

FINAL WALK THROUGH

Within 24 hours of closing we will do a final walk through of the home before signing the final paperwork. This last step is to verify that no damage has been done to the property since the inspection, that any agreed upon repairs have been completed, and that nothing from the purchase agreement has been removed from the home.

Next Step - Closing!



TITLE INSURANCE

WHAT IS TITLE INSURANCE?

It protects possibly the most important investment you will ever make - the investment in your HOME. With a title insurance policy, as owner, you have an indemnity contract that will reimburse you for the loss in the event someone asserts a claim against your property that is covered by the policy.

WHAT TITLE INSURANCE PROTECTS AGAINST:

- False impersonation of the true owner of the property
- Forged deed, releases or wills, Instruments executed under invalid or expired power of attorney; Undisclosed or missing heirs; Mistakes in recording legal documents
- Misinterpretations of wills, Deeds by persons of unsound mind
- Deeds by minors
- Deeds by persons supposedly single, but in fact married
- Fraud
- Liens for unpaid estate, inheritance, income or gift tax

WHAT THIS MEANS TO YOU:

The peace of mind in knowing that the investment you've made in your home is a safe one.

ONLY ONE PREMIUM:

Unlike other forms of insurance, the original premium is your only cost as long as you own the property. There are no annual payments to keep your Owner's Title Insurance Policy in force.

CONTACT CHICAGO TITLE HESSE

If you have any questions concerning title insurance coverage, please call one of our Chicago Title Hesse offices, or any of our policy issuing agents. We are *always* here to assist you.



CONTRACT TO CLOSE STEPS

CONTRACT SIGNED WITH REALTOR

Buyer applies for mortgage loan and the application process is started.



Within 3 days, the loan estimate is sent to the borrower.



The bank will verify: employment (current and previous), credit information and bank deposits.

The next step is appraisal.



Information gathered, packaged and then submitted to the underwriter.

Buyer's loan is approved!



Closing disclosure will be sent to the borrower three business days prior to closing for review.



PARTIES ARE READY TO CLOSE!!





Buyer's 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.
- Contact an insurance company to 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 Settlement Statement (HUD-1) and cannot give you the final closing figure prior to receiving these instructions. 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:
 - The title company must approve the POA prior to closing.
 - The original POA must be delivered to the title company before closing for recording with the County Clerk's Office.
 - We must make contact with you via telephone on the day of the closing to be certain you are alive and well and have not revoked the POA.

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 to assist you.
- 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.