



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, consequently 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. Chicago Title of Hesse, J. Marc Hesse PC makes no express or implied warranty with respect to the information contained herein and accepts no liability for the consequences of any actions taken on the basis of said information.
www.ChicagoTitleHesse.com

Top 3 Reasons Why You Should Have Title Insurance

1. A property may have changed ownership multiple times over the years through events such as sale, marriage, divorce, inheritance, foreclosure, bankruptcy, etc. Title insurance provides you the assurance that a comprehensive search and review of public records has been performed from potentially hundreds of sources including tax records, federal, state and local records, court judgments, and deeds in order to call to your attention any discovered rights or claims against the current or past owners that could have an impact upon title of the property. Once reported to you, these matters can be accepted, resolved or extinguished prior to closing the transaction.
2. Title insurance also provides coverage for future claims or future losses that could threaten ownership of the property due to undiscovered title defects covered by your title insurance policy that are not shown in the public records such as forgery, incompetence, incapacity of the parties, fraudulent impersonation and unknown errors in the records created by some past event.
3. Title insurance helps speed up negotiations when you are ready to sell your property or obtain a loan. Existing title insurance policies can help eliminate delays when passing your title onto someone else. Title insurance also covers attorney's fees and court costs for covered claims. Claims will be disposed of, or you will be reimbursed exactly as your title policy provides..

TIPS FOR MAXIMIZING INTEREST IN YOUR HOME



Curb Appeal

First impressions are everything. In the months leading up to listing your home for sale, put in a little sweat equity to create killer curb appeal. Prune the bushes, power wash the fence and never underestimate the impact of a fresh coat of paint on the shutters, siding or doors. Replace your old mailbox and house numbers or give them a facelift with spray paint. If your porch or stoop has room for furniture, add a couple of chairs to expand your outdoor living space.

Make the Bedrooms Luxe

Create an inviting and serene main bedroom with a well-made bed covered in luxurious linens. Tucking a large comforter into a soft-colored duvet will give your bed that plump and plush look that you see in high-end hotels. Use a solid color duvet and add color with shams, throw pillows and extra blankets. Keep nightstands uncluttered and remove personal items.

Rethink Furniture Placement

Furnish your space by floating furniture away from walls. Reposition sofas and chairs into cozy conversational groups, and place pieces so that the traffic flow in a room is obvious. Not only will this make the space more user-friendly, but it will open up the room and make it seem larger.

Make it Neutral, But Not Boring

You've probably already heard one of the major rules of home staging is to keep everything neutral. Yes, you want to appeal to the most possible buyers with a palette everyone can agree on, but you also don't want your house to be dull and boring. If your walls are a bold hue, paint them a middle-of-the-road, light color that will brighten the space. But that doesn't mean you can't use accent colors to infuse some personality.

Amp Up The Lighting

One of the things that make staged homes look so warm and welcoming is great lighting. Increase the wattage in your lamps and fixtures. Aim for a total of 100 watts for every 50 square feet. Make sure you have three types of lighting: ambient (general or overhead), task (pendant, under-cabinet or reading) and accent (table and wall).

Kitchens Sell Houses

Any updates you make have the potential to go a long way, and they don't have to be expensive; some upgrades can be accomplished with mostly elbow grease. Start by showing off your storage. Pack up the seldom-used small appliances and holiday dishware for your next house and use up all the dry goods in the back of the pantry. Clear clutter off the countertops. Consider giving your cabinets a facelift with paint; go for classic white or try a dark neutral like gray or slate blue. At the very least, change the outdated hardware for an easy DIY. A corroded faucet or one caked with hard-water stains can be a big turn-off; swap it out for one with style and added function.

Declutter

The most important thing you can do to prepare your home for sale is to get rid of clutter. One of the major contributors to a cluttered look is having too much furniture.

Depersonalize

Potential buyers want to be able to picture themselves in your home, and that's hard to do if all they see are your personal items. Remove family photos, your kids' artwork, framed diplomas and personal collections. Pack these items up to take to your new home and replace them with generic artwork.

Add Pleasant Aromas

A nice smell can have an immediate effect on the way we feel and think. Put your potential buyers in the right mood by making sure your home is filled with pleasant aromas.

Temperature

Maintain a comfortable temperature so prospective buyers feel at ease touring your home.

Erase Signs of Pets

We totally understand how much you love your pets (we do too), but potential buyers may be turned off by pet odors or be allergic to fur and dander. Thoroughly clean the areas where your pets spend most of their time and add air fresheners. When potential buyers come calling, throw the pet beds, crates, toys, food dishes and litter boxes in your car then take Fido or Fluffy for a walk in the park.



Essential Closing Information

Conducting your home closing with the utmost care and attention to detail is a responsibility that Chicago Title Hesse takes very seriously. To facilitate a smooth closing, here is some essential information that you should generally expect to provide to your escrow officer.

SELLERS:

- Your marital and homestead status. This information is necessary to comply with homestead and community property laws.
- Your social security number or other taxpayer identification number. This information is required for tax reporting and may be necessary to obtain a loan payoff. In addition, oftentimes liens, judgments or lawsuits are filed against someone with the same or similar name as the seller's name. This information may help us determine whether a lien, judgment or lawsuit affects the seller's interest in the property.
- Do you have a loan on your home? If yes, provide a recent mortgage statement of account that shows your loan number, the contact information for your mortgage company and the date of your last mortgage payment to facilitate a payoff of your loan. Let your escrow officer know if you intend to make any additional payments prior to the day of closing.
- Is there a homeowner's association? If so, provide the management company's name and contact information as soon as possible. Homeowner's Associations can be slow in their response time, and this information is necessary to obtain a resale certificate.
- Has a divorce occurred? If yes, is it pending or final?

- Are you a widower or widow? Did you own your home as joint tenant with right of survivorship or as tenants in common? If you owned your home as tenants in common, is there a will? If yes, has the will been probated? If there is not a will, are there any heirs? If so, are the minors?
- How would you like to receive your proceeds? If you prefer wire transfer, you must provide the bank's name, ABA number, name on the account and account number. If you owe money at closing, the funds must be paid in the form of a certified or cashier's check.
- Will you attend the closing? Special preparations must be made in advance if you cannot attend. Call your escrow officer as soon as possible to avoid a delay in your closing.

BUYERS:

- Your lender's name and contact information
- Your homeowner's insurance company and contact information.
- Your home warranty company and contact information.

WHAT TO BRING TO CLOSING:

- Valid, government issued photo identification.
- Certified or cashier's check.
- All keys and garage door openers to the property.
- Wiring instructions (if applicable), that include your bank's name, ABA number, name on the account and account number.

Standard Texas Closing Cost Allocations



THE SELLER:

- Real estate commission
- Title Insurance premium for owner's policy
- Escrow fee (one-half)
- Payoff of all loans in seller's name
- Interest accrued to lender being paid off
- Home warranty (or according to the contract)
- Any judgments, tax liens, etc., in seller's name
- Any taxes due
- Tax proration (through date of closing)
- Any applicable homeowner's association dues
- Recording charges to clear all documents of record in seller's name
- Any bonds or assessments
- Accommodation signing fees for mail-out closings (if applicable)

THE BUYER:

- All new loan charges
- Prorated interest on new loan
- Escrow fee (one-half)
- Title insurance premium for lender's policy
- Homeowner's insurance premium
- Inspection fees
- Accommodation signing fees for mail-out closings (if applicable)
- Tax proration (from date of acquisition)
- Recording charges for all documents in buyer's name



Seller's Checklist

PRIOR TO CLOSING:

Provide Chicago Title Hesse with current loan company information so that the payoff statement can be ordered from your lender. If your property is subject to dues by homeowners association, provide the name and phone number of the association.

PROVIDE DOCUMENTATION OF ANY CHANGES IN MARITAL STATUS (DIVORCE, MARRIAGE, DEATH) DURING CURRENT OWNERSHIP.

IF YOU WILL NOT BE PRESENT TO SIGN DOCUMENTS AT CLOSING AND ARE PLANNING TO USE POWER OF ATTORNEY FOR SIGNATURE OF LEGAL DOCUMENTS, HAVE IT APPROVED BY THE TITLE COMPANY PRIOR TO CLOSING. THE TITLE COMPANY MUST MAKE CONTACT WITH YOU ON THE DAY OF CLOSING TO MAKE SURE YOU'RE ALIVE AND WELL AND YOU HAVE NOT REVOKED THE POA. ALSO THE TITLE COMPANY RELEASES THE ORIGINAL FOR RECORDING.

REQUIRED AT CLOSING - BRING THESE WITH YOU:

VALID DRIVERS' LICENSE, PASSPORT OR OTHER GOVERNMENT-ISSUED PICTURE IDENTIFICATION

SOCIAL SECURITY NUMBER

HOUSE KEYS, GARAGE DOOR OPENERS, WARRANTIES OR OPERATION MANUALS FOR APPLIANCES (HEATING, AC, STOVES, ETC.) TO TRANSFER TO THE BUYER.

AVOID CLOSING DELAYS:

THE LENDERS AND TITLE INSURERS REQUIRE SINGLE OWNERS WHO HAVE BEEN MARRIED DURING THE COURSE OF OWNERSHIP OF THE PROPERTY TO HAVE THE SPOUSE JOIN IN SIGNING THE DOCUMENTS AT CLOSING.

AFTER CLOSING::

CANCEL YOUR HOMEOWNERS INSURANCE WITH YOUR INSURANCE AGENT IF YOU ARE MOVING FROM THE PROPERTY AFTER CLOSING AND FUNDING. IF YOU ARE REMAINING AT THE PROPERTY AFTER CLOSING, YOU SHOULD NOTIFY YOUR AGENT OF THIS CHANGE.

YOUR LENDER WILL REFUND ALL MONIES LEFT IN YOUR ESCROW ACCOUNT APPROXIMATELY 12 TO 30 BUSINESS DAYS AFTER HE RECEIVES THE PAYOFF FUNDS. THE LENDER WILL MAIL A PACKAGE CONTAINING YOUR ORIGINAL PROMISSORY NOTE MARKED "PAID" AND OTHER LOAN FILE DOCUMENTS. RETAIN THESE DOCUMENTS FOR FUTURE REFERENCE. THEY MAY ALSO INCLUDE A RELEASE OF LIEN DOCUMENT. THIS DOCUMENT MUST BE RECORDED WITH THE COUNTY CLERK'S OFFICE TO REMOVE THE LIEN OF RECORD.

YOUR CLOSING STATEMENT SERVES AS A SUBSTITUTE FROM 1099 FOR TAX PURPOSES.



CLOSING DAY REMINDERS



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
- HOA/neighbor information

THE BUYER

- Bring closing funds (cashier's check or wire transfer) to Chicago Title Hesse.
- 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)



CONTRACT TO CLOSE STEPS

Signed contract & earnest money are received at Chicago Title Hesse.

Chicago Title Hesse closer enters the title order into the system.

Property is researched by the title department. Title search includes search of the history of the property owner records, liens, clouds on titles and documents filed by legal description. Also included is a search of buyer and seller liens, divorces, probates, lawsuits, documents filed by person's name, and more.

Commitment for title insurance issued and sent to all the parties. Clear title, order payoff, survey and taxes.

Escrow department received closing instructions and closing disclosure from lender and prepares documents.

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

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

Information gathered, packaged and then submitted to the underwriter. Buyer's loan is approved!

Commitment for title insurance issued and sent to all the parties. Clear title, order payoff, survey and taxes.

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



Parties are ready to close!

Closing & Funding - Congratulations!



HELP PROTECT YOURSELF FROM WIRE FRAUD



What is wire fraud and can it affect me?

What is a wire transfer?

A wire, or wire transfer, is an electronic transfer of money across a network from one bank or credit union to another. With a wire transfer, no physical money moves between bank locations, but people or entities are able to “wire” money to another person or entity as long as they have a bank account. Wire transfers are typically used in most real estate transactions because funds are received more quickly (usually the same day), and there are no holds placed on the money once received.

What is wire fraud?

Wire fraud typically involves a hacker that gains access to an email account and posing as a trusted party involved in your real estate transaction. This could be someone pretending to be your real estate agent, loan officer, title agent, or even an attorney. Once the hacker has access to a trusted email account, the hacker sends an email from that account or from a similar account that looks “almost” the same as one of the parties in the transaction – with information related to your transaction, including wire instructions for your closing funds. If you react to that email, your funds could be sent to an account controlled by the hacker. Once receipt of the money is confirmed, the hacker immediately withdraws your funds from that account using multiple transfers to accounts, normally outside the United States. Once these transfers occur, the likelihood of recovery is small, if at all.

What are wire instructions?

Wire instructions are the directions you follow when sending money electronically to another person or entity. In the case of your home purchase, the funds are typically sent to your settlement agent. Wire instructions typically include:

- Bank Name and Address
- Bank ABA Number
- Bank Account Number
- Account Holder’s Name
- Reference Information (in real estate transactions, this is usually a file number)

There are steps you can take to help protect yourself

Wire fraud is real and home buyers and sellers are the biggest targets. For this reason, we have developed the startSafe® program to help educate customers on wire fraud. Be WireSafe by following these 5 steps every time.

- Open the email from Chicago Title to begin the startSafe® process.
- Establish a secure communication channel with our settlement professionals.
- Review and provide information for each question.
- Review the WireSafe wiring instructions or other forms and click to securely sign and acknowledge.
- Securely submit the updated information and signed WireSafe form to [Chicago Title Hesse](#).