



CHICAGO TITLE OF NORTHERN CALIFORNIA

TITLE & ESCROW

A GUIDE FOR BUYERS AND SELLERS



WELCOME!

Congratulations!

We want to be the first to welcome you to the Chicago Title family and take this opportunity to thank you for choosing the nation's most trusted Title and Escrow Service. At Chicago Title, it is our commitment to seamlessly guide you through one of the most specialized parts of the home buying and selling experience.

We understand that for most individuals and families, buying or selling a home is one of the most important decisions of their lives. You should feel comfortable knowing you are working with a team that possesses knowledge and expertise unparalleled within the industry. Should you have any questions or concerns on the material that follows, please feel free to reach out. It is our pleasure to serve you.

Once more, thank you for choosing Chicago Title. We are glad you are here.



CONTENTS



02 - 03

Title Insurance & Its Importance

02 - 03

The Big 4: Key Items to Look for on the Preliminary Report

05

Additional Title Review

06 - 07

Lender's Policy vs Owner's Policy

08 - 09

Escrow Flow & the Closing Process

10 - 11

Common Ways of Holding Title

12 - 13

Understanding the Settlement Statement

14 - 15

Statement of Information & StartInHere® Digital Open Package

16 - 17

Fees: Who Pays for What?

18 - 19

A Word of Caution: Wire Fraud Alert

20 - 21

Top Tips for a Smooth Closing

22 - 23

Change of Address Checklist & Moving Checklist

24 - 25

Online Resources & Your Transaction Details



WHAT IS TITLE INSURANCE?

Title Insurance provides the basic and essential protection for home ownership. Since a home purchase is usually the largest single financial investment most people make in their lifetime, the importance of fully protecting this investment cannot be overemphasized. As with many other insurance products with which you are probably already familiar, Title Insurance exists to minimize risk to your investment.

Title insurance differs from conventional insurance in the following ways:

- It protects the insured from future losses arising from events of the past.
- The premium is a one time fee paid at issuance.
- The Owner's policy remains in effect for as long as the owner and their heirs retain interest in the property. The Lender's policy expires when the mortgage has been fully satisfied.

There are two main categories of risk Title insurance covers:

- Hidden hazards (forgery, fraud, impersonator, incompetence of grantor or mortgagor, unknown heirs, etc.) which cannot be detected in the examination of title.
- Human error - it's a fact of life that people over time have made errors on documentation that affects title to a property, and with Title insurance you are protected from issues arising from these defects.

The role of the title company is to search for and examine public records. The facts uncovered during the initial search will determine:

- Whether the person selling the property is or is not, in fact, the legal owner of the property.
- That the "estate" or degree of ownership being sold is currently and accurately vested with the seller.
- The presence of any unsatisfied liens which must be satisfied before "clear title" can be conveyed.
- Existing restrictions, easements, rights of way or other rights granted to others who are not owners which may limit the right of ownership.
- The status of property taxes and other public or private assessments.

Chicago Title provides homeowners peace of mind by protecting their interest in the property and the safety of their investment.

These facts will be presented in a preliminary report. This report is issued to the mortgage lender, in the case of a lender's policy, or purchaser, in the case of an owner's policy, before the close of escrow.



THE IMPORTANCE OF TITLE INSURANCE

What if a title search fails to uncover an existing defect?

These are commonly referred to as “hidden risks” and do arise from time to time. They are undiscovered defects which may arise long after you have bought your home. Protection against loss from claims on real estate, which cannot be discovered by examination of the public records, is an important benefit which title insurance provides. The title to the home which you have paid for—and to which you have received a deed—could be seriously threatened or completely lost by circumstances such as forgery, confusion due to similar names, error in the records—to cite just a few hazards.

*Title insurance mitigates
the risk of loss of title,
giving you peace of mind
on your investment.*

Title insurance at its core protects you, the insured, against lawsuits challenging your interest as lawful holder of title. By taking steps to minimize risk at the time of issuance, you will be protected against loss of title. Chicago Title provides you peace of mind knowing that the investment you've made in your home is a safe one. If you have any questions concerning your coverage, please contact your local Chicago Title office.

How does a title insurance policy protect against all these dangers?

If a claim is made against your title as insured, Chicago Title Insurance Company protects you by:

1. Defending your title, in court if necessary, in accordance with the terms of your policy.
2. Bearing the cost of settling the claim if it proves valid, in order to protect your title in accordance with the terms of your policy.



THE BIG 3

KEY ITEMS TO LOOK FOR ON YOUR PRELIMINARY REPORT

1

LIENS

Are there any liens attached to the property? Types of liens that may be initiated include failure to make payments on any recorded judgements, past-due child support, unpaid homeowners association fees, or unpaid property taxes.

2

RESTRICTIONS

Are there easements, covenants, or other restrictions on the report that can impact the way that you, the buyer, intend to use the property?

3

UP-TO-DATE PRELIMINARY REPORT

Is the Preliminary Report up to date? Should the report be more than a few weeks old, please contact us to see if there are any changes or supplemental reports that have been issued.

ADDITIONAL TITLE REVIEW

- ✓ Confirm the policy type is accurate for the transaction.
- ✓ Confirm the seller's name matches on both the preliminary report and the purchase and sale agreement.
- ✓ Review easements, covenants, and any restrictions recorded against the property.
- ✓ Promptly address "the BIG 3" on your report. Inquire as to the appropriate action needed to ensure a timely closing.
- ✓ Make note of any issues on your report. Confirm removal, or understand their impact, prior to closing.



THE LENDER'S TITLE POLICY vs THE OWNER'S TITLE POLICY

There are two types of title insurance buyers encounter at the time of a property purchase. One is the Homeowner's Policy and the other is known as the Lender's Title Policy. Understanding the protection offered by each is critical to the decisions that are made upon closing a transaction.

THE LENDER'S TITLE POLICY

Upon the issuing of a loan, most lenders require a Lender's Title Policy. The Lender's Title Policy is typically based on the dollar amount of the loan. This policy protects only the lender's interests in the property should an issue with the title arise. This policy does not protect the buyer. The policy amount decreases as the loan is paid down and eventually disappears as the loan is paid off.

THE OWNER'S TITLE POLICY

An Owner's Policy is usually issued in the amount of the real estate purchase. It is purchased for a one-time fee at closing and lasts for as long as the owner maintains an interest in the property. Only an Owner's Policy protects the buyer should a covered title problem arise.

**Title insurance is critical to protect one of the most important investments you'll ever make:
The investment in your home!**

Your title insurance policy will pay to defend the property owner against any lawsuit questioning title as the insured owner in accordance with the terms of your policy. It will either clear up title problems or incur the cost of settling the case, if it proves valid, in order to protect your title and maintain your possession of your property.

In addition to matters shown by public records, other title problems may exist that cannot be disclosed in a search. Just a few examples include:

- Errors or omissions in deeds
- 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 or deeds by persons of unsound mind
- Judgments
- Mechanic liens
- Deeds by minors
- Deeds by persons supposedly single, but in fact married
- Fraud on the part of the Sellers
- Liens for unpaid estate, inheritance, income or gift taxes
- Undisclosed Easements

An Owner's Policy provides assurance that your title insurance company will stand behind you—monetarily and with legal defense if needed—if a covered title problem arises after you buy your home. Please contact us directly for more information about title insurance from the team with the expertise you can trust.



TYPES OF COVERAGE

Please visit our website at www.ctic.com for a complete chart showing a deeper comparison of the three forms of coverage below:

1. Homeowner's Title Insurance Policy:

The Homeowner's Policy is only available on single family homes to fourplexes. It must be owned by a "natural person" and not an entity such as a corporation or an LLC. In addition to the protections offered in the Standard Policy, the Homeowner's Policy extends coverage beyond the issue date.

Examples include:

- You cannot use the land because use as a single family residence violates an existing zoning law or regulation.
- You are forced to remove your existing structures which encroach onto an easement or over a building set-back line even if the easement or building set-back line is excepted in your title policy.
- You do not have both actual vehicular and pedestrian access to and from the land based upon a legal right.

2. ALTA Standard Owners Policy:

The Owner's Standard Policy will cover the buyer against issues that could be discovered by an examination of Public Record.

Examples of these would be:

- A document upon which your title is based was not properly filed, recorded or indexed in the Public Records.
- Someone else has a right to limit your use of the land.
- Someone else claims to have rights affecting your title arising out of forgery or impersonation.
- Someone else owns an interest in your title.

3. ALTA Extended Owners Policy:

The Extended Owner's Policy offers the most extensive title insurance as it covers not only matters of Public Record but also insures issues that are revealed as a result of a physical inspection or survey of the property. This is commonly issued for high value residential properties, large parcels of vacant land and commercial properties.

Policy coverage examples include:

- You are forced to remove your existing structures because they encroach onto our neighbor's land.
- Someone else has a legal right to, and does, refuse to perform a contract to purchase the land, lease it or make a mortgage loan on it because your neighbor's existing structures encroach onto the land.

ESCROW & THE CLOSING PROCESS

Escrow is a financial arrangement between two parties that then enlist a neutral third-party to hold money, paperwork, and assets before a transaction is finalized. Escrow is required to follow mutual written instructions from all parties. Escrow will coordinate with the buyer, seller, and lenders, as the middleman, to make sure that title and funds are transferred between the parties in accordance with the instructions they sign.

What do closing costs include?

The closing costs include, but are not limited to, title premium, taxes, notary fees, loan fees, escrow fees and recording fees.

How do I open escrow?

On occasion, your real estate agent will open an escrow account for the transaction, but any parties involved may open the account. To open escrow, respective parties generally deliver to an escrow company the earnest money check and the Purchase and Sale Agreement.

Who sets the closing date?

Both the buyer and seller must mutually agree to a closing date but either can choose.

Who selects the escrow company?

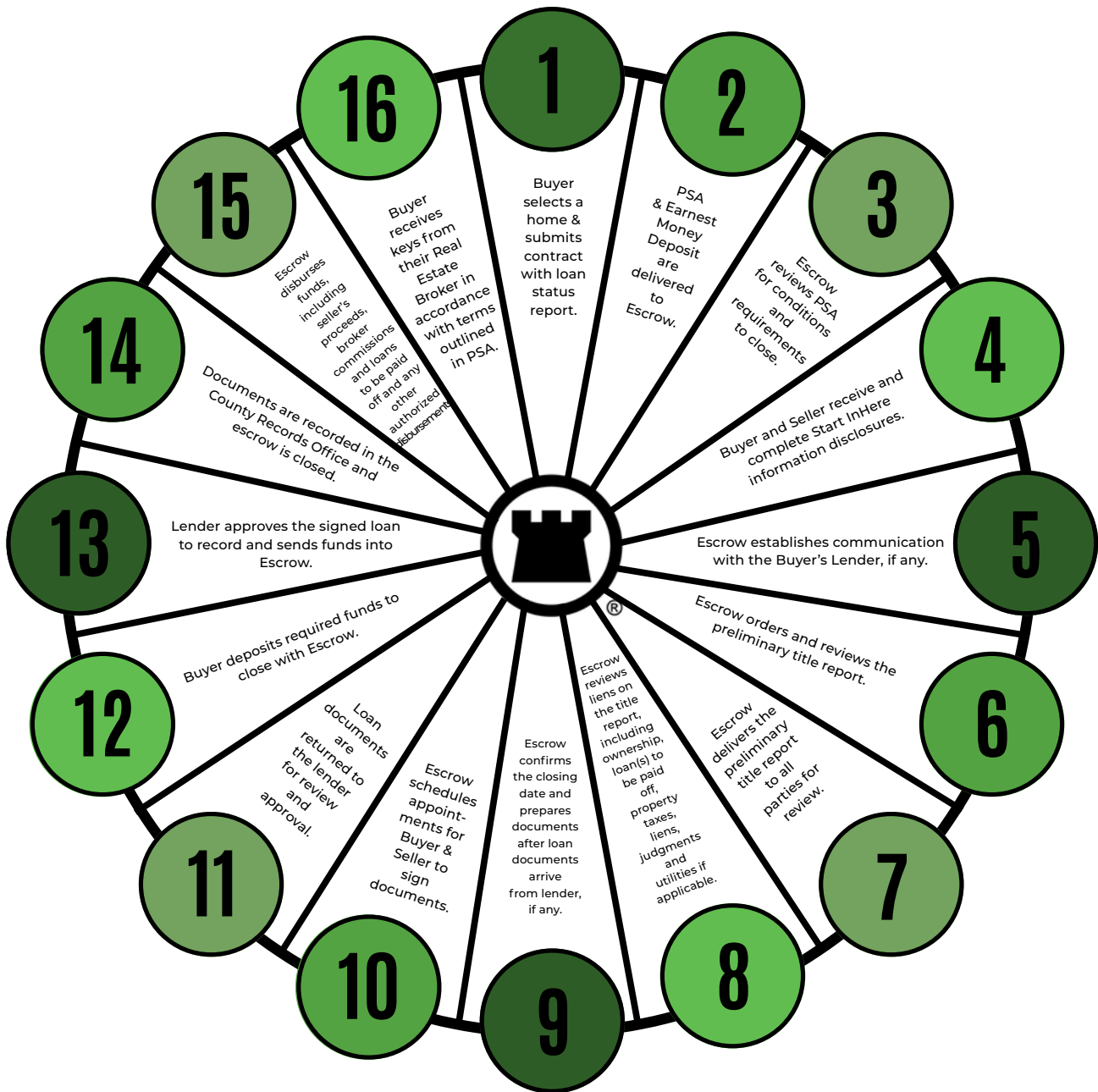
Any party to a transaction may decide which escrow company will close the transaction but it is customarily agreed upon in the PSA.





ESCROW FLOW

The role of the Escrow Agent is to act as a neutral third party to fulfill the terms of a Real Estate Purchase & Sale Agreement (PSA) and facilitate the successful transfer of ownership from seller to buyer. Below is a general step-by-step description of the process.



COMMON WAYS OF HOLDING TITLE IN CALIFORNIA

Title to real property in California may be held by individuals, either in Sole Ownership or in Co-ownership. Co-ownership of real property occurs when title is held by two or more persons. There are several variations as to how title may be held in each type of ownership. The following brief summaries reference some of the most common examples of each as providing by the California Land Title Association.

SOLE OWNERSHIP

Sole ownership may be described as ownership by an individual or other entity capable of acquiring title. Examples of common vesting cases of sole ownership are:

- 1. A Single Man or Woman, an Unmarried Man or Woman or a Widow or Widower:**
A man or woman who is not legally married or in a domestic partnership. For example: Bruce Buyer, a single man.
- 2. A Married Man or Woman as His or Her Sole and Separate Property:**
A married man or woman who wishes to acquire title in his or her name alone. The title company insuring title will require the spouse of the married man or woman acquiring title to specifically disclaim or relinquish his or her right, title and interest to the property. This establishes that both spouses want title to the property to be granted to one spouse as that spouse's sole and separate property. The same rules will apply for same sex married couples. For example: Bruce Buyer, a married man, as his sole and separate property.
- 3. A Domestic Partner as His or Her Sole and Separate Property:**
A domestic partner who wishes to acquire title in his or her name alone. The title company insuring title will require the domestic partner of the person acquiring title to specifically disclaim or relinquish his or her right, title and interest to the property. This establishes that both domestic partners want title to the property to be granted to one partner as that person's sole and separate property. For example: Bruce Buyer, a registered domestic partner, as his sole and separate property.

CO-OWNERSHIP

Title to property owned by two or more persons may be vested in the following forms:

- 1. Community Property:**
A form of vesting title to property owned together by married persons or by domestic partners. Community property is distinguished from separate property, which is property acquired before marriage or before a domestic partnership by separate gift or bequest, after legal separation, or which is agreed in writing to be owned by one spouse or domestic partner.

In California, real property conveyed to a married person, or to a domestic partner is presumed to be community property, unless otherwise stated (i.e. property acquired as separate property by gift, bequest or agreement). Since all such property is owned equally, both parties must sign all agreements and documents transferring the property or using it as security for a loan. Each owner has the right to dispose of his/her one half of the community property by will. For example: Bruce Buyer and Barbara Buyer, husband and wife, as community property, or Sally Smith and Jane Smith, registered domestic partners as community property. Another example for same sex couples: Sally Smith and Jane Smith, who are married to each other, as community property.

2. Community Property with Right of Survivorship:

A form of vesting title to property owned together by spouses or by domestic partners. This form of holding title shares many of the characteristics of community property but adds the benefit of the right of survivorship similar to title held in joint tenancy. There may be tax benefits for holding title in this manner. On the death of an owner, the decedent's interest ends and the survivor owns all interests in the property. For example: Bruce Buyer and Barbara Buyer, husband and wife, as community property with right of survivorship, or John Buyer and Bill Buyer, spouses, as community property with right of survivorship. Another example for same sex couples: Sally Smith and Jane Smith, registered domestic partners, as community property with right of survivorship.

3. Joint Tenancy:

A form of vesting title to property owned by two or more persons, who may or may not be married or domestic partners, in equal interests, subject to the right of survivorship in the surviving joint tenant(s). Title must have been acquired at the same time, by the same conveyance, and the document must expressly declare the intention to create a joint tenancy estate. When a joint tenant dies, title to the property is automatically conveyed by operation of law to the surviving joint tenant(s). Therefore, joint tenancy property is not subject to disposition by will. For example: Bruce Buyer, a married man and George Buyer, a single man, as joint tenants.

Note: If a married person enters into a joint tenancy that does not include their spouse, the title company insuring title may require the spouse of the married man or woman acquiring title to specifically consent to the joint tenancy. The same rules will apply for same sex married couples and domestic partners.

4. Tenancy in Common:

A form of vesting title to property owned by any two or more individuals in undivided fractional interests. These fractional interests may be unequal in quantity or duration and may arise at different times. Each tenant in common owns a share of the property, is entitled to a comparable portion of the income from the property and must bear an equivalent share of expenses. Each co-tenant may sell, lease or will to his/her heir that share of the property belonging to him/her. For example: Bruce Buyer, a single man, as to an undivided 3/4 interest and Penny Purchaser, a single woman, as to an undivided 1/4 interest.

OTHER WAYS OF VESTING TITLE INCLUDE AS:

Title to property owned by two or more persons may be vested in the following forms:

1. A Corporation*:

A corporation is a legal entity, created under state law, consisting of one or more shareholders but regarded under law as having an existence and personality separate from such shareholders.

2. A Partnership*:

A partnership is an association of two or more persons who can carry on business for profit as co-owners, as governed by the Uniform Partnership Act. A partnership may hold title to real property in the name of the partnership.

3. Trustees of a Trust*:

A Trust is an arrangement whereby legal title to property is transferred by a grantor to a person called a trustee, to be held and managed by that

person for the benefit of the people specified in the trust agreement, called the beneficiaries. A trust is generally not an entity that can hold title in its own name. Instead title is often vested in the trustee of the trust. For example: Bruce Buyer trustee of the Buyer Family Trust.

4. Limited Liability Companies (LLC)*:

This form of ownership is a legal entity and is similar to both the corporation and the partnership. The operating agreement will determine how the LLC functions and is taxed. Like the corporation its existence is separate from its owners.

*In cases of corporate, partnership, LLC or trust ownership - required documents may include corporate articles and bylaws, partnership agreements, LLC operating agreements and trust agreements and/or certificates.

THIS IS PROVIDED FOR GENERAL INFORMATION ONLY. FOR SPECIFIC QUESTIONS OR FINANCIAL, TAX OR ESTATE PLANNING GUIDANCE, WE SUGGEST YOU CONTACT AN ATTORNEY OR CERTIFIED PUBLIC ACCOUNTANT.



UNDERSTANDING THE SETTLEMENT STATEMENT

Based on the terms of the Purchase and Sale Agreement and instructions from the lender (when financing is applicable), your escrow officer balances the debits and credits for both the buyer and seller for the transaction. Both parties will receive a settlement statement to review and acknowledge all of the debits & credits for their respective sides of the transaction. When financing from an institutional lender is involved, both buyer and seller will receive not only a settlement statement but also a closing disclosure, as required by the Consumer Financial Protection Bureau (CFPB).

Closing Disclosure

For a buyer, the closing disclosure is a form your lender provides to you, a minimum of three days before your consummation (signing of the loan documents). It outlines the final terms and costs of your mortgage as well as the costs to purchase the property. For a seller the closing disclosure is a form your escrow officer provides to you outlining the final costs of the sale. For both the buyer and seller it is one of the most important pieces of paperwork you'll receive, so be sure to take a few moments to review the details.

Net Proceeds

Net proceeds refers to the amount received by the seller arising from the sale of a property. This is different from the homeowner's equity, or gross proceeds in the home, because it takes into account all costs and expenses that are due from the seller as part of the sale.

Right of Rescission

The right of rescission is a right, set forth by the Truth in Lending Act (TILA) under U.S. Federal Law of a borrower to cancel a home equity loan or line of credit with a new lender, or to cancel a refinance transaction done on a primary residence, within three days of consummation.

Closing Costs

Closing costs are the expenses, over and above the price of the property that buyers and sellers incur to complete a real estate transaction. These costs can include, but are not limited to, any expenses related to obtaining a loan, governmental charges such as property taxes and real estate excise tax, homeowners insurance, title & escrow charges, commissions and Homeowners Association (HOA) charges, to name a few.

UNDERSTANDING THE SETTLEMENT STATEMENT



	BUYER	SELLER
Financial Consideration: This section will reflect the final sales or purchase price of the home as well as any agreed upon credits. This will also reflect the amount of the earnest money deposit and the principal balance of the new loan, if applicable.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prorations/Adjustments: Common types of proration and/or adjustments that may be found here would be property taxes, HOA dues, capacity charges or other assessments. The prorations adjust for items prepaid or outstanding that have to be split between the parties based on the date of ownership transfer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
HOA Charges: Each Homeowners Association specifies certain costs for the buyer and/or seller that are due upon the transfer of ownership. This can be for any property subject to an association and is not limited to condominiums. Some common charges are move-in/move-out fees, demand fees, transfer fees and prepaid dues, just to name a few.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commissions: Commission amounts due to the real estate brokers as agreed to in the listing agreement, buyer's agency agreement or the Purchase and Sale Agreement.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Title & Escrow Charges: Customary costs vary by county custom and are negotiable in PSA.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Government Charges: Real estate excise tax (REET) is a tax on the sale of real estate. The real estate excise tax is typically paid by the seller of the property (although some city transfer taxes are customarily split between Buyer & Seller), based on the sales price. Recording fees can be paid by the buyer or the seller depending on the document that is being recorded as part of the transaction. The buyer typically pays to record the Deed (transfer of ownership) and the Deed of Trust security document for the loan). If the seller is using a Power of Attorney for the sale, this is an example of a document the seller would pay to record.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Loan Charges: New loan charges are all applicable charges associated with the financing. Some common line items may be an origination fee, application fee, appraisal, credit report, tax service fee, flood certification, per diem interest, homeowner's insurance or reserve account deposits for taxes, and insurance. Depending on your specific loan type, the fees may vary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Payoffs: Existing loan(s) or lien(s) secured by the property will be paid off through closing. Escrow will work with the sellers to obtain the necessary account information, to order demands for any loans or liens secured by the property, and these amounts will be reflected accordingly on the settlement statement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Miscellaneous: This section will reflect any costs that are not allocated to an earlier section of the statement, yet are necessary costs of the transaction. Things you may see in this section are utility estimates and mobile notary fees, or any other costs that are specific or unique to the transaction.	<input type="checkbox"/>	<input type="checkbox"/>

STATEMENT OF INFORMATION

According to the California Residential Purchase Agreement, all Sellers of a Residential Property shall provide the escrow holder completed Statement of Information within 7 days after acceptance of contract.

UNDERSTANDING STATEMENT OF INFORMATION

What's in a name? When a title company seeks to uncover matters affecting title to real property, the answer is, "Quite a bit."

Statement of Information provide title companies with the information they need to distinguish the buyers and sellers of real property from others with similar names. After identifying the true buyers and sellers, title companies may disregard the judgments, liens or other matters on the public records under similar names.

To help you better understand this sensitive subject, the California Land Title Association has answered some of the questions most commonly asked about Statements of Information.

WHAT IS A STATEMENT OF INFORMATION?

A Statement of Information is a form routinely requested from the buyer, seller and borrower in a transaction where title insurance is sought. The completed form provides the title company with information needed to adequately examine documents so as to disregard matters which do not affect the property to be insured, matters which actually apply to some other person.

WHAT DOES A STATEMENT OF INFORMATION DO?

Every day documents affecting real property liens, court decrees, bankruptcies--are recorded. Whenever a title company uncovers a recorded document in which the name is the same or similar to that of the buyer, seller or borrower in a title transaction, the title company must ask, "Does this document affect the parties we are insuring?" Because, if it does, it affects title to the property and would, therefore, be listed as an exception from coverage under the title policy.

A properly completed Statement of Information will allow the title company to differentiate between parties with the same or similar names when searching documents recorded by name. This protects all parties involved and allows the title company to competently carry out its duties without unnecessary delay.

WHAT TYPES OF INFORMATION ARE REQUESTED IN A STATEMENT OF INFORMATION?

The information requested is personal in nature, but not unnecessarily so. The information requested is essential to avoid delays in closing the transaction. You, and if applicable, your spouse or registered domestic partner, will be asked to provide full name, social security number, year of birth, birthplace, and information or citizenship. If applicable, you will be asked the date and place of your marriage or registered domestic partnership.

Residence and employment information will be requested, as will information regarding previous marriages or registered domestic partnerships.

WILL THE INFORMATION I SUPPLY BE KEPT CONFIDENTIAL?

The information you supply is completely confidential and only for title company use in completing the search of records necessary before a policy of title insurance can be issued.

WHAT HAPPENS IF A BUYER, SELLER OR BORROWER FAILS TO PROVIDE THE REQUESTED STATEMENT OF INFORMATION?

At best, failure to provide the requested Statement of Information will hinder the search and examination capabilities of the title company, causing delay in the production of your title policy.

At worst, failure to provide the information requested could prohibit the close of your escrow. Without a Statement of Information, it would be necessary for the title company to list as exceptions from coverage judgments, liens or other matters which may affect the property to be insured. Such exceptions would be unacceptable to most lenders, whose interest must also be insured.

CONCLUSION: Title companies make every attempt in issuing a policy of title insurance to identify known risks affecting your property and to efficiently and correctly transfer title so as to Protect your interests as a homebuyer. By properly completing a Statement of Information, you allow the title company to provide the service you need with the assurance of confidentiality.



DIGITAL OPENING PACKAGE

StartinHere® is a secure, digital workspace for home buyers and sellers to engage with Chicago Title as they begin their real estate transaction in a more secure and intuitive digital consumer experience.

Shortly after your escrow is opened, you should expect to receive via email our **StartinHere® Digital Open Package**. This digital package also includes all the questions required on the **Statement of Information**.

To get started, you will be asked to authenticate using a 6-digit code using your email or mobile phone or even a land line. We will ask you to provide information relating to the escrow through this secure process

as well as downloading our wire instructions.

If you get interrupted during the interview process or you need to ask someone about an answer to one of the questions, you can always come back through the link in your initial email anytime and it will remember where you left off. You can also make an Earnest Money Deposit using **startinHere®**.

StartinHere® Mobile Deposit allows buyers to enjoy the safety and simplicity of depositing their earnest money from the convenience of their smartphone.

StartinHere® Mobile Deposit is a contact-free and safe way to deliver earnest money.

FEES: WHO PAYS FOR WHAT IN NORTHERN CA

Closing costs may be confusing. Let's break it down by buyer and seller cost.

THE SELLER TYPICALLY PAYS FOR:

- ✓ Real estate commission
- ✓ Real Estate excise tax, if any
- ✓ Any city transfer/conveyance tax*
- ✓ Document preparation (if applicable)
- ✓ Documentary transfer tax, if any
- ✓ Payoff of all loans in seller's name
- ✓ Interest accrued to lender being paid off
- ✓ Statement fees, reconveyance fees and any prepayment penalties
- ✓ Any judgments, tax liens, etc. against the seller
- ✓ Tax proration
- ✓ Any unpaid homeowner's dues
- ✓ Recording charges to clear all documents of record against seller
- ✓ Any bonds or assessments
- ✓ Any and all delinquent taxes
- ✓ Mobile Notary fees, if any
- ✓ Homeowner's transfer fees

** Practice varies by county and will be detailed in PSA*



Disclaimer: This article is not intended to be an all inclusive list of fees and charges on every transaction, but rather a guide to the major costs of Buying or Selling real estate property. We would be happy to review and explain your closing costs prior to finalize the transactions.



THE BUYER TYPICALLY PAYS FOR:

- ✓ Title insurance premium for the lender's policy
- ✓ Title Insurance premium for owner's policy*
- ✓ Escrow fee*
- ✓ Document preparation (if applicable)
- ✓ Recording charges for all documents in buyer's name
- ✓ Tax proration from the closing date
- ✓ All new loan charges (except those required by lender for seller to pay)
Interest on new loan from date of funding to 30 days prior to first payment date
- ✓ Assumption/change of records fees for takeover of existing loan
- ✓ Beneficiary statement fee for assumption of existing loan
- ✓ Inspection fees (termite, roofing, property inspection, geological, etc.)
- ✓ Fire insurance premium for first year
- ✓ Mobile Notary fees, if any
- ✓ Home Warranty (according to contract)

** Practice varies by county and will be detailed in PSA*



A WORD OF CAUTION: WIRE FRAUD ALERT

INQUIRE BEFORE YOU WIRE.

Realtors, closing attorneys, buyers and sellers may all be targets of wire fraud. This has caused the loss of hundreds of thousands of dollars in some transactions, simply because respective parties relied on the wire instructions received via e-mail.

How it happens:

A fraudster will hack into a participant's e-mail account to obtain information about upcoming real estate transactions. After monitoring the account to determine the likely timing of a closing, the fraudster will send an email to the buyer purporting to be the escrow agent or another party to the transaction. The fraudulent email will contain new wiring instructions and will request that the buyer send funds to a fraudulent account.

We urge everyone to inquire before you wire and to never rely solely on email communication. Always follow the simple steps below:

**Inquire before you wire.
Call your escrow officer
to confirm.**

Step 1: Obtain the phone number of your realtor, closing attorney, and escrow officer as soon as escrow is open.

Step 2: Prior to wiring funds, call your escrow officer at the trusted phone number to confirm the wire instructions. If at any time you receive a change in wiring instructions, **BE SUSPICIOUS**, as Chicago Title rarely changes wiring instructions.

74%

of homebuyers incorrectly believed their
title company or bank could recover funds
that are wired to the wrong account

(Retrieved from Alta.org, May 2020)

52%

of homebuyers are completely unaware
of wire fraud in real estate

(Retrieved from Notarize.org, May 2020)

\$3.5 B

was attempted to be diverted and wired to
“criminally controlled” accounts in 2019

(Retrieved from fbi.gov, May 2020)



TOP TIPS FOR A SMOOTH CLOSING



Promptly complete and return escrow's disclosure forms upon receipt (typically sent digitally).



Out of state buyers or sellers? Let your escrow officer know immediately to allow adequate time for delivery of appropriate documents.



Are the buyers or sellers out of the country? If so, the client must have the documents notarized at an American Consulate or Embassy. As an alternative, your client may opt to appoint another individual as their attorney in fact, but keep in mind the Power of Attorney would need to be notarized at an American Consulate or Embassy.



THE SIGNING DAY

You've made it through to the end. Let's make sure you are prepared for your signing appointment. When closing documents are ready for you to sign, we will contact you to schedule an appointment with a notary. Make sure to bring the following items to your appointment:

Identification

There are several forms of identification that are acceptable to use during the escrow process.

1. A current driver's license
2. A valid passport
3. A government issued identification card

Some lenders require two forms of identification at signing. When this is the case, you will be provided with a list of additional identification options acceptable to your lender.

Depositing Funds to Close Escrow

In order to prevent possible delays in the escrow closing, be prepared to deposit into escrow the amount requested by your escrow officer. Wire instructions will be provided through Chicago Title's StartInHere® platform. **You will never receive wire instructions in an email.**

Lender's Requirements

Make sure you have satisfied your lender's requirements before coming to the escrow company to sign papers.

CHANGE OF ADDRESS CHECKLIST



UTILITIES & SERVICES

- ☐ Electric
- ☐ Cellphone
- ☐ Internet
- ☐ Cable
- ☐ Gas
- ☐ Water
- ☐ Sewer
- ☐ Garbage
- ☐ Recycle
- ☐ Home security

FAMILY/PERSONAL

- ☐ Employer/benefits/401K
- ☐ Schools & alumni associations
- ☐ Children's organizations
- ☐ Clubs (athletic, miscellaneous)
- ☐ Relative, friends, business
- ☐ Child care provider

GOVERNMENT

- ☐ Department of licensing
- ☐ Post office
- ☐ Voter registration
- ☐ IRS
- ☐ Veterans affairs

FINANCIAL INSTITUTIONS

- ☐ Banks/credit unions
- ☐ Finance company
- ☐ Credit cards
- ☐ Charities
- ☐ Financial advisor/investments

INSURANCE AGENCIES

- ☐ Life
- ☐ Home
- ☐ Auto
- ☐ Health

NOTES

MOVING CHECKLIST



ADDRESS CHANGE

- ☐ Give forwarding address to post office 2 to 3 weeks before moving
- ☐ Change charge accounts, credit cards
- ☐ Subscriptions: Notice requires 6 to 8 weeks
- ☐ Friends and relatives
- ☐ Banks
- ☐ Credit Cards
- ☐ Credit Monitoring Service (if any)
- ☐ Mobile Phone Carrier
- ☐ Auto Loan or any other Loan company
- ☐ Car License & registration
- ☐ Driver's License

BE SURE TO TRANSFER OR CANCEL:

- ☐ Home owners' policy
- ☐ Gas & Electric
- ☐ Water
- ☐ Garbage
- ☐ Telephone (Land Line)
- ☐ Cable (Return all cable boxes and router)
- ☐ Internet
- ☐ Alarm Service (if any)
- ☐ Landscaping Service (if any)
- ☐ Pool Service (if any)
- ☐ Children's schools records (transfer to new school)

DON'T FORGET TO:

- ☐ Arrange for Movers ahead of time
- ☐ Arrange for storage ahead of time
- ☐ Use up things that can't be moved - such as food in your freezer and flammable household aerosol cleaning products
- ☐ Hold a garage sale
- ☐ Carry enough cash or traveler's checks to cover cost of moving services and expenses until you make banking connections in new city
- ☐ Carry jewelry and documents yourself during moving
- ☐ Double check closets, drawers, shelves to be sure they are empty
- ☐ Leave old keys, garage door openers, broiler pans, house plans and instruction manuals needed by new owner with real estate agent
- ☐ Have new address recorded on driver's license and car registration
- ☐ Visit city offices and register to vote

ONLINE RESOURCES



MAIL

USPS Online: www.usps.com

- Safe and secure - safeguard your information with ID verification for a simple \$1.10 charge to your credit or debit card.
- Speed and convenience - save a trip to the post office.
- Email confirmation - receive an immediate email confirmation of your change of address.

A credit card is required to complete the form online. You can also go to any post office and request a Mover's Guide packet to fill out a printed form you can submit back to them.

DRIVER'S LICENSE AND VEHICLE REGISTRATION

Department of Motor Vehicles: <https://www.dmv.ca.gov/>

- You have 10 days after you move to change your address on your driver's license.
- There is no cost to update your address. There is an additional fee for getting a new card with your updated address on it.
- Updating your address on your driver's license doesn't change your address on your vehicle registration, you need to do that separately.

YOUR TRANSACTION DETAILS



Your Escrow Number: _____
Your New Address: _____
City / State / Zip: _____

ESCROW CONTACTS

Escrow Company: _____
Address: _____
Phone: _____ Fax: _____
City / State / Zip: _____
Escrow Officer: _____
E-Mail: _____
Direct Line: _____
Escrow Assistant: _____
E-Mail: _____

OTHER CONTACTS

CHICAGO TITLE 1847 COMPANY 2022

175 YEARS



& GROWING

DEEPROOTS FOR A STRONG FUTURE

Information provided in this guide is for informational purposes only and is not or may not be construed as legal advice. Please consult with an attorney to embark upon any specific course of action. Chicago Title makes no express or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. ©2022 Chicago Title Company.

