

## **CLOSING PROCESS STEPS**

Title insurance and the closing process will allow your purchase process to go quickly and efficiently by protecting homebuyers, sellers and lenders against title defects.

### **Step One**

The closing (settlement) process begins when an order is received by our title department, which could be days, weeks and sometimes months before the actual closing day. When the purchase contract is received, our order processing department will set up a new order and assign your file an order number. If our office should receive an earnest money deposit either from the realtor or an individual, our closing department will place the funds into our escrow account and the funds will remain there until closing time. Once your order has been assigned an order number, you can then request a logon user name and password from our office, by phone or email and we can set you up for you to access our Paperless Closer so that you can stay up to date on your transaction 24/7.

### **Step Two**

Next, our title department starts work on the title search. The title search will then go to our typing department to prepare a title commitment. Once the title commitment is prepared it will be forwarded onto our closing department and released for your review on our Paperless Closer area.

At this point the Deed, seller authorizations and pre-closing seller documents will be ready for the seller's signature. The seller and any spouse will need to sign the deed, even though the spouse may not actually have title to the property. They must sign the Deed in order to release their dower rights to the property. We will notify the seller that they will need to stop in our office and sign the documents prior to a closing date being set. The Deed signed by the seller must be approved by the Map office in most counties at least 48 hours to 24 hours before the closing date.

If the seller is not going to be in this area to sign the Deed, etc, we will need to be informed of that situation as soon possible, so that we can make arrangements to have the documents sent through a service signup company to be signed. Or if the Seller has a Power of Attorney that will be signing for them, we will need to have the original Power of Attorney reviewed and approved and delivered to our office and then filed in the county records prior to the filing of the Deed.

### **Step Three**

Once the closing agent receives the title commitment, he verifies its accuracy and thoroughness and notes any requirements that must be fulfilled before the title can change hands. At this point, he also compares the title commitment to the loan closing order received from the lender and the contract to ensure there are no inconsistencies.

If the closing agent uncovers unpaid mortgages, he will need an authorization signed by the sellers in order to request the payoff figure from the lender(s).

At this point, all other issues (such as liens or judgments, un-cancelled mortgages, or title problems) uncovered by the closing agent's research are brought to the attention of the appropriate parties so they can be resolved in a timely manner.

### **Step Four**

If your transaction is cash, we will be contacting you to set up a closing date and time for you to finalize your purchase. Feel free to give us a call if you have any questions or have not heard from us.

If you will be using a lender, we will need to receive a confirmation from your lender that we can set a closing transaction. We cannot set a closing until we get your lender's approval to set the closing. Normally lenders will require 48 hours notice from the time they give us the approval to set the closing. Once the closing is set your lender will need to get us their closing figures and loan documents, which sometimes is not received from your lender until the day of closing. From that information we can then prepare a HUD-1 Settlement Statement. This statement will show all costs associated with closing including the earnest money, deposit, closing costs, and loan application fees. The HUD-1 Settlement Statement will require the lenders approval before we can release any closing figures to the buyer/borrower. Our office will call or email the buyer and give them their closing figure for their cashiers check or wire transfer of funds amount. If funds are to be wired, please contact our office as soon as possible, so we can provide you with our wiring instructions.

### **Step Five**

The buyer will need to be sure that they bring their driver's license ID or passport, or state issued ID to

closing with them. Any spouse of any buyer must come to closing even though they may not be on the loan or taking title to the property, as they will need to sign to release their dower rights on the mortgage and a few other documents the buyer's lender may require. The time involved in most closings is approximately 1 hour. The closing can be longer if there is questions or the documents are lengthy. If you would like to review your documents prior to closing, you would need to make your lender aware of that so they can get us your documents and figures a day ahead so you can review them.

In our area, the buyer and seller are never at closing together. The seller has signed the Deed and most of the preliminary documents at least days ahead of the actual closing of the buyer. The final HUD-1 Settlement Statement and any lender documents that require a seller to sign, will be done by either fax or email or arrangements have been made for the seller to just stop in the same day as closing in order to sign the final documents. We will need the seller to sign those final documents before we can finalize the closing transaction.

### **Step Six**

After the signing of the documents, our office will need to receive all of the funds into our escrow account that are required according to the HUD-1 Settlement Statement. Funds can come from the buyer, the buyer's lender, the realtor (earnest money) or the seller. Once we have confirmed that all of the funds are received and are good funds, we will then give the documents that will require recording (ie the Deed, the mortgage, any affidavits) to our title department. They will do an update of the title records to the date and time of the filing of the documents. After the update of the title records and the filing of the documents we will disburse the funds according to the HUD-1 Settlement Statement.

Possession of the property will depend upon your contract agreement terms. You will need to contact your realtor for any keys, etc or questions on possession. If you do not have a realtor, you will need to contact the seller directly for the keys and possession issues.