



WFG National Title Company<sup>®</sup>  
a Williston Financial Group company



# For Sale By Owner Handbook

We at WFG National Title want to thank you! We understand you have options when it comes to title and escrow, and it's the greatest compliment that you choose us! It's our goal that every client has a superior customer experience with our company because we understand that good customer service isn't enough. We welcome any feedback you have as it is our goal to collaborate with our clients to constantly improve our processes. In the future when you need title and escrow solutions we hope you use WFG National Title.



## **At WFG we take time and cost out of real estate transactions.**

Williston Financial Group and its affiliates are dedicated to taking time and cost out of real estate transactions. By focusing on the client and their processes, WFG will help compress the time required to close a loan and/or transfer real property ownership. By empowering industry professionals with integrated technologies, WFG will provide efficient high quality products and services. By enabling client processes, WFG will increase closing rates. By minimizing corporate infrastructure, WFG will avoid operating a costly hierarchical organization.





Our products and services have been developed to address four important aspects of the real estate transfer process: information, ownership, asset management and commitment. In each area, we have created the tools and resources needed to ensure the most risk-free and expedient closing possible.

## INFORMATION SERVICES

We own and subscribe to leading industry information services for the most current market information, including property profiles, farm reports and mortgage records. We have access to secure Internet-based databases with millions of public real estate records and document. We can prepare and deliver preliminary reports and commitments electronically to multiple locations.

We provide real estate professionals with the most current ownership information available through a variety of sources to assist them in selling property and locating the next opportunity. In addition, we provide a variety of real estate insurance products to national lenders ranging from full ALTA policies to limited coverage policies.

## TITLE SERVICES

We work to remove any recorded encumbrances which are inconsistent with the terms of the transaction. We offer traditional, fully-insured products like ALTA policies, as well as innovative products and insurance policies in the refinance, second mortgage and equity markets. We respond quickly to unique circumstances with flexible and creative approaches to title insurance.

## ESCROW SERVICES

We coordinate and process the entire real estate and mortgage closing procedure. Our services include: document gathering, Settlement Services, loan funds disbursement, escrow withholding and document recording with the appropriate government authority; all done in accordance with our clients' instructions. We serve as a neutral third party working to benefit the entire transaction and the parties involved. Our escrow personnel are proficient with complicated escrow instructions.

## CUSTOMER SERVICES

We offer the best customer service team in the industry who are available to you Monday to Friday 8:00 AM – 5:00 PM. We also have web-based tools for our employees and their clients who need to place orders for services. These tools allow the client team to create orders, track status, update information and monitor status around the clock.

# SELLING BY OWNER VS. HIRING AN AGENT



Can you sell your home by yourself? The great incentive, of course, is to save the commission. Commissions usually range between 5% to 7%. That's \$5,000 to \$7,000 per \$100,000 of the sales price! Now that's an incentive. But are you really qualified to do it? Should you hire a real estate agent or should you attempt to sell your home on your own? Here are some questions to consider when making your decision.

1. What is the current real estate market condition in your area?  
Hot ☐ Warm ☐ Cool ☐ Cold ☐
2. Do you have the knowledge to sell your home? Yes ☐ No ☐
3. Do you understand proper real estate law disclosure requirements? Yes ☐ No ☐
4. Are you prepared to deal with masses of people that will be constantly coming to view your home? Yes ☐ No ☐
5. Do you have a problem letting all those people you don't know into your home? Yes ☐ No ☐
6. Are you ready to give up evenings and weekends to meet with potential buyers? Yes ☐ No ☐
7. Do you know how to properly fill out all of the paperwork or know someone who will help you with the details? Yes ☐ No ☐
8. Do you have a plan for dealing with the contracts and forms associated with the offers/counter-offers both before, during and after the offer is made? Yes ☐ No ☐
9. Have you worked out the financing details and do you understand seller carry-backs etc? Yes ☐ No ☐
10. Have you lined up the lender, title company, escrow, appraisal, termite service and home warranty As well as a real estate attorney or agent to help you fill out the necessary paperwork? Yes ☐ No ☐
11. Are you ready to put out the "FSBO" sign in the yard and place the necessary advertising? Yes ☐ No ☐

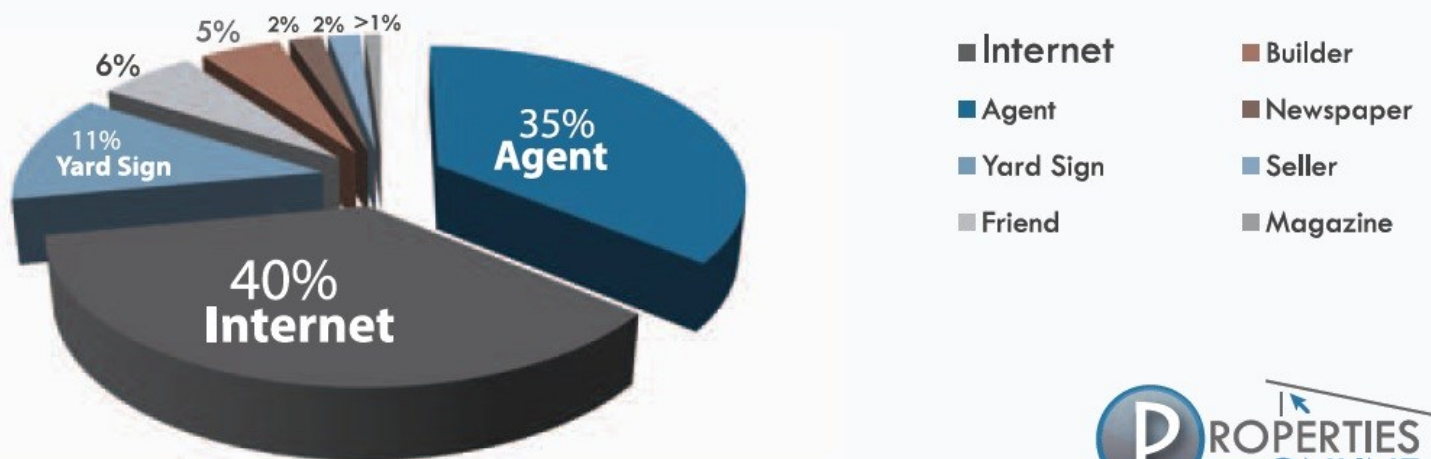
Should you make the decision to list your home with a qualified Agent, please contact WFG – we work closely with the top agents in your neighborhood and we will connect you with professionals that have the highest standard of ethics, professionalism and offer first class service.

Following are some questions you may want to ask during your interview:

1. Agent's Name and Affiliated Real Estate Company
2. Experience level, full time or part time, experience in your local area.
3. Number of sales completed locally for the past 12-18 months.
4. Examine and compare the marketing plan presented for selling your home.
5. Compare the listing prices suggested and find out how they arrived at it.
6. Compare the commission rate of each Agent and what they will do for it.
7. Compare the length of the required listing agreement periods.
8. Does the Agent appear to be concerned with your specific listing?
9. Does this person seem like the kind of person you could work with?
10. Check out their references / referrals carefully and make sure they are valid.

## Where Buyers Come From

*Where Buyer Found the Home they Actually Purchased*



Source: The National Association of REALTORS® profile of home buyers and sellers. Updated 07/18/2012.



There are many advantages to working with a reliable, professional lender. Some of their very important services are as follows:

**PRE-QUALIFICATION OF ALL PROSPECTIVE BUYERS:** Your lending professional should pre-qualify each potential buyer to ensure that they are sufficiently qualified by thorough examination of their credit status and current financial situation. This is extremely important to eliminate wasted time negotiating with unqualified buyers.

**ABILITY TO FIND THE RIGHT LOAN AT COMPETITIVE PRICES:** A reliable lending professional will shop for the best loan and the best possible price. This affords the borrower the freedom to select the loan best suited for their needs at the best pricing, without having to shop all over town.

**EFFICIENT FOLLOW-UP AND TEAMWORK:** Once the transaction has been negotiated, the lender works hand in hand with the other support team members to ensure that the loan is approved and funded in a timely manner. They locate and handle any unforeseen situations before it becomes a problem, and keeps you informed of all important details along the way.

**A GOOD LENDER WILL HANDLE POTENTIAL BUYERS WITH CARE AND CONFIDENTIALITY**



# BUYER FINANCING OPTIONS



Property : \_\_\_\_\_ Price: \_\_\_\_\_

Owner's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Type Mortgage	Type Mortgage	Type Mortgage
Rate	Rate	Rate
Term	Term	Term
Down Payment	Down Payment	Down Payment
Mortgage Amount	Mortgage Amount	Mortgage Amount
Monthly Principal & Interest	Monthly Principal & Interest	Monthly Principal & Interest
Association Dues	Association Dues	Association Dues
PMI	PMI	PMI
Monthly Homeowners Insurance	Monthly Homeowners Insurance	Monthly Homeowners Insurance
Monthly Taxes	Monthly Taxes	Monthly Taxes
Total Monthly Payment	Total Monthly Payment	Total Monthly Payment
Buyers Estimate Monthly Income (Total Monthly Payment: 28%)	Buyers Estimate Monthly Income (Total Monthly Payment: 28%)	Buyers Estimate Monthly Income (Total Monthly Payment: 28%)

Rates and terms are subject to change without notice. This material is intended for example purposes only. Adjustable rate mortgage calculations are for initial rate only. No APR's are quoted.

A new home designed to meet the individual needs of a family is a wonderful experience, but before the buyers actually get their dream home, they will run headlong into dozens of home ownership details.

The purchase of a new home may prove to be the largest single financial investment many people may make in their lifetime; therefore the importance of fully protecting such an investment cannot be over stressed.

## What is Title Insurance?

It is the application of the principles of insurance risks which are present in all real estate transactions. These risks are divided into two main categories: *hidden hazards* which cannot be detected in the examination of title and *human errors* which will always be with us.

Examples of hidden hazards are:

Forgery, incompetence of grantor or mortgagor, unknown heirs, fraud, impersonation, etc.

Title insurance differs from other types of insurance protection against future losses arising out of events that have happened in the past. You are insuring history. There are no annual premiums. One premium, based on the amount of the sale or mortgage, is paid when the policy is issued and is good for the life of the policy.

A mortgage policy, insuring the lender, stays in effect until the loan is paid off. An owner's policy insuring the buyer, is good as long as the owners heirs own the property.

**Title Insurance Protection gives a homeowner peace of mind by protecting the security of the home and the safety of the investment.**

Initially the title company will search and examine the public land records to investigate information surrounding title to the property. The facts revealed by the search will determine:

- That the seller is, in fact, the legal owner of the property.
- That the "estate" or degree of ownership being sold is currently and accurately vested in the seller.
- The presence of any unsatisfied mortgages; judgments or similar 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.

These matters will be reflected in a preliminary report "prelim". The prelim is issued to the mortgage lender or purchaser before the closing.

As you can see, the title company is constantly involved in the sale transaction almost from the time the purchase agreement is signed, through beyond the closing. Working mostly behind the scenes, but always in closer coordination with realtors®, lenders, and legal counsel, the title company strives to carry out this complex procedure in an efficient and friendly manner.

# THE ESCROW—YOUR “NEUTRAL PROTECTION”



You may have already heard phrases such as “the house fell out of escrow” or “we’re waiting for the escrow to close.” So, just what is escrow anyway? And What does it mean to a home buyer or seller?

Simply stated, escrow is the involvement of an impartial third party in a real estate transaction. This neutral third party acts as an intermediary between the buyer and seller, and also collects and remits funds as instructed. Buyer’s funds are deposited with the escrow company which then remits to the seller on the buyer’s behalf. The basic concept of escrow is to ensure that both the buyer and seller are protected during any real property transaction. Not only is “escrow” the concept of a third party receiving and disbursing funds, but it also includes other valuable transaction services. In order to facilitate the transfer of property from one owner to another, the best escrow companies will:

- Prepare, review, and/or revise escrow instructions.
- Determine the legal ownership and status of the property through a “title search”.
- Request a beneficiary’s statement if a debt is to be assumed by the buyer.
- Confirm that the buyer is “qualified” and meets the lender’s requirements.
- Confirm that the property meets requirements imposed by lender and/or buyer.
- Prorate all related financial matters (e.g., taxes, insurance) involved in the ownership transfer.
- Ensure all legal documentation is complete, including recording the deed.
- Comply with time limits imposed in instructions.
- “Close” escrow when all instructions (buyers, sellers’ and lender’s) have been fulfilled.
- Disburse funds as instructed, including all related fees (title fees, commission if any, payoffs, etc.)
- Prepare final statement for all concerned parties.

Escrows in California are preformed by banks, saving & loans and title companies as well as independent escrow firms which are licensed by the state of California, and their records are open to inspection by the Corporation Commissioner. In addition, escrow companies furnish the state with annual audits of their books, and all escrow funds must be kept in trust accounts. Thus, the state helps ensure that escrow companies are properly managed and truly act as impartial parties to any real property transaction.

Escrow companies are generally held liable if any instructions are violate during the course of an escrow. No changes may be made to any escrow instructions if changing them would be detrimental to any party involved. It is possible to change instructions once a property has “entered escrow,” however, if all instructions cannot be carried out by the end of the time limit, all parties involved are entitled to the return of document, fees, funds, and other related materials. They also may mutually agree to extend the time period by changing the instructions.

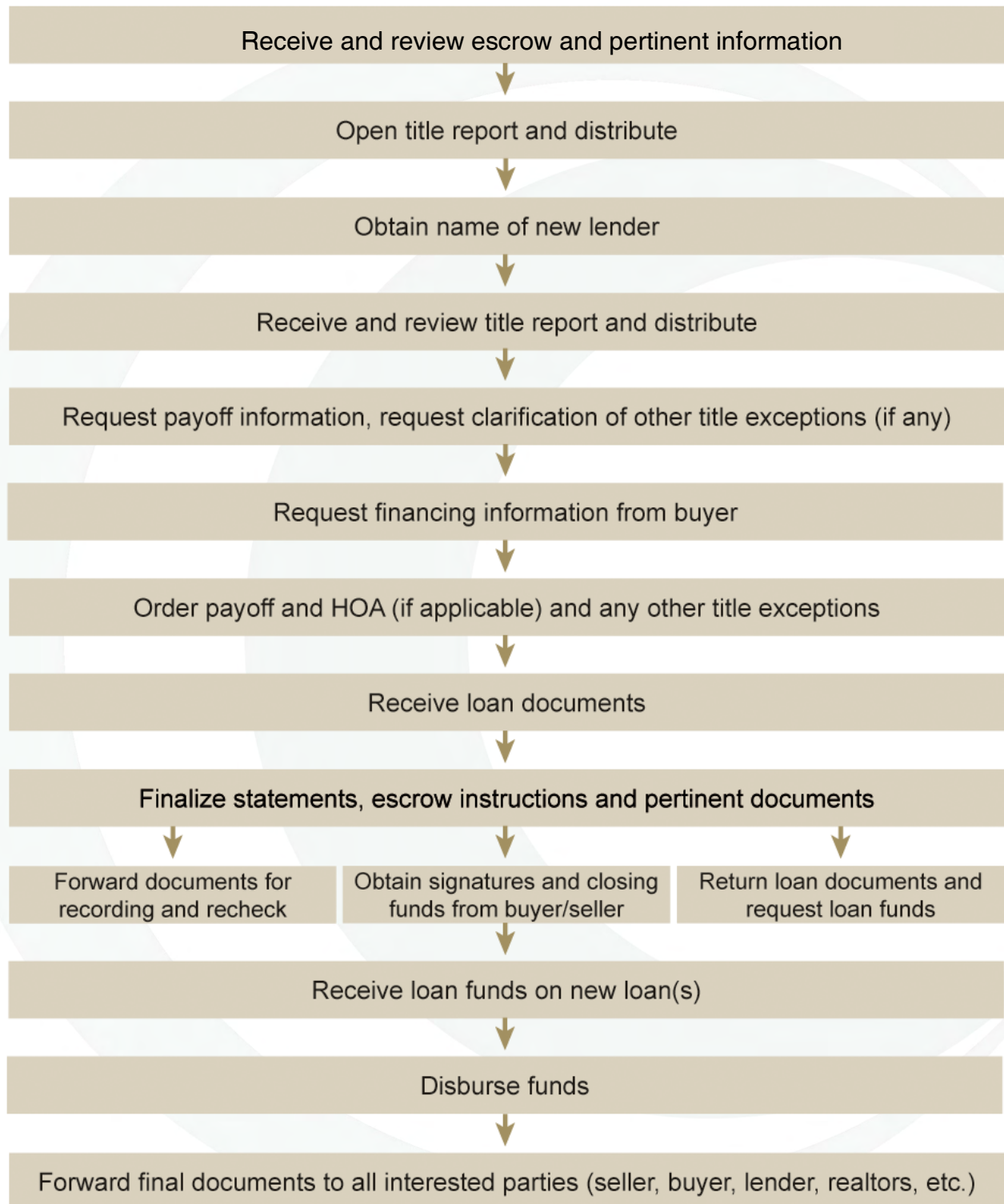
The term “escrow” has come to mean “neutral protection” for the seller, the lender and the buyer. All parties involved in the transfer of real property are impartially protected during the transaction, and are serviced by the professionals intent on ensuring a smooth, trouble-free sale. Look for an escrow company that clearly defines its services, and which lists all fees and charges “up front”.

Escrow is an indispensable necessity in today’s marketplace. If you need further explanations during the process, always consult your escrow officer. The escrow company is, indeed, a neutral third party, and its job is to make sure all sale conditions are met quickly and efficiently.

## CHOOSING YOUR ESCROW COMPANY

Ideally, you would ask your real estate agent to recommend two or three different escrow companies. Then you would choose. If you don’t have an agent, you’ll find escrow companies listed in the yellow pages of your phone book under either Real Estate Escrow or Real Estate Title Insurance.

In most cases, escrow companies work closely with specific title insurance companies. This aids in selecting both the escrow and the title insurance company at the same time.





The preliminary title report contains vital information which may affect the willingness and ability of the parties to close escrow. The information in the preliminary report includes:

- ☐ The ownership of the subject property
- ☐ The manner in which the current owners hold title
- ☐ Matter of record which specifically affect the subject property or its owners
- ☐ A legal description of the property
- ☐ An informational plat map
- ☐ The type of title insurance offered by the title company
- ☐ Exclusion and exceptions in the Title Insurance coverage
- ☐ Recorded deeds of trust
- ☐ Easements
- ☐ Agreements
- ☐ Covenants
- ☐ Conditions and restrictions (C.C. & R.'s)
- ☐ Taxes

Your Real Estate Agent should review the preliminary report as soon as it arrives, with particular attention to certain areas:

#### Verify the Ownership Vesting

The name on the report should match the names on the purchase contract. Sometimes the name of an unexpected owner will appear and corrective documents may be required.

#### Verify the Property Address

The plat map and legal description should match the address. An owner could own two properties adjacent to or across the street from each other, causing confusion in identifying the correct property.

Not all risks can be eliminated by a title search, since certain “hidden defects” like forgeries, identity of person, incompetence and failure to comply with the law, cannot be disclosed by an examination of the public records. Where the preliminary report is an offer to insure under certain circumstances, the title policy is a contract, providing coverage against such “hidden defects”.

- ☐ A forged signature on a deed
- ☐ Impersonation of the real owner
- ☐ Mistakes in interpretation of wills or other legal documents
- ☐ Deeds delivered without the consent of the grantor
- ☐ Undisclosed or missing heirs
- ☐ Deeds and mortgages signed by persons of unsound mind, by minors or by persons supposedly single but are actually married
- ☐ Recording mistakes and missed recorded documents
- ☐ Falsification of records
- ☐ Errors in copying or indexing

In addition to indemnifying the insured against losses which result from a covered claim, the policy also provides for legal fees and defense against future claims against the property.

Extended Owner's and Lender's policies provide broader coverage and are available through the American Land Title Association (ALTA). Coverage is extended to certain matters that are off-record but which are generally discoverable by an inspection of the property or by questioning the parties in possession, such as:

- ☐ Unrecorded Liens and encumbrances
- ☐ Unrecorded easements
- ☐ Unrecorded rights of parties in possession
- ☐ Encroachments, discrepancies or conflicts in boundary lines

ALAT Policies are available for lenders or owners, and a “Plain Language” ALTA Residential policy is also available for residential property of one to four units.

Recent legal decisions and new legislation provide that the Seller is responsible for revealing to you the true condition of the property. The concept of selling a property “as is”, with the Buyer assuming all responsibility for determining the property condition, is not acceptable in the present marketplace. The Seller must disclose the known condition of the property to the Buyer. This information should be made available to the buyer as soon as possible.

## **Charm or Irritant**

Having lived in this property, the Seller has become accustomed to the peculiar conditions that may have developed. But for the Buyer peculiarly may be more than a mere inconvenience. It may be an irritant which the Buyer cannot tolerate. It is important for the Seller to review the condition of the property with the real estate agent and take special note of any problems on the Disclosure Statement. Civil code Section 1102 requires that the Seller provide the Buyer with a completed “Real Estate Transfer Disclosure Statement”.

## **All Systems Are Working Properly**

A basic assumption in every sales is that the house and systems in the house are functional. For example, the roof will hold out the rain and sun, the hot water heater will provide hot water, and the heater will provide heat. If it is known that any of the systems do not function properly, such facts should be included in the purchase agreement and acknowledged by the Buyer.

## **“As Is”**

An “as is” purchase is perfectly acceptable, as long as the buyer understands exactly what the “as is” condition entails. Thus, it can be said in the purchase agreement that the buyer accept the roof and the plumbing and the electrical system in their present condition and acknowledges that they may have defects. This acknowledgement provides a defense for the seller if it is later claimed not all problems were disclosed.

## **Environmental Hazards**

It is required that the Seller disclose any knowledge of environmental hazards in the home or area such as asbestos or pollutants. You will be provided with a Real Estate Transfer Disclosure Statement filled out by the seller as to their awareness or knowledge on this subject.

## **Take a Tip From Us**

Environmental Hazards: A Guild For Home Owners and Buyers is a handbook prepared by the California Department of Real estate to inform you of the various toxins and hazardous wastes and what you can do about them. A copy of this publication can be provided for you.

**Sub-escrow** (loan payoff) is an extremely important service provided by title companies to facilitate the handling of money in the closing of a real estate transaction. The performance of the payoff function, exclusive of escrow services, is unique to Southern California. This is because the majority of our customers are independent escrow companies, and the majority of our title orders require payoff service.

The sub-escrow department does not draw escrow instructions or documents (i.e., Grant Deeds, Trust Deeds, etc.) They do not order demands for payoff, but do make payoffs at the close of escrow. Sub-escrow has a language of its own—note the following brief definitions of commonly used terms, intended to answer some of the questions you may have regarding the **sub-escrow (payoff) function**.

## ***Payoff***

The receipt of funds from the buyer and the payment of the obligations of the Seller in conjunction with a real estate transaction. The payoff function is performed by the title company.

## ***Payoff Fees***

Investors Title fees for handling a payoff vary slightly from county to county. The fee is strictly a processing charge and does not cover special handling charges or potential shortages.

## ***Prefigures***

Estimated payoff figures are calculated and given prior to closing upon request. These figures are only valid through the date given and are based on the information provided at the time.

## ***Good Funds***

WFG Title must be in receipt of “Good Funds” prior to disbursing on a pay-off.

Types of “Good Funds” include:

1. Funds wired to WFG Title sub-escrow Account
2. A cashier's, tellers or certified check will provide next day availability after deposit, to Comply with AB512.
3. All other local checks will provide availability of funds two (2) days after deposit.
4. Out of area check will provide availability of funds five (5) days after deposit.

## ***Taxes***

Outstanding property taxes can be paid out of the payoff process.

## ***Demands***

Demands must include specific payoff information concerning the particular property and must be signed. It is the responsibility of the escrow to order and provide all necessary demands including any updates or changes on a timely basis.

## ***Refunds***

Any overpayments of demands will be refunded to the escrow upon receipt from the lender. Refunds typically take two to six weeks to process.

## ***Shortages***

WFG Title will require from the escrow the necessary funds to cover the outstanding obligations. Any shortages must be received prior to payoff.

## ***Disbursement Checks***

Checks are delivered locally to lending institutions by a contracted messenger service. Checks to individuals and to out of area lenders are typically sent via an overnight delivery company.

## ***Wire Transfers***

Funds can be wired in to or out of the WFG Title account.



Having an idea of what is involved in appraising a piece of property can greatly help in maximizing the appraisal value to avoid costly details and re-inspections.

Recent legal decisions and new legislation provide that the Seller is responsible for revealing to you the true condition of the property. The concept of selling a property “as is”, with the Buyer assuming all responsibility for determining the property condition, is not acceptable in the present marketplace. The Seller must disclose the known condition of the property to the Buyer. This information should be made available to the buyer as soon as possible.

The appraisal process consists of several steps. The following are major steps in the sequence normally taken by appraisers:

1. Research the subject property as to size, bedrooms, baths, year built, lot size, and square footage
2. Gather data of recent sales in the subject's neighborhood. The appraiser needs to locate at least three and preferably similar-sized homes which have sold and closed escrow in the neighborhood. The homes need to be within one mile of the “Comparable properties” or “comps”
3. Field inspection consists of two parts: first the inspection of the subject property, and second, the exterior inspection of the comparable properties which have been selected to estimate the value of the subject property.

The inspection consists of taking photos of the street scene, front of the home and rear of the home which may include portions of the yard. The appraiser will make an interior inspection for condition, noting any items that would detract or add to the value of the home. He will also draw a floor plan of the home while doing the inspection.

The inspection of the comparable properties is limited to an exterior inspection. For features that cannot be seen from the street, the appraiser has reports from Multiple Listings Services (MLS), California Market Data Cooperative (CMDC), county public records, and appraisal files along with other sources to help determine the condition and amenities of the comparables. After the

field inspection has been completed, the appraiser must go through the reconciliation process with the three comparable properties to determine a final estimated value.

This method of estimating value is called the “Direct Sales Comparison Approach to Value”, and it accounts for nearly all of the considerations in determining value of single family homes.

It is important to consider that the appraiser will be taking photos of the street scene and the front of the property. The street scene gives the lender an idea as to the type of neighborhood the property is located in. The photo of the front of the property gives the lender an idea of its condition and its curb appeal. And lastly, a photo of the back of the property and part of the rear yard is taken. Many homeowners don't take care of the rear portion of their property, so for this reason the rear photo is required.

In most cases, (over 90% of the time) what you see in the condition of the exterior of a home will be repeated almost exactly in the interior.

An appraiser will call in advance to set up the appointment to inspect the home. At that time, any information about the property, (number of bedrooms, bathrooms, pool, enclosed patio, etc.) should be given. The more that is known about the property prior to Inspection, the better the appraiser can focus on researching the most similar comparables.

During the contingency period, your Realtor will order physical inspections as specified in your purchase agreement. Legislation mandates, (under civil code 1102), that the seller has the responsibility to reveal the true condition of the property on a disclosure statement. This may help you determine what kind of property inspections you feel are desired or necessary. Your Realtor will help you arrange for these.

## **Who Pays?**

Your Purchase Agreement will specify who is responsible for the costs of inspections and for making any needed corrections or repairs. The cost is negotiable between the parties and should be considered carefully. Your Realtor will advise you what is customary and prudent.

## **Structural Pest Control Process**

A licensed inspector will examine the property for any active infestation by wood destroying organisms. Most termite reports classify conditions as Section 1 or Section 2. The inspection and the ensuing Section 1 repair work is usually paid for by the seller. Section 2 preventative measures are generally negotiable and not necessarily completed.

### **Section 1**

Section 1 conditions are those currently causing damage to the property. These conditions generally need to be corrected before a lender will make a loan on a home.

### **Section 2**

Section 2 conditions are those currently causing damage but which are likely to, if left unattended.

## **Geological Inspection**

A soil engineer will perform an inspection of the soil conditions and the stability of the ground beneath the structure, as well as research past geological activity in the area. Typically, the buyer pays for this inspection. You may also elect to go to the city and research the property and it's proximity to known fault lines.

## **Home Inspection**

This inspection encompasses roof, plumbing, electrical, heating, appliances, water heater, furnace, exterior siding, and other visible features of the property. A detailed report will be written with recommendations, often times the recommendation is to consult a professional. The inspection fee is usually paid by the buyer.



## The Seller

- Real Estate Commission
- Document preparation fee for Deed
- Documentary transfer tax (\$1.10 per \$1,000 of sales price)
- Any city Transfer/conveyance Tax (according to contract)
- Payoff of all loans in the seller's name (or existing loan balance if being assumed by Buyer)
- Interest accrued to lender being paid off
- Statement Fees, Reconveyance Fees, and any prepayment Penalties
- Termite Inspection (according to contract)
- Home Warranty (according to contract)
- Any judgments, tax liens, etc. against the Seller
- Tax proration (for any taxes unpaid at time of transfer of title)
- Any unpaid Homeowners Association dues
- Recording charges to clear documents of record against Seller
- Any bonds or assessments (according to contract)
- Any and all delinquent taxes
- Notary Fees
- Escrow Fee (one half)
- Title Insurance Premium of Owner's Policy

## The Buyer

- Title Insurance Premium for lender's Policy
- Escrow Fee (one half)
- Document preparation (if applicable)
- Notary fees
- Recording charges for all documents in Buyers name
- Termite Inspection (according to contract)
- Tax proration (from date of acquisition)
- Homeowners transfer fee
- 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 too first payment date
- Assumption/Change of Record fees for takeover of existing loan if applicable
- Beneficiary Statement Fee for assumption of existing loan if applicable
- Inspection Fees (roofing, property inspection, geological)
- Home Warranty (according to contract)
- City Transfer/Conveyance Tax (according to contract)
- Fire Insurance Premium for first year

## Personal Property vs Real Property

The distinction between personal property and real property can be the source of difficulties in a real estate transaction. A purchase contract is normally written to include all real property; that is, all aspects of the property that are fastened down or which are an integral part of the structure. For example, this would include light fixtures, drapery rods, attached mirrors, trees and shrubs in the ground. It would not include potted plants, free-standing refrigerators, washer/dryer, microwave, bookcases, lamps, etc.

If there is any uncertainty whether an item is included in the sale or not, it is best to be sure that the particular item is mentioned in the purchase agreement as being included or excluded.

# PROPERTY TAX CALENDAR



First Installment July 1st to December 31st	JUL	July 1—new fiscal year begins. Tax year runs through next July 1.
	AUG	
	SEP	
	OCT	Tax bills mailed last week of October
	NOV	First installment due November 1st.
	DEC	First delinquent—December 10th.
Second Installment January 1st to June 30th	JAN	Assessment date—January 1st.
	FEB	Second installment due February 1st
	MAR	
	APR	Second installment delinquent April 10th Last day to file for Veterans or homeowners exemptions 100% - April 15th and file by December 1st for 80%
	MAY	
	JUN	



An appointment is required for the sign-off. Please call your Escrow Officer to arrange a convenient time. There are several acceptable forms of identification which may be used during the escrow process including:

A current driver license; Passport; and State of California Department of Motor Vehicles ID card

One of these forms of identification must be presented at the signing of escrow in order for the signature to be notarized. On rare occasions, funds are insufficient to close escrow and you, the Seller or Buyer, must deposit money into the escrow. Should this situation occur, you will need to wire transfer the funds and/or obtain a cashier's check or certified check issued by a California financial institution that is made payable to the title company in the amount indicated to you by your escrow officer. A personal check may not be accepted, as it might delay the closing since the title company is required by law to have good funds before disbursing funds from escrow. Similarly, an out-of-state check could cause a delay in closing, due to delays in clearing the check.

## **Paying Off Your Existing Loans**

Unless the Buyer takes over your existing loan(s), the loan(s) will be paid off at the close of escrow. You will need to furnish complete information to your escrow officer and real estate agent on each loan against your property. Please be prepared to provide the name of each lender. Your escrow officer will need this information to order the loan payoff demands so the loan(s) may be paid off correctly at the close of escrow. Homeowner's Association information may also be required if you are selling a condominium, townhouse or property located in a planned unit development. All of this information will help to insure the timely closing of your escrow.

## **Disclosures and Contingencies...**

During the process of selling your property, you will be asked to fill out a property disclosure form which is now required by law. In this document, you will inform the Buyer of any significant facts you have about the conditions of the property. If you are moving out of California, other disclosures may be necessary. Your real estate agent or escrow officer will assist you with these. There will be various contingency dates in your real estate sales contract. You should be very aware of these and be

sure that the actions required are performed in a timely manner. Such contingencies include the Buyer's loan approval, approval of the Preliminary Title Report, approval of structural pest control and other inspections. Stay closely in touch with your real estate agent regarding these important dates.

## **After The Buyer's Loan Is Approved**

When the Buyer's loan is approved and the loan documents are sent to the escrow officer handling your transaction, the escrow officer contacts the Buyer to schedule a signing appointment and collect the final closing funds. The escrow officer will collect any and all necessary documents needed from you, together with the executed Grant Deed if it has not already been handed to escrow.

## **After Completion of the Sign-Off**

After you the Buyer have signed all necessary instructions and documents, the escrow officer will return them to the new lender for a final review. Following the review, the lender is ready to fund the Buyer's loan, and advises the escrow officer, so that the necessary work can be completed to record the documents and "close" escrow.

## **What is "Close" of Escrow?**

It signifies the legal transfer of title to the property from the Seller to the Buyer and is the elimination of the transaction. Usually, the Grant Deed and Deed of Trust are recorded within on working day of the escrow holder's receipt of loan funds.

## **When Do I receive Proceeds From The Sale?**

A final settlement statement and your net sales proceeds are available to you on the day of the sale is completed, documents are recorded and the escrow is closed. You may receive your proceeds in the form of a company check or wired funds.

Moving can be very stressful, so what do you do when circumstances or opportunities require that you relocate? How do you get through a move in one piece? You might begin by following these helpful stress relief tips.

## **Start early**

Few feel relaxed under a deadline, but having the benefit of time can help calm the nerves. The time to start planning for your move is as soon as you know you need to move.

## **Get Organized**

The number one method for alleviating emotional stress when moving is to feel like you have control over what's happening. As illusory as that control may be, being organized will help you handle the unexpected.

First, come up with a relocating schedule that will help you break the moving process into phases. Detail exactly which task needs to be accomplished when. Use a checklist to make sure you are taking care of necessary goals by their due dates.

Create a system that works to help you keep track of everything. Whether you make up your own or get help from someone with moving experience, having a model to work from will be your saving grace.

## **Make it easy**

Don't be married to an initial moving plan simply because it was your first. As you do the footwork, you may discover there is an easier way to get the move done, and you should embrace this! Sure, driving your car cross-country might have seemed the only affordable option initially, but a search for reputable auto shippers and a sale on air fares could make all the difference between a stressful move and a more relaxed one.

The same philosophy goes for packing. Rather than take on the entire process yourself, be sure to get quotes for having movers assist you.

## **Schedule time for stress relief**

In the weeks leading up to your move, you may be so focused on getting everything done that you neglect your own health. Coping with a move requires that you stay physically and emotionally fit, so get plenty of sleep, eat well and get some exercise. This would also be a good time to schedule a massage or a spa session. If time allows, try to get a weekend or at least a night away so that you can take your mind off your move for a little while.

## **Ask for help**

Obsessive-compulsive people and the detail-oriented among us often have trouble asking for help. While you are making your thorough preparations, also be sure to contact friends and family on both sides of your move to help you in any way possible. Many hands really do make the work lighter, which can relieve a lot of stress. You'll be glad for the company, too.

## **Look forward to the end results**

Yes, you know moving will be hard and potentially fraught with stresses, but you will survive it. Many others have gone before you and lived to tell about it. Know that there is nothing that can happen that you can't handle and focus on the potential for new growth and adventure in your new home.

Moving is one of the more stressful things we can experience, but there are ways to make it easier. Prepare, get organized and stay flexible. Before you know it, you'll be unpacking your things in your new home and wondering what all that worry was about!

## 8 WEEKS BEFORE YOU MOVE

- ☐ **Inventory Sheets:** Create an inventory sheet of all which is to be moved
- ☐ **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 Quote:** 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 Material:** Gather moving boxes and packing material for your move.
- ☐ **Contact Insurance Companies:** You'll need to contact your insurance agent to cancel/transfer your insurance policy.

## 4 WEEKS BEFORE YOU MOVE

- ☐ **Start Packing:** Begin packing all things destined for your new location.
- ☐ **Obtain Your Medical Record:** Contact your doctor, physician, dentist and other medical specialists who may 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 if changing.
- ☐ **Note Food Inventory Levels:** Check your cupboards, refrigerator and freezer to use up as much of your perishable food as possible.
- ☐ **Small Engines:** Service small engines for you move by extracting gas and oil from the machines. This will reduce that chance to catch fire during your move.
- ☐ **Protect Jewelry and Valuables:** Transfer jewelry and valuables to a 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.



## 1 WEEK BEFORE YOU MOVE

- ☐ **Your Change of Address:** Change your address with the USPA, DMV, Financial Institutions, Utilities, Government Offices, Health Care Service Providers, Memberships and Subscriptions
- ☐ **Bank Accounts:** Transfer or close bank and financial accounts if changing banks. Make sure to have a money order for paying the moving company..
- ☐ **Service Automobiles:** If automobiles are to be driven long distance, you'll want to have them serviced so you have a trouble-free drive.
- ☐ **Cancel Services:** Notify any remaining service providers (newspapers, lawn services, etc.) of your move.
- ☐ **Travel Items:** Set aside all items you'll need while traveling. Make sure these are not packed on the moving truck.
- ☐ **Contact Utility Companies:** Set utility turnoff date, seek refunds and deposits and notify them of your new address.

## MOVING DAY

- ☐ **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 a sitters for the day.
- ☐ **Review the House:** Once the house is empty, check the entire house (closets, attic, basement, etc.) to ensure no items are left or no home issues exist.
- ☐ **Double Check With Your Mover:** Ensure the mover has the new property address and all of your most recent 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.
- ☐ **Questions To Ask:** Where is the garage door opener? Where are the keys to the house, mailbox and other lockable area? Did you retrieve all keys from neighbors and friends?



# NOTIFICATION CHECKLIST



## UTILITIES

- ☐ Electric
- ☐ NW Natural Gas
- ☐ Water District
- ☐ Sewer District
- ☐ Garbage Provider
- ☐ Cable/Satellite
- ☐ Fuel (Propane)
- ☐ Phone Services
- ☐ Internet

## FINANCIAL INSTITUTIONS

- ☐ Banks and Credit Unions
- ☐ Credit Card Companies  
(including department store credit cards)
- ☐ Lenders  
(Mortgage, Home Equity, Auto, Student Loans)
- ☐ Insurance Companies  
(Health, Renters, Auto, Home, Medical, Dental, Disability, Life)
- ☐ Retirement  
(Pension plans, 401K, Social Security, Veterans Affairs)
- ☐ Investments  
(Investment Agencies and Brokers)
- ☐ Online Bill Payer
- ☐ Paypal

## GOVERNMENT OFFICES

- ☐ US Post Office
- ☐ Department of Motor Vehicles  
(Obtain your driver's license and change vehicle registration)
- ☐ IRS
- ☐ Passport Office
- ☐ Veteran Affairs
- ☐ Unemployment Office  
(If you are currently receiving unemployment benefits)

## HEALTH

- ☐ Physician
- ☐ Pharmacies

## SERVICES PROVIDERS

- ☐ Childcare
- ☐ Housecleaning Services
- ☐ Delivery Services
- ☐ Lawn Care Services
- ☐ Veterinarian
- ☐ Pool Service

## MEMBERSHIPS

- ☐ Health Clubs
- ☐ Membership Clubs (AAA or similar)
- ☐ Community Groups  
(PTA, Neighborhood Associations, Civic Clubs)
- ☐ Children's Extracurricular Activities  
(Dance Classes, Music Lesson, Sports Clubs)

## SUBSCRIPTIONS

- ☐ Newspapers
- ☐ Magazine (USPS will only forward 2 months)
- ☐ Movie Subscriptions (Netflix, Blockbuster, etc.)
- ☐ Book or Music Clubs

## OTHER

- ☐ Friends and Family
- ☐ Employers  
(typically notify the Human Resources Department)

# GLOSSARY OF TITLE TERMS



**ACCELERATION CLAUSE:** A clause in a Deed of Trust or Note that accelerates or hastens the time when the debt becomes due. For example, most deeds of trust of loans contain a provision that the note shall become due immediately upon the sale or transfer of title of the loan, or upon failure to pay an installment of principal or interest. This is also called a due on sale clause.

**ACKNOWLEDGMENT:** A formal declaration made before an authorized official (usually a notary public), by the person who has executed (signed) a document, that such execution is his/her own act and deed. In most instances a document must be acknowledged (notarized) before it can be accepted for recording.

**ADJUSTABLE RATE MORTGAGE (ARM):** A mortgage with an interest rate that changes over time in line with movements in the index. ARMs are also referred to as AMLs (adjustable mortgage loans) or VRMs (variable rate mortgages).

**ADJUSTMENT PERIOD:** The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.

**AFFIDAVIT:** A sworn statement in writing, made before an authorized official.

**AGENCY:** Any relationship in which one party (agent) acts for or represents another (principal) under the authority of the principal. Agency involving real property should be in writing, such as listing, trust, powers or attorney, etc.

**A.L.T.A.:** Abbreviation for the American Land Title Association

**AMORTIZATION:** Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

**ANNUAL PERCENTAGE RATE (APR):** The total finance charges (interest, loan fees, points) expressed as a percentage of the loan amount.

**APPRAISAL:** An opinion of value based on factual analysis. Legally, an estimation of value by two disinterested persons of suitable qualifications.

**ASSESSMENTS:** Specific and special taxes (in addition to normal taxes) imposed on real property to pay for public improvements within a specific geographic area.

**ASSUMPTION OF MORTGAGE:** A Buyer's agreement to assume the liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.

**ATTORNEY-IN-FACT:** An agent authorized to act for another under the power of attorney.

**BALLOON PAYMENT:** A lump sum principal payment due at the end of some mortgages or other long term loans.

**BENEFICIARY:** As used in trust deed, the Lender is designated as the beneficiary, i.e. obtains the benefit of the security.

**BINDER:** Sometimes known as an offer to purchase or an earnest money request. A binder is the acknowledgement of a deposit along with a brief written agreement to enter into a contract for the sale of real estate.

**BORROWER:** One who borrows funds, with the express or implied intention of repaying the loan in full, or giving the equivalent.

**CAP:** The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.

**CC&R's:** Covenants, Conditions and Restrictions. A document that controls the use, requirements and restrictions of a property.

# GLOSSARY OF TITLE TERMS

**CERTIFICATE OF REASONABLE VALUE (CRV):**

A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.

**CLOUD ON TITLE:** An invalid encumbrance on real property, which, if valid, would affect the rights of the owner. For example: A sells lot 1, tract 1 to B. The deal is mistakenly drawn to read lot 2, tract 1. A cloud is created on lot 2 by the recording of the erroneous deed. The cloud may be removed by quitclaim deed, or if necessary, by court action.

**CONVENTIONAL LOAN:** A mortgage loan which is not insured or guaranteed by a governmental agency.

**CLOSING STATEMENT:** The financial disclosure statement that accounts for all of the funds received and accepted at the closing, including deposits for taxes, hazard insurance and mortgage insurance.

**CONDOMINIUM:** A form of real estate ownership. The owner receives title to a particular unit and has a proportionate interest in certain common areas. The unit itself is generally a separately owned space whose interior surfaces (walls, floors and ceilings) serve as its boundaries.

**CONTINGENCY:** A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

**CONVENTIONAL MORTGAGE:** A mortgage or deed of trust not obtained under a government insured program such as FHA or VA.

**CONVERSION CLAUSE:** A provision in some ARMs that enables you to change the ARM to a fixed-rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may cost extra.

**CONVEYANCE:** Transfer of title to land. Includes most instruments by which an interest in real estate is created, mortgaged or assigned.

**COOPERATIVE:** A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

**CRB:** Certified Residential Broker. To be certified, a broker must be a member of the National Association of Realtors, have five years experience and a licensed broker and have completed five requires Residential Division courses.

**DEED:** Written instrument by which the ownership of land is transferred from one person to another.

**DEED OF TRUST:** Written instrument by which the ownership of land is transferred to a trustee as security for a debt or other obligation. Also called trust deed. Used in place of mortgage in many states.

**DEPOSIT RECEIPT:** Used when accepting "Earnest Money" to bind an offer for property by a prospective purchaser, also includes terms of a contract.

**DOCUMENTARY TRANSFER TAX:** A state tax on the sale of real property, based on the sales price.

**DUE-ON-SALE CLAUSE:** An acceleration clause that requires full payment of a mortgage or deed of trust when the secured property changes ownership.

**EARNEST MONEY:** The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

**EASEMENT:** A right to power of the government to take property for a public purpose upon payment of just compensation.

**ENCUMBRANCE:** A claim, lien, charge, or liability attached to and binding real property. Any right to, or interest in, land which may exist in one other than the owner, but which will not prevent the transfer of fee title.

# GLOSSARY OF TERMS



**ESCHEAT:** The reversion of property to the state when an owner dies leaving no legal heirs, devisees or claimants.

**FAIR CREDIT REPORTING ACT:** A federal law giving one the right to see his/her credit report so that error may be corrected. A lender refusing credit based on a credit report must inform the buyer which company issued the report. The buyer may see the report without charge if refused credit.

**ESCROW:** A procedure in which a neutral third party acts as a stakeholder for both the buyer and seller, carrying out both parties instructions and assuming responsibility for handling all of the paperwork and distribution of funds.

**FHA LOAN (Federal Housing Administration):** A federal agency, created by the National Housing Act of 1934, for the purpose of expanding and strengthening home ownership by making private mortgage financing possible on a long-term, low down payment basis. The vehicle is a mortgage insurance program, with premiums paid by the homeowner, to protect lenders against loss on these higher-risk loans. Since 1965, FHA has been part of the newly created Department of Housing and Urban Development (HUD).

**FEE SIMPLE:** An estate in which the owner has unrestricted power to dispose of the property as he wishes, including leaving by will or inheritance. It is greatest interest a person can have in real estate.

**FIANCE CHARGE:** The total cost a borrower must pay, directly or indirectly, to obtain credit according to Regulation Z.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages by FHA or guaranteed by the VA, as well as conventional home mortgage

**GRADUTATED PAYMENT MORTGAGE:** A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.

**GRANT:** A transfer of real property.

**GRANTEE:** The person whom a grant is made.

**GRANTOR:** The person who makes the grant.

**GRI:** Graduated Realtors Institute. A professional designation granted to member of the National Association of Realtors who has successfully completed three courses covering Law, Finance and Principles of Real Estate.

**HOME INSPECTION REPORT:** A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.

**HOME WARRANTY PLAN:** Protection against failure of mechanical systems within the property. Usually includes plumbing, electrical, heating systems and installed appliances.

**IMPOUND ACCOUNT:** Funds retained by a lender to cover such items as taxes and hazard insurance premiums.

**INDEX:** A measure of interest rate changes used to cover such items as taxes and hazard insurance premiums.

**JOINT TENANCY:** An equal undivided ownership of property by two or more persons. Upon death of an owner, the survivors take the decedent's interest in the property.

**LEASE:** An agreement by which an owner of real property gives the right of possession to another for a specific period of time and for specified consideration (rent). Title does not pass.

**LEGAL DESCRIPTION:** A method of geographically identifying a parcel of land sufficient to identify the property such as a lot and tract number.



**LIEN:** An encumbrance against property for money, either voluntary or involuntary. All liens are encumbrances but all encumbrances are not liens.

**LIS PENDENS:** A legal notice recorded to show pending litigation relating to real property and giving notice that anyone acquiring an interest in said property subsequent to the date of the notice may be bound by the outcome of the litigation.

**LOAN COMMITMENT:** A written promise to make a loan for a specified amount on specified amount on specified terms.

**LOAN-TO-VALUE RATIO:** The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

**MARGIN:** The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

**MARKETABLE TITLE:** Title which can be readily marketed (sold) to a reasonably prudent purchaser aware of the facts and their legal meaning concerning lien and encumbrances.

**MECHANICS LIEN:** A lien created by statute for the purpose of securing priority of payment for the price or value of work performed and materials furnished in construction or repair of improvements to land and which attaches to the land as well as the improvements.

**MORTGAGE BANKER:** A company or individual engaged in the business of originating mortgage loans with its own funds, selling those loans to long-term investors and servicing the loans for the investor until they are paid in full.

**MORTGAGE INSURANCE:** Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss incurred by a mortgage default, thus enabling the lender to lend a higher percentage of the sale price. The Federal government writes this form of insurance through the FHA and VA.

**MORTGAGE LIFE INSURANCE:** A type of term life insurance often bought by mortgagors. The coverage decreases as the mortgage balance declines. If the borrower dies while the policy is in force, the debt is automatically covered by insurance proceeds.

**NEGATIVE AMORTIZATION:** This occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid balance, which means that even after several payments you could owe more than you did at the beginning of the loan. Negative Amortization can occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.

**NOTE:** A unilateral agreement containing an express and absolute promise of the signer to pay to a named person, order, or bearer, a defined sum of money at a specified date or on demand. Usually provides for interest and, concerning real property, is secured by a mortgage or trust deed.

**NOTICE OF DEFAULT:** A notice filed to show that the borrower under a mortgage or deed of trust is in default (behind on the payments).

**ORGINATION FEE:** A fee or charge for work involved in evaluating, preparing and submitting a proposed mortgage loan. The fee is limited to 1 percent for FHA and VA loans.

**PERSONAL PROPERTY:** Moveable property: all property which is not real property. Property consisting of chattels as contrast as to real estate; e.g. furniture, car, clothing.

**PIGGYBACK LOAN:** A loan made jointly by two or more lenders on the same property under one mortgage or trust deed.

**PITI:** Principal, Interest, Taxes and Insurance.

**PERSONAL PROPERTY:** Moveable property: all property which is not real property. Property consisting of chattels as contrast as to real estate;



**PLANNED UNIT DEVELOPMENT (PUD):** A zoning designation for property developed at the same or slightly greater overall density than conventional development, sometimes with improvements clustered between open, common areas. Uses may be residential, commercial or industrial.

**POINT:** An amount equal to 1 percent of the principal amount of the investment or note. The lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

**POWER OF ATTORNEY:** An authority by which one person (principle) enables another (attorney-in-fact) to act for him/her. (1) General power – authorizes sale, mortgaging, etc., of all property of the principle. This is invalid in some jurisdictions. (2) Special power specifies property, buyers, price and terms. How specific it must be varies in each state.

**PRELIMINARY TITLE REPORT:** A report showing the condition of title before a sale or loan transaction. After completion of the transaction, a title insurance policy is issued.

**PRE-PAYMENT PENALTY:** A fee charged to a mortgagor who pays a loan before it is due. This is not allowed with FHA or VA loans.

**PRIVATE MORTGAGE INSURANCE (PMI):** Insurance written by a private company protecting the lender against loss if the borrower defaults on the mortgage.

**PROMISSORY NOTE:** A promise in writing, and executed by the maker, to pay a specified amount during a limited time, or on demand, or at sight, to a named person, or on order, or to bearer.

**PRORATION:** To divide (prorate) property taxes, insurance premiums, rental income, etc., between buyer and seller proportionally to time of use, or the date of closing.

**PURCHASE AGREEMENT:** A written document in which the purchaser agrees to buy certain real estate and seller agrees to sell under stated terms and conditions. Also, called a sales contract, earnest money contract or agreement for sale.

**QUITCLAIM DEED:** A deed operating as a release: intended to pass any title, interest, or claim which the grantor may have in the property, but not containing any warranty of a valid interest or title in the grantor.

**REAL PROPERTY:** Land and buildings as opposed to personal property or chattels.

**REALTOR:** A real estate broker or associate active in a local real estate board affiliated with the National Association of Realtors.

**RECONVEYANCE:** An instrument used to transfer title from a trustee to the equitable owner of real estate, when title is held as collateral security for a debt. Most commonly used upon payment in full of a trust deed. Also, called a deed of reconveyance or release.

**RECORDATION:** Filing for record in the office of the county.

**REGULATION Z:** The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

**RIGHT OF SURVIVORSHIP:** The right of a survivor of a deceased person to the property of said deceased. A distinguishing characteristic of a joint tenancy relationship.

**STATEMENT OF IDENTITY:** Also called Statement of Information, a confidential form filled out by the buyer and seller to help a title company determine if any liens are recorded against either. Very helpful when people with common names are involved. Property of the one owing taxes.

**TAX LIEN:** (1) A lien for nonpayment of property taxes. Attaches only to the property upon which the taxes are unpaid. (2) A federal income tax lien. May attach to all property of the one owing taxes.

**TENANCY IN COMMON:** A type of joint ownership of property by two or more persons with no right of survivorship.

**TITLE:** Evidence of a person's right or the extent of his interest in property.

**TITLE INSURANCE POLICY:** A policy that protects the purchaser, mortgagee or other party against losses.

**TRANSFER TAX:** State tax on the transfer of real property. Based on purchase price or money exchanging hands. Also called documentary transfer tax.

**TRUSTEE:** (1) One who is appointed, or required by law, to execute trust. (2) One who holds title to real property under the terms of a deed of trust.

**TRUSTOR:** The borrower under deed of trust. One who deeds his/her property to a trustee as security for the repayment of a loan.

**VA LOAN:** A loan that is partially guaranteed by the Veterans Administration and made by a private lender.

**VETERANS ADMINISTRATION (VA):** An independent agency of the federal government created by the service men's readjustment act of 1944 to administer a variety of benefit programs designated to facilitate the adjustment of returning veterans to civilian life. Among the benefit programs is the home loan guaranty program designated to encourage mortgage lenders to offer a long-term low down payment financing to eligible veterans by guaranteeing the lender against loss on these higher-risk loans.

**WRAP-AROUND MORTGAGE:** A second or junior mortgage with a face value of both the amount it secures and the balance due under the first mortgage. The mortgage under the wrap-around collects a payment based on its face value, then pays the first

