



HOMEBUYERS GUIDE



Old Dominion

Title & Escrow

2425 Boulevard, Suite 5
Colonial Heights, VA 23834
804-526-8000

WWW.ODTCO.COM

Quick REFERENCE

Escrow #	
New Address	
City/State/Zip	

Complete the following information as it becomes available.

IMPORTANT: Do not cancel your home insurance or disconnect utilities prior to the close of escrow.

REAL ESTATE AGENT	
Name	
Team Members	
Company	
Address	
City/State/Zip	
Phone #	
Cell #	
Fax #	
Email	
Website	

CLOSING AGENT OR ATTORNEY	
Name	
Phone Number	
Fax #	
Email	
Assistant	
Phone #	
Email	
Address	
City/State/Zip	

SERVICE	COMPANY	PHONE #	ACCOUNT #	ACTIVATION DATE
Water				
Cable/Satellite				
Gas				
Electric				

HOME INSURANCE	
Current Agent	
Phone #	
Policy #	
END Date	
New Agent	
Phone #	
Policy #	
START Date	

PHONE SERVICE	
Company	
Phone #	
Account #	
New Phone #	
Activation Date	

rent or buy...

YOU DECIDE



Have you ever considered how much you pay in rent over an extended period of time? It is probably a lot more than you realize. The amount you spend for rent each month could be applied to a mortgage, not only

RENT	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
\$1,000.00	\$60,000.00	\$120,000.00	\$180,000.00	\$240,000.00	\$300,000.00	\$360,000.00
\$1,200.00	\$72,000.00	\$144,000.00	\$216,000.00	\$288,000.00	\$360,000.00	\$423,000.00
\$1,400.00	\$84,000.00	\$168,000.00	\$252,000.00	\$336,000.00	\$420,000.00	\$504,000.00
\$1,600.00	\$96,000.00	\$192,000.00	\$288,000.00	\$384,000.00	\$480,000.00	\$576,000.00
\$1,800.00	\$108,000.00	\$216,000.00	\$324,000.00	\$432,000.00	\$540,000.00	\$648,000.00
\$2,000.00	\$120,000.00	\$240,000.00	\$360,000.00	\$480,000.00	\$600,000.00	\$720,000.00
\$2,200.00	\$132,000.00	\$264,000.00	\$396,000.00	\$528,000.00	\$660,000.00	\$792,000.00
\$2,400.00	\$144,000.00	\$288,000.00	\$432,000.00	\$576,000.00	\$720,000.00	\$864,000.00
\$2,600.00	\$156,000.00	\$312,000.00	\$468,000.00	\$624,000.00	\$780,000.00	\$936,000.00
\$2,800.00	\$168,000.00	\$336,000.00	\$504,000.00	\$672,000.00	\$840,000.00	\$1,008,000.00
\$3,000.00	\$180,000.00	\$360,000.00	\$540,000.00	\$720,000.00	\$900,000.00	\$1,080,000.00

RENT

- ◇ No interest-payment deductions
- ◇ Rental amount may increase at any time
- ◇ Landlord approval needed for any changes
- ◇ No capitalization; your money disappears forever
- ◇ Rental is temporary and often subject to a 30-day notice

BUY

- ◇ Mortgage interest is tax deductible
- ◇ Decorate and make changes, without prior approval
- ◇ The value of your property may increase in time
- ◇ Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord

OLD DOMINION TITLE & ESCROW, LLC

Call today to discuss your next closing!

(804) 526-8000

2425 Boulevard, Suite 5

Colonial Heights, VA 23834

www.odtco.com

Like us on Facebook



Over 25 years of experience in real estate closings and title insurance

Old Dominion Title & Escrow is a customer and community oriented settlement and title insurance agency that offers efficient, reliable and courteous transactions. We are a company where communication was key, team work is a given and customer service is top-notch.

- ♦ *Service you can count on*
- ♦ *Technology and Innovation*
- ♦ *Closing Management System*
- ♦ *Fast title turnaround*
- ♦ *Our history of excellence*

MEET YOUR TEAM

Heather D. Rose

Vice President/Settlements

Heather has worked in the real estate field for over 25 years, with a majority of that time spent as a settlement agent representing buyers and sellers in all manner of real estate transactions including purchases, refinances, short sales, REO and estate closings. However, working with buyers and sellers to achieve their dreams is really what drives her professionally.



Vickie Wolfe

Vice President/Underwriting

Vickie has over 7 years experience in the real estate title insurance industry. She is experienced in residential, commercial, new construction and foreclosure underwriting. Vickie believes in putting the customer first and that communication and excellence in service is vital to that relationship.

Kelly Frashure

Post-Closing/Title Coordination

Kelly has over 8 years experience in the real estate title insurance industry as a title coordinator. She organizes all the examiners to insure title arrives quickly. She is also responsible for sending out the final documentation and funding requirements.



KEY PROFESSIONALS

INVOLVED IN A REAL ESTATE TRANSACTION



Knowledgeable, customer-focused professionals are available to answer your title and settlement questions. Throughout the home buying and selling process, you may also encounter the following industry specialists who are able to professionally answer questions in their area of expertise.

REALTOR®

A REALTOR is a licensed real estate agent and a member of the National Association of REALTORS®. They also belong to their state and local Association of REALTORS. When looking for a REALTOR, the best place to start is by asking friends and neighbors for referrals. Another resource is the Find a REALTOR search feature on the National Association of REALTORS (NAR) website.

REAL ESTATE AGENT

A real estate agent is licensed by the state to represent parties in the transfer of property. Every REALTOR is a real estate agent, but not every real estate agent has the professional designation of a REALTOR.

LISTING AGENT

A listing agent or broker forms a legal relationship with the homeowner to sell the property.

BUYER'S AGENT

A buyer's agent or broker works with the buyer to locate a suitable property and negotiate a successful home purchase.

HOME INSPECTOR

A home inspector objectively and independently provides a comprehensive analysis of a home's major systems and components.

LOAN OFFICER

A loan officer is a representative of a bank or other financial institution. They help customers identify their borrowing options and help them understand the terms of their loan.

APPRAISER

An appraiser works on behalf of a lender and provides a market analysis of the subject property. An appraiser's finding is subjective and combined with market findings of sold properties within the surrounding neighborhood.

INSURANCE AGENT

An insurance agent helps a homebuyer determine the homeowner's protection coverage needed and then finds the right insurance policy to fit those needs.

REAL ESTATE ATTORNEY

A real estate attorney can give advice on all legal aspects of the real estate transaction. Additionally, they are able to draft and review contracts, help decide how to take title and assist with the closing process. In some states, real estate closings can only be conducted by attorneys.

ESCROW/CLOSING OFFICER

An escrow or closing officer is a non-biased third party who works with all participants to facilitate a successful closing of a real estate transaction. At closing, the closing officer will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the HUD-1 Settlement Statement and record the necessary documents to transfer ownership of the property.

CLOSING/TITLE AGENT

A closing or title agent performs title searches to ensure a clear title so a title insurance policy can be issued. In some states they are able to facilitate the transfer of real estate.

WHY USE OLD DOMINION TITLE



Our staff prides itself on the knowledgeable and professional closing and title "Team" it provides for your closing and title insurance needs. All employees are experienced professionals who are eager to work with you and make your closing a memorable, engaging and professional closing experience.

Service We Provide

As time moves on, many companies move further and further away from the customer and are focused more on "quantity". One of our main goals is making the customer happy. We know that if you have a positive experience, you are more likely to use our services again and inform others about the experience you had. This is how we've established our base of loyal clientele. It is not the "quantity", but the "quality" we are concerned about.

- ◆ We provide a secure virtual file you can access 24/7 with instant updates
- ◆ We coordinate with the buyers, sellers, lenders and realtors in order to comply with the closing instructions, contract conditions and title requirements necessary
- ◆ We provide MLS services for our builders quickly to ensure draws occur without delay.
- ◆ We take the time to answer and address the unique concerns of First Time Home Buyers
- ◆ We are well versed with REO sellers, HUD and VA foreclosure requirements and time-lines.
- ◆ We work diligently to clear title cloud issues.
- ◆ We work quickly to record and disburse funds with 24 hours.

The Closing

What is a closing?

Closing, which is also known as “settlement” or “escrow” is the event where the title to a property is transferred from seller to buyer. Closing involves the completion of all the necessary paperwork to finalize the agreement between buyer and seller. The necessary documents are prepared, signed, filed with local authorities and all funds are disbursed according to the contract and/or lender instructions.

The Closing Checklist For Closing

- ☐ Wire or Certified Check
- ☐ Valid Photo ID
- ☐ Any Documentation Requested

What are closing costs?

Closing costs are all costs required to close the real estate transaction. They can include (but are not limited to) surveying fees, property taxes, title insurance, attorney fees, closing agent fees, recording fees, points, loan origination fees, private mortgage insurance (PMI), and the balance of your down payment. Prior to closing, you should review your final Settlement Statement or Closing Disclosure to ensure that all the calculations are correct and that you have been given all the credit for deposits and other agreed upon buyer and seller credits. Also recheck all lender, title, and escrow fees to make sure they are accurate.

OBTAINING A NEW LOAN

WHEN AND WHERE TO APPLY FOR A LOAN?

There are many sources for home loans including banks, credit unions, mortgage companies, and mortgage brokers. You may consider asking friends and relatives or your real estate agent for recommendations. Knowing what you can afford before you begin looking may give you more bargaining power when negotiating with a seller.

WHAT IS HAZARD (OR FIRE) INSURANCE?

Hazard insurance covers the dwelling itself and may be required for your home. Your lender or real estate agent may explain the necessary hazard insurance coverage to you. If you are buying a condominium, ask if a master policy will be included with your unit.

CONTACT YOUR INSURANCE AGENT EARLY

This coverage may need to be provided so the closing agent or attorney can release loan funds to the title company. Order your insurance as soon as your loan is approved; then furnish your closing agent or attorney with the agent's name and phone number. When you talk with your insurance agent, ask about additional coverage in a homeowners policy to insure your personal belongings and protect against liability for such events as injuries to visitors.

WHAT HAPPENS AFTER LOAN APPROVAL?

After loan approval and just prior to your planned closing date, your closing agent or attorney will prepare an estimated HUD-1 Settlement Statement. This statement indicates what funds go where, and at this time your closing agent or attorney can tell you how much money you need to bring to the closing appointment. *Be aware that this amount may be higher or lower than previously estimated* due to changes in such items as prepaid

WHAT YOU MAY NEED FOR THE LOAN APPLICATION

Be prepared to provide some or all of these items to your loan officer.

- Addresses of residences for the last two or more years
- Social Security Number
- Driver's License or other valid ID
- Names and addresses of employers for the last two or more years
- Two or more recent pay stubs showing year-to-date earnings
- Federal tax returns for the last two or more years
- W-2s for the last two or more years
- Checking and savings account statements for last two or more months
- Debt: names, addresses, account numbers, and payment amounts on all loans and credit cards
- For a VA loan, Certificate of Eligibility or DD-214s
- Divorce decree if applicable
- Letters of explanation regarding credit inquiries or special circumstances
- Funds to pay for credit report and appraisal

5 MORTGAGE CLOSING TERMS EVERY BUYER

When the housing crisis and economic recession hit, it put many prospective home buyers' plans on hold, forcing those considering purchasing a home into the rental market. Now, as the economy continues to improve, some of those renters are looking to own.

However, there are many factors to consider when buying a home. When it comes to the closing process, it is a good idea to know the terminology that will be discussed. This can help make the situation much more comfortable and professional for all parties involved. Below are some of the terms that may

ANNUAL PERCENTAGE RATE (APR)

This term reflects the cost of all credit and finances as determined by the length of a year, including the interest rate, points, broker fees, and other credit charges obligated to the buyer.

DOWN PAYMENT

Like many transactions involving large sums of money, the mortgage process involves a down payment - the amount a home buyer pays in order to make up the difference between the purchase price and the mortgage amount. Some experts advise no less than 10 to 15 percent. However, with the economy still weary and lenders still stringent, any amount over 20 percent of the purchase price is recommended, and is often required to avoid having to pay for private mort-

TRUTH-IN-LENDING DISCLOSURE (TIL)

Required by federal law, the Truth-In-Lending Disclosure explains all lender required costs for the loan including, but not limited to, the annual percentage rate, the terms of a loan and the amount and due dates of all payments necessary to repay the loan.

PRIVATE MORTGAGE INSURANCE (PMI)

PMI is typically required if a borrower puts a down payment that's less than 20 percent of the home's value. The charge is usually included in the monthly mortgage payment in an attempt to protect the lender from possible default.

CLOSING COSTS

Closing costs may also be referred to as transaction costs or settlement costs and may include various fees and charges associated with finalization. These may include or be related to application fees, title examination, title insurance, property fees, as well as settlement documents and attorney charges. The Real Estate Settlement Procedures Act ensures that the borrower receives a good faith estimate of closing costs within three days of application from the

SAMPLE MORTGAGE PAYMENT

30-YEAR LOAN / PRINCIPAL & INTEREST ONLY

	INTEREST RATE							
LOAN AMOUNT	3.50%	3.75%	4%	4.25%	4.50%	4.75%	5%	5.25%
\$90,000.00	359	379	382	394	405	417	429	442
\$100,000.00	449	463	477	492	507	522	537	552
\$120,000.00	539	556	573	590	608	626	644	663
\$140,000.00	629	648	668	689	709	730	752	773
\$160,000.00	718	741	764	787	811	835	859	884
\$180,000.00	808	834	859	885	912	939	966	994
\$200,000.00	898	926	955	984	1,013	1,043	1,074	1,104
\$220,000.00	988	1,019	1.50	1,082	1,115	1,148	1,181	1,215
\$240,000.00	1,078	1,111	1,146	1,181	1,216	1,252	1,288	1,325
\$260,000.00	1,168	1,204	1,241	1,279	1,317	1,356	1,396	1,436
\$280,000.00	1,257	1,297	1,337	1,377	1,419	1,461	1,503	1,546
\$300,000.00	1,347	1,389	1,432	1,476	1,520	1,565	1,610	1,657

HOW MUCH HOME CAN YOU AFFORD?

THIS FORMULA IS ONLY A GUIDE AND NOT TO BE CONSTRUED AS ACTUAL LENDING CALCULATIONS.

Contact your loan officer to determine more accurately what price range you should consider. Lenders abide by certain ratios when calculating the loan amount their customers can qualify for and the ratios vary by lender and loan program. Many use 28% of your gross monthly income as the maximum allowed for your mortgage payment (principal/interest/taxes/insurance or PITI); for your total monthly debt, the ratio is 36%. Total monthly expenses means PITI plus long-term debt (such as auto loans) and revolving/credit-card debt. Do not include other expenses such as groceries, utilities, clothing, tuition, etc., to calculate this ratio.

MONTHLY PAYMENTS
ON ACCOUNTS, AUTO,
CREDIT CARD, LOANS + _____
+ _____
+ _____
+ _____
+ _____
- TOTAL MONTHLY
DEBT (A) _____

GROSS MONTHLY
INCOME BEFORE
TAXES (B) _____ x .36
- ALLOWABLE TOTAL
MONTHLY DEBT (C) _____

MONTHLY ALLOWABLE TOTAL DEBT (C) _____
MINUS MONTHLY DEBT -(A) _____
- MONTHLY ALLOWABLE PITI (D) _____
(LESS 20% FOR TAXES & INSURANCE) _____ x .80
- ALLOWABLE PRINCIPAL/INTEREST ONLY (E) _____

GROSS MONTHLY INCOME (B) _____
x .28
- MONTHLY ALLOWABLE PITI (F) _____
(LESS 20% FOR TAXES & INSURANCE) _____ x .80
- ALLOWABLE PRINCIPAL/INTEREST ONLY (G) _____
PAYMENT: ENTER LESSER OF (E) OR (G) (H) _____

Using the chart above, in d
current interest rate.
Locate payment amount in
the column close to your
principal and interest (H).
Find loan amount to the
left and enter here.

LOAN AMOUNT _____
FOR 20% DOWN + .80
- HOME PRICE _____
LOAN AMOUNT _____
FOR 10% DOWN + .90
- HOME PRICE _____

chart

HOME COMPARISON



Remembering each home would appear easy, but it can quickly become confusing. Which home was near the school? Which one had the great pool? Did it have a family room? How many bathrooms? In the "Something Memorable" category, note something you think is unusual and memorable about each home, such as a stained glass window, fruit trees, a child's playhouse. This will make it easier for you to recall the property later and refer to a specific address. And, last but not least, maybe the most important question, does this house feel like home?

The following home comparison chart is designed to help you remember the homes you visit and what you liked best and least about each one. Rate features or make notes that will help you determine what pleased or displeased you.

	HOME 1	HOME 2	HOME 3	HOME 4	HOME 5
ADDRESS					
ASKING PRICE					
NO. BEDROOMS/BATHS	/	/	/	/	/
SQUARE FOOTAGE					
FIRST IMPRESSION					
LOCATION					
NEIGHBORHOOD					
APPEALING STYLE					
LIVING ROOM					
DINING ROOM					
GREAT ROOM					
KITCHEN					
FAMILY ROOM					
BATHROOM					
MASTER BEDROOM					
MASTER BATH					
BEDROOMS					
FLOOR PLAN					
PATIO					
POOL					
LANDSCAPING					
GARAGE OR CARPORT					
SOMETHING MEMORABLE					
DOES THIS FEEL LIKE HOME?					

Title Explained

What is a Title?

When you purchase a home, you are really purchasing the title to the property—which is the right to occupy and use the space. That title may be contested based upon past rights and claims asserted by others. These types of claims can cause you to lose money or even worse... lose your home.

What is a Title Search?

Is a detailed examination of the records concerning a property. These include deeds, court records, property and name indexes, and many other documents. The purpose of the search is to verify the seller's right to transfer ownership, and to discover any claims, defects and other rights or burdens on the property.

What kinds of problems can a title search reveal?

A title search can show a number of title defects and liens, as well as other encumbrances and restrictions, which include (but not limited to) unpaid taxes, unsatisfied mortgages, judgments against the seller and restrictions limiting the use of the land.

Are there any problems that a title search cannot reveal?

Yes. There are some “hidden hazards” that even the most diligent title search may never reveal. For instance, the previous owner could have incorrectly stated his or her marital status, resulting in a possible claim by a legal spouse. Other “hidden hazards” include fraud and forgery, defective deeds, mental incompetence, confusion due to similar or identical names, clerical errors in the records and many more. These defects can arise after you've purchased your home and can jeopardize your right to ownership. “Title insurance” protects your right to ownership.

Title Insurance

What is title insurance?

Title insurance is your policy of protection against loss if any of these problems — even a “hidden hazard” — results in a claim against your ownership

How much does title insurance cost?

The cost of title insurance varies based on the purchase price of the property. Unlike other insurance premiums, which must be paid annually, a title insurance premium is paid one time only at settlement.

How does title insurance protect my investment if a claim should arise?

If a claim is made against your property, title insurance will, in accordance with the terms of your policy, assure you of a legal defense — and pay all court costs and related fees. Also, if the claim proves valid, you will be reimbursed for your actual loss up to the face amount of the policy.

Who pays for title insurance?

Generally the buyer pays for title insurance and chooses the title/closing company.

Tenancy Explained



Tenants by the Entirety

A form of vesting title to property acquired by husband and wife during their marriage. This estate is presumed when husband and wife acquire title, unless otherwise specified. Right of survivorship is inherent. Both spouses must join in the same instrument to mortgage or convey property.



Joint Tenancy

A form of vesting title to property owned by two or more persons, who may or may not be married, in equal interest, with the right of survivorship in the surviving joint tenant(s). When a joint tenant dies, title to the property automatically passes by operation of law to the surviving joint tenant(s). Therefore, joint ten joint tenancy property is not subject to disposition by will.



Tenants in Common

A form of vesting title to property owned by any two or more individuals in undivided fractional interests. The fractional interests may be unequal quantity and may arise at different times. 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

what is TITLE INSURANCE



As real estate is the nation's largest market, its purchase and sale is essential to the health of the U.S. economy. However, these transactions are never without risk. That's why title insurance has been protecting American homeowners for more than 130 years.



overview

When a piece of real property is financed, purchased or sold, a record of that transaction is generally filed in public archives. Likewise, other events that may affect the ownership of a property are also documented and filed. These may include liens, levies, encumbrances, etc. When a buyer purchases title insurance, the title company searches these records to find (and remedy, if possible) issues that may affect the purchaser's ownership.

title search and exam

That's where title insurance differs from traditional insurance models. When you purchase a policy insuring you for matters relating to your car or health, the insurance company assesses the risk of insuring you, and bases its premium on the risk being assumed. With title insurance, the insurer first works to identify the status of ownership, liens and other matters affecting title by collecting documents affecting title from the public records that are statutorily identified for the recording of real estate transactions. This process is called the search. Once the search is complete, the title insurance underwriter can then determine the insurability of the title and list exceptions from coverage and requirements to insure.

undiscovered risks

Of course, even the most skilled title professionals may not find all title problems. Other risks include matters that are more difficult to identify, such as title issues resulting from filing errors, forgeries, undisclosed heirs, and other unforeseen problems. That's one reason why your title insurance policy can play a key role in protecting your real estate investment.

loan policy

When you purchase a new home or other piece of real property by securing a mortgage, you will be required by your lender to purchase a loan policy of title insurance. This policy insures the lender against covered title defects up to the amount of insurance. This coverage in favor of the lender lasts for the life of the loan under limited circumstances stated within the policy.

owner's policy

You will also have the option of purchasing an owner's policy of title insurance, which provides insurance directly to the insured owner listed in the policy, and describes the type of real property interest owned. The insurance in both an owner's and a loan policy is subject to the policy provisions, which include the covered risks, exclusions from coverage, the conditions and the exceptions to title listed on a schedule to the policy.

premium

You will pay a one-time premium for both the loan policy and the owner's policy at the close of your transaction, based on the total value of your home and the amount of your loan. This is another way in which title insurance differs from other insurance models, where premiums are paid on an ongoing basis. The purchase of a home or other real estate may be the largest financial investment you ever make. Title insurance can give you added peace of mind in knowing that the title to your investment is insured.



Chicago Title Insurance Company

Compare the Coverage

Residential Owner's Policies

Coverage	Standard Policy	Castle Enhanced Policy
1. Someone else owns an interest in your title	X	X
2. Improperly executed documents	X	X
3. Pre-policy forgery, fraud and duress	X	X
4. Defective recording of any document	X	X
5. Undisclosed restrictive covenants	X	X
6. A lien on your title because of a security deed, judgment, tax or special assessment, or a charge by a homeowner's association	X	X
7. Unmarketable title	X	X
8. Mechanics' liens		X
9. Forced removal of a structure which encroaches onto another property or an easement		X
10. Forced removal of a structure which violates an existing zoning law *		X
11. Forced removal of a structure because of a violation of a restriction in Schedule B		X
12. Inability to use land for single family dwelling because of a violation of a zoning ordinance or restriction in Schedule B		X
13. Pays rent for substitute land or facilities		X
14. Rights under unrecorded leases		X
15. Plain language		X
16. Unrecorded easements		X
17. Building permit violations *		X
18. Compliance with Subdivision Map Act, if any *		X
19. Restrictive covenant violations		X
20. Access-Vehicular & Pedestrian based on legal right		X
21. Map, if any, not consistent with legal description		X
22. Covenant violation resulting in reversion		X
23. Enhanced marketability		X
24. Violations of building setbacks		X
25. Discriminatory covenants		X
26. Post Policy forgery		X
27. Post Policy encroachment		X
28. Post Policy damage from minerals or water extraction		X
29. Post Policy living Trust Coverage for Trustee		X
30. Post Policy living Trust Coverage for Beneficiary		X
31. Access - Actual vehicular & Pedestrian access		X
32. Post Policy automatic increase in value up to 150%		X
33. Post Policy adverse possession		X
34. Post Policy cloud on title		X
35. Post Policy prescriptive easement		X
36. Boundary walls and fence encroachment *		X
37. Insurance coverage forever		X

Castle Enhanced Policy Highlights

Pre- and Post-Policy Protections

In today's real estate market, homeowners can take nothing for granted. Chicago Title protects against many unknown elements by offering both pre – and post – policy coverage against most forgeries, liens for unpaid materials and labor not authorized by you, as well as building encroachment issues other than boundary walls or fences.

Expanded Access Coverage

This policy expands the right of access coverage to include the existence of actual pedestrian and vehicular access over adequate streets or roads – your ability to get to or from your land on foot or vehicle.

Restrictive Covenant Violations

The Castle Enhanced policy protects homeowners against the loss of title to property because of a violation of a restrictive covenant that occurred before the insured acquired title.

Building Permit Violations

With so many different city and town zoning and permit laws, it's hard to keep track. But a homeowner shouldn't have to pay for someone else's oversight. The Castle Enhanced policy protects against certain losses incurred because no legal building permit was obtained for the existing residence. This coverage is subject to deductible amounts and maximums of liability.

Encroachments

The Castle Enhanced policy provides coverage if the homeowner is forced to remove structures which are located on the property when the policy is issued, because the improvements encroach onto a neighbor's property. If the encroachment is a boundary wall or fence this coverage is subject to deductible amounts and maximums of liability. Protection is also afforded in the event that, after the policy is issued, a neighbor builds a structure other than a boundary wall or fence which encroaches on the insured property.

Easements

This policy protects the homeowner against loss if they are required to remove existing structures because they encroach into an easement or over a building set-back line. In addition, damage to existing improvements caused by the use or maintenance of any easement will be covered by this policy.

Subdivisions Law Violations

The Castle Enhanced policy protects homeowners from loss if they can't sell the property or get a building permit because of a violation of a subdivision law that existed on the date of purchase. This coverage is subject to a policy deductible and a maximum limit of liability.

Zoning Law Violations

The Castle Enhanced policy provides coverage if the land purchased is not properly zoned to permit one-to-four family residential homes or condominiums.

Water and Mineral Rights Damage

The Castle Enhanced policy provides coverage if a homeowner's existing house is damaged because someone exercised a right to use the surface of the extraction of or development of minerals.

Additional Insureds

The definition of an insured has been expanded to include:

1. Anyone who inherits the title from the insured;
2. A spouse who is awarded title in a divorce;
3. The trustee of a trust to whom the Insured conveys the title after the policy is issued;
4. The beneficiaries of the trust after the death of the insured.

Supplemental Taxes

Homeowners are wary of real estate tax surprises. In the event that a hidden real estate tax affects your title, this policy protects homeowners from the unforeseen costs, including prior years taxes not previously assessed because of construction or a change of ownership or use that occurred before the policy was issued.

Value-Added Protection

Traditional title policies don't increase their coverage as the value of a house increases. Not so with the Castle Enhanced Policy. The policy amount automatically increases by 10 percent per year for five years up to 150 percent of the original policy limit. This automatic increase in coverage at no extra cost.

Chicago Title Insurance Company

10 Common

{ Have you ever wondered why you need title insurance? Your home may be new to you, but every property has a history. A thorough title search can help uncover any title defects tied to your property. And, subject to the terms of the policy, your title insurance provides protection for you from title problems that may become known after you close your transaction. Some of these common }

1. ERRORS IN PUBLIC RECORDS: To err is human, but when it affects your home ownership rights, those mistakes can be devastating. Clerical or filing errors could affect the deed or survey of your property and cause undue financial strain in order to resolve them.

2. UNKNOWN LIENS: Prior owners of your property may not have been meticulous bookkeepers – or bill payers. And even though the former debt is not your own, banks or other financing companies can place liens on your property for unpaid debts even after you have closed on the sale. This is an especially worrisome issue with distressed properties.

3. ILLEGAL DEEDS: While the chain of title on your property may appear perfectly sound, it's possible that a prior deed was made by an undocumented immigrant, a minor, a person of unsound mind, or one who is reported single but in actuality married. These instances may affect the enforceability of prior deeds, affecting prior (and possibly present) ownership.

4. MISSING HEIRS: When a person dies, the ownership of their home may fall to their heirs, or those named within their will. However, those heirs are sometimes missing or unknown at the time of death. Other times, family members may contest the will for their own property rights. These scenarios – which can happen long after you have purchased the property – may affect your rights to the property.

5. FORGERIES: Unfortunately, we don't live in a completely honest world. Sometimes forged or fabricated documents that affect property ownership are filed within public records, obscuring the rightful ownership of the property. Once these forgeries come to light, your rights to your home

6. UNDISCOVERED ENCUMBRANCES: When it comes to owning a home, three can be a crowd. At the time of purchase, you may not know that a third party holds a claim to all or part of your property – due to a former mortgage or lien, or non-financial claims, like restrictions or covenants limiting the use of your property.

7. UNKNOWN EASEMENTS: You may own your new home and its surrounding land, but an unknown easement may prohibit you from using it as you'd like, or could allow government agencies, businesses, or other parties access to all or portions of your property. While usually non-financial issues, easements can still affect your right to enjoy your property.

8. BOUNDARY/SURVEY DISPUTES: You may have seen several surveys of your property prior to purchasing, however, other surveys may exist that show differing boundaries. Therefore, a neighbor or other party may be able to claim ownership to a portion of your property.

9. UNDISCOVERED WILL: When a property owner dies with no apparent will or heir, the state may sell his or her assets, including the home. When you purchase such a home, you assume your rights as owner. However, even years later, the deceased owner's will may come to light and your rights to the property may be seriously jeopardized.

10. FALSE IMPERSONATION OF PREVIOUS OWNER: Common and similar names can make it possible to falsely "impersonate" a property owner. If you purchase a home that was once sold by a false owner, you can risk losing your legal claim to the property.

Why New Homes Need Title Protection



Title insurance is necessary on a newly constructed home even though the home itself has no title history. Because your new home was built on unimproved land, there may have been many prior owners of the property and with those prior ownerships comes the uncertainty of a clear chain of title. Additionally, obligations to contractors who worked on the home construction may be outstanding, jeopardizing clear title to the property.

Unlike home insurance and car insurance, which focus on possible future hazards, title insurance is a safeguard against loss from hazards and defects already existing in the past. A Chicago Title Owner's Policy offers the best protection from risk exposure associated with the purchase of a new home.

If you financed your new home, your lender most probably required that a Loan Policy of title insurance be purchased; however, a Loan Policy only protects the lender. An Owner's Policy of title insurance fully protects you, the homeowner, from problems that were not uncovered during a title search, and pays for any legal fees involved in defending a claim against your title to the property. For a one-time premium fee, an Owner's Policy provides this coverage for as long as you or your heirs own the home.

WHAT TO AVOID DURING THE CLOSING PROCESS

AVOID CHANGING YOUR MARITAL STATUS:

How you hold title is affected by your marital status. Be sure to make both your lender and the title company aware of any changes in your marital status so that documents can be prepared correctly.

AVOID CHANGING JOBS:

A job change may result in your loan being denied, particularly if you are taking a lower-paying position or moving into a different field. Don't think you're safe because you've received approval earlier in the process, as the lender may call your employer to re-verify your employment just prior to funding the loan.

AVOID SWITCHING BANKS OR MOVING YOUR MONEY TO ANOTHER INSTITUTION:

After the lender has verified your funds at one or more institutions, the money should remain there until needed for the purchase.

AVOID PAYING OFF EXISTING ACCOUNTS UNLESS YOUR LENDER REQUESTS IT:

If your loan officer advises you to pay off certain bills in order to qualify for the loan, follow that advice. Otherwise, leave your accounts as they are until your escrow closes.

AVOID MAKING ANY LARGE PURCHASES:

A major purchase that requires a withdrawal from your verified funds or increases your debt can result in your not qualifying for the loan. A lender may check your credit or re-verify funds at the last minute, so avoid purchases that could impact your loan approval.

WHAT HAPPENS AFTER THE

CLOSING

It is recommended you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements.

KEYS TO HOME

You have been supplied with a set of keys that unlocks the doors to your new home. To ensure security, change the locks upon moving in.

UTILITIES

If you have not already done so, contact the local service providers to make arrangements for electricity, gas, water, phone and cable or satellite services. While some providers may need as little notice as a day to activate your services, it's best to give them a few weeks' notice.

OWNER'S TITLE INSURANCE POLICY

You may have received a First American Title *Owner's Policy* at the closing table. If this service is not available in your area, you will receive your policy by mail in four-to-six weeks.

RECORDED DEED

Once recorded in the official county records, the original deed to your home will be mailed directly to you, generally within four-to-six weeks.

LOAN PAYMENTS

At the closing, written instructions were provided with details for making your first loan payment. You should receive your loan coupon book before your first payment is due. If you don't receive your book, or if you have questions about your tax and insurance escrows, please contact your closing agent or attorney.

PROPERTY TAXES

At the closing, property taxes were prorated between the buyer and the seller based on occupancy time in the home. You may not receive a tax statement for the current year on the home you buy; however, it is your obligation to make sure the taxes are paid when due. Check with your lender to find out if taxes are included with your payment and if the tax bill will be paid by the lender from escrowed funds.

FILING FOR HOMESTEAD

If the home you purchased is in a homestead state, you may be required to declare homestead or file a homestead exemption. A homestead exemption reduces the value of a home for state-tax purposes. Please check with the local county recorder's office to determine eligibility, filing requirements and deadlines.

POSTAL SERVICE

Your local Post Office can provide the necessary Change of Address forms to expedite the delivery of mail to your new home. You can speed up the pro-

CHECKLIST

MOVING

TIPS FOR MOVING WITH PETS

SEND CHANGE OF ADDRESS TO:

- ☐ Post Office
- ☐ Bank
- ☐ Credit card companies
- ☐ Friends and relatives
- ☐ Insurance companies — Life, health, fire, auto
- ☐ Automobile — Transfer of car title registration, driver's license
- ☐ Utility companies — Gas, light, water, telephone, cable
- ☐ Arrange for any refunds of deposits
- ☐ Arrange for service in new location
- ☐ Home delivery — Laundry, newspaper, magazine subscriptions
- ☐ School records — Ask for copies or transfer children's school records
- ☐ Medical records — Medical, dental, prescription histories
- ☐ Ask doctor and dentist for referrals
- ☐ Transfer needed prescriptions, x-rays, etc.
- ☐ Church, clubs, civic organizations — Transfer memberships and get letters of introduction

DON'T FORGET TO:

- ☐ Empty freezers — Plan use of foods
- ☐ Defrost freezer/refrigerator
- ☐ Have appliances serviced for moving
- ☐ Contact utility companies for connection — Water, power, cable, trash, etc.
- ☐ Stay in contact with your mover — Check with the following: insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment
- ☐ Plan for special care and needs of infants, children, pets and potted plants

ON MOVING DAY:

- ☐ Carry currency, jewelry, and important documents yourself
- ☐ Let a close friend or relative know route and schedule you will travel including overnight stops; use him/her as message headquarters
- ☐ Double-check (to avoid confusion) old closets, drawers, shelves to be sure they are empty
- ☐ Leave old keys needed by new owner

Moving to a home in a new location can be an exciting adventure, but it can also be the cause of stress and confusion for household pets. To minimize the trauma, here are a few tips that may help make your pet's transition a little easier:

- Schedule an appointment with the veterinarian for a check-up prior to moving.
- Obtain a copy of your pet's medical history along with rabies certifications that state when and where your pet was vaccinated.
- Make sure the supply of current medications will last until a veterinarian in your new location can be found to provide refills.
- Proper identification is essential. Be certain that any required license tags are secured properly and the contact information is current.
- Pets can become anxious with the increase of activity prior to a move. To eliminate the threat of them misbehaving or running off, consider boarding your pet during the most hectic of moving days.
- If you are moving your pet by car, be sure to take a favorite toy or two, a leash for when stops are made, and plenty of water to keep your pet hydrated.
- Requirements for the movement of pets across state lines are set by each individual state. Contact the State Veterinarian in your new location to obtain the most current information.
- Long-distance moves may require an overnight stay. People and pet-friendly accommodations can be found by searching a number of internet sites. Once you and your pet have arrived in your new location, allow sufficient time for the new neighborhood adjustment to be made. It could take a few days or a few weeks for your pet to adapt to their new surroundings.
- Carry a current photograph of your pet. If your pet is lost during the move, a photograph will make it much easier to search effectively.