



HOME SELLER'S GUIDE



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ESCROW CONTACTS

WHERE ARE THESE??

ESCROW OFFICER	EMAIL
ESCROW ASSISTANT	EMAIL
COMPANY	PHONE
ADDRESS	FAX
CITY/STATE/ZIP	

TITLE CONTACTS

TITLE OFFICER	EMAIL
TITLE ASSISTANT	EMAIL
COMPANY	PHONE
ADDRESS	FAX
CITY/STATE/ZIP	



IN-HOUSE ESCROW YOUR CLOSING PARTNER

WELCOME

to the home-selling and closing process. Throughout this process, you can count on your In-House Escrow ("IHE") team to guide you smoothly through your transaction, and provide expert answers to your questions. We are eager to serve you.

YOU CAN COUNT ON US FOR SERVICE

IHE's professionals are proud to provide you with exceptional customer service and expertise from the open of escrow all the way to the closing date. Your transaction will be expertly completed in accordance with all federal and state specific rules and regulations.

YOU CAN COUNT ON US FOR CONVENIENCE

We know you are busy! That is why we offer you the choice of coming into any one of our office locations to sign your closing documents or we will arrange for a mobile notary to come visit you at your home, office, or other location at a time that is convenient for you – all at no extra charge!

YOU CAN COUNT ON US TO FOR PEACE OF MIND

IHE has partnered with Fidelity National Home Warranty to provide you with complimentary home warranty coverage during your listing and throughout the closing process. Selling your home is stressful enough – now you can rest easy knowing that if unforeseen repairs crop prior to closing we have got you covered! You can find out more about the home warranty coverage offered here: <https://www.homewarranty.com/homeowner/faqs>



REAL ESTATE TERMS

AMENDMENTS

A change—either to alter, add to, or correct—part of an agreement without changing the principal idea or essence.

APPRAISAL

An estimate of value of property resulting from analysis of facts about the property; an opinion of value.

ASSUMPTION

Taking over another person's financial obligation; taking title to a parcel of real property with the Buyer assuming liability for paying an existing note secured by a deed of trust against the real property.

BENEFICIARY

The recipient of benefits, often from a deed of trust; usually the lender.

CLOSE OF ESCROW

Generally the date the documents are recorded and title passes from Seller to Buyer. On this date, the Buyer becomes the legal owner, and title insurance becomes effective.

COMPARABLE SALES

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

LEGAL DESCRIPTION

A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire parcel of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

LIEN

A form of encumbrance that usually makes a specific parcel of real property the security for the payment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.

MORTGAGE

The instrument by which real property is pledged as security for repayment of a loan.

PITI

A payment that combines Principal, Interest, Taxes, and Insurance.

POWER OF ATTORNEY

A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an "Attorney-in-Fact."



REAL ESTATE TERMS

DEED OF TRUST

An instrument used in many states in place of a mortgage.

DEED RESTRICTIONS

Limitations in the deed to a parcel of real property that dictate certain uses that may or may not be made of the real property.

EARNEST MONEY DEPOSIT

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

EASEMENT

A right, privilege or interest limited to a specific purpose that one party has in the land of another.

HAZARD INSURANCE

Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended coverage for personal property.

PURCHASE AGREEMENT

The purchase contract between the Buyer and Seller. It is usually completed by the real estate agent and signed by the Buyer and Seller.

QUIT CLAIM DEED

A deed operating as a release, intending 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 by the grantor.

IMPOUNDS

A trust type of account established by lenders for the accumulation of borrower's funds to meet periodic payments of taxes, mortgage insurance premiums and/or future insurance policy premiums, required to protect their security.

RECORDING

Filing documents affecting real property with the County Recorder as a matter of public record.



KEY PLAYERS INVOLVED IN YOUR TRANSACTION

REAL ESTATE AGENT

A real estate agent is licensed by the state to represent parties in the transfer of property. An agent is either a “Listing Agent” or a “Buyer’s Agent” depending on which party they are representing in the Transaction.

LISTING AGENT

A listing agent or broker represents the seller in a real estate transaction. They are responsible for advising the seller about the market values of the property, working with the seller to prepare the property for sale and placing it on the Multiple Listing Service. When a buyer makes an offer to purchase the property the Listing Agent also provides the seller with advice as to whether or not to accept offer as is or makes changes to it (“counter-offer”). Once the buyer and seller come to agreement as to the terms of the purchase agreement (“mutual acceptance”) the Listing Agent will assist and advise the seller for the remainder of the transaction until closing.

BUYER'S AGENT

A buyer's agent or broker represents the buyer in a real estate transaction. They are responsible for finding properties that meet the buyer's criteria for a home such as neighborhood, number of beds and bathrooms, square footage lot size, school districts, and prices among many others. When a buyer finds a home they would like to purchase, the buyer's agent advises the buyer about what purchase price to offer and helps negotiate other terms with the seller. Once the buyer and seller come to agreement as to the terms of the purchase agreement (“mutual acceptance”) the buyer's agent will assist and advise the buyers for the remainder of the transaction until closing.



KEY PLAYERS INVOLVED IN YOUR TRANSACTION

MULTIPLE LISTING SERVICE (MLS)

The MLS is a database of properties listed for sale by Realtors who are members of the local Association of Realtors. Information on an MLS property is available to thousands of Realtors but not to the general public.

ESCROW OFFICER

An escrow officer leads the facilitation of your escrow, including escrow instructions preparation, document preparation, drafting of the settlement statement and title transfer documents, funds disbursement, and more.

TITLE COMPANY

These are the people who carry out the title search and examination and work with you and your escrow agent to eliminate the title exceptions you are not willing to take subject to. They also provide the policy of title insurance regarding title to the real property.



APPRAISAL PROCESS

If the Buyer is securing a new loan to purchase your home, the Buyer's lender will require an appraisal to determine the fair market value of the property. A licensed appraiser will research nearby houses that have sold recently, usually in the last six months, and are similar to yours in size, age, construction, and amenities.

The appraiser will make an appointment to see your home and will take about 30 minutes to an hour to look over the property. He or she will measure your home, draw a representative floor plan, take photographs inside and out, and review the property's condition, specific improvements, and amenities.

The appraiser will provide a typed appraisal report to the Buyer's lender within a few days after visiting your property. You will be notified if the lender requires repairs before they will lend on your home. If repairs are required, the appraiser will have to return to review the repairs and a re-inspection fee may be charged.



THE LIFE OF AN ESCROW



UNDERSTAND THE ESCROW PROCESS

WHAT IS ESCROW?

Escrow is the process of having a neutral party manage the exchange of money for property. The escrow holder is known as an escrow or settlement agent. In this case that is In-House Escrow. The buyer deposits funds and the seller deposits a deed with the escrow agent along with all of the other documents required to remove all “contingencies” (conditions and approvals) in the purchase agreement prior to closing.

HOW IS AN ESCROW OPENED?

Once a purchase agreement is signed by all necessary parties, the parties deposit the purchase agreement and the buyer’s earnest money deposit to the IHE. From this point, we will follow the mutual written instructions of the buyer and seller, maintaining a neutral stance to ensure that neither party has an unfair advantage over the other. We also follow the instructions of the buyer’s lender, the seller’s existing lender, and both parties’ agents. IHE ensures the transparency of the transaction, while carefully maintaining the privacy of the parties to the transaction.



UNDERSTANDING THE ESCROW PROCESS

WHAT HAPPENS IN ESCROW?

- Once opened, we deposit the buyer's earnest money into an escrow trust account;
- We review the preliminary title report to determine ownership and status of the subject real property;
- Begin the process of eliminating the title exceptions the buyer and/or their lender are not willing to take title subject to;
- Request pay off information for the seller's loans (if applicable), other liens, homeowner's association fees, etc;
- Prorate fees, such as real property taxes, per the contract, and prepare the settlement statement;
- Coordinate separate appointments allowing the buyer and seller to sign loan and title transfer documents and deposit necessary funds;
- Review documents ensuring all conditions and legal requirements are fulfilled; receive funds from lender;
- When all funds are deposited, record documents with the County Recorder's Office to transfer the property to the buyer;
- After the recording is confirmed, close escrow and disburse funds, including seller's proceeds, loan payoffs, real estate agents and any other service providers utilized in the transaction;
- Prepare and send final documents to all parties involved.





TITLE INSURANCE DECODED

WHAT IS TITLE INSURANCE?

Title insurance provides coverage for certain losses due to defects in the title that, for the most part, occurred prior to your ownership. Title insurance protects against defects such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment.

WHY IS TITLE INSURANCE NEEDED?

Title insurance insures buyers against the risk that they did not acquire marketable title from the seller. It is primarily designed to reduce risk or loss caused by defects in title from the past. A Loan Policy of Title Insurance protects the interest of the mortgage lender, while an Owner's Policy protects the equity of you, the buyer, for as long as you or your heirs (in certain policies) own the real property.

WHEN IS THE PREMIUM DUE?

The premium for the Owner's title insurance policy is paid only once, at the close of escrow. Who pays for the Owner's Policy and Loan Policy varies depending on local custom and/or the terms negotiated in the purchase agreement.

HOW IS TITLE INSURANCE DIFFERENT THAN OTHER FORMS OF INSURANCE?

Unlike other forms of insurance, title insurance emphasizes loss prevention for the insured. Title professionals perform labor-intensive work to find and address title issues that could threaten your homeownership. This upfront analysis gives you, as a policy holder, the peace of mind that your title risk has been effectively reduced. In contrast, insurance based on loss assumption (such as auto or property and casualty insurance) requires little upfront work because claims cannot be predicted or prevented, and premium funds are needed only in the event of an accident or other covered issue. These types of insurance also require annual coverage payments, unlike title insurance which is paid for only once upon the purchase of your home or establishment of a new mortgage.



TITLE INSURANCE DECODED

There are many title issues that could cause you to lose your real property or your mortgage investment. Even the most careful search of public records may not disclose the most dangerous threat: hidden risks. These issues may not be uncovered until years later. Without title insurance from a reputable and financially solvent company, the ownership of your home could be jeopardized. Here are some examples of title issues that may occur.

- Deeds by persons supposedly single, but secretly married
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced
- Impersonation of the true owner of the land
- Deeds by minors
- Deeds by persons of unsound mind
- Deeds to or from defunct corporations
- Defective acknowledgements by notaries
- Duress in execution of instruments
- Erroneous reports furnished by tax officials
- Forged deeds, releases, etc.
- Mistakes in recording legal documents
- Surviving children omitted from will
- Administration of estate of persons absent but not deceased
- Deeds by minors
- Birth or adoption of children after date of will
- Claims of creditors against real property sold by heirs or devisees
- Deed of community property recited to be separate property
- Deeds by foreign parties

WHAT HAPPENS NEXT FOR THE SELLER?

THE CLOSING/SIGNING APPOINTMENT

IHE will contact you or your agent to schedule a signing appointment. In some states, this is the “close of escrow”, in others the close of escrow is either the day the documents record or that funds are disbursed. Please ask us or your agent if you would like clarification about your state’s laws. You can either come into one of our offices to sign your documents or we can make arrangements for a mobile notary to come to you at no extra charge.

At the appointment you will have a chance to review the settlement statement and other closing documents such as the warranty deed. This is your opportunity to ask questions and clarify terms. You should review the settlement statement carefully and report discrepancies to your escrow officer. This includes any payments that may have been missed. You are responsible for all payoffs owned or fees incurred related to the transaction so it’s better to bring these to their attention before closing. If you have questions, please let us know immediately!

THE CLOSING/SIGNING APPOINTMENT

You will need valid identification when you sign documents that need to be notarized such as a warranty deed or title transfer document. A driver’s license or passport is preferred. You will also be asked to provide your social security number for tax reporting purposes, and a forwarding address.

THE CLOSING/SIGNING APPOINTMENT

After you have signed your closing documents, IHE will verify that all other contract conditions have been met and will wait for the buyer’s lender send the loan proceeds to escrow. Once received, IHE will release the warranty deed to record transferring title of the property to the buyer. IHE will then disburse the sale proceeds and all other monies to the appropriate payees in accordance with the settlement statement. Once the deed is recorded, your transaction is now officially CLOSED!

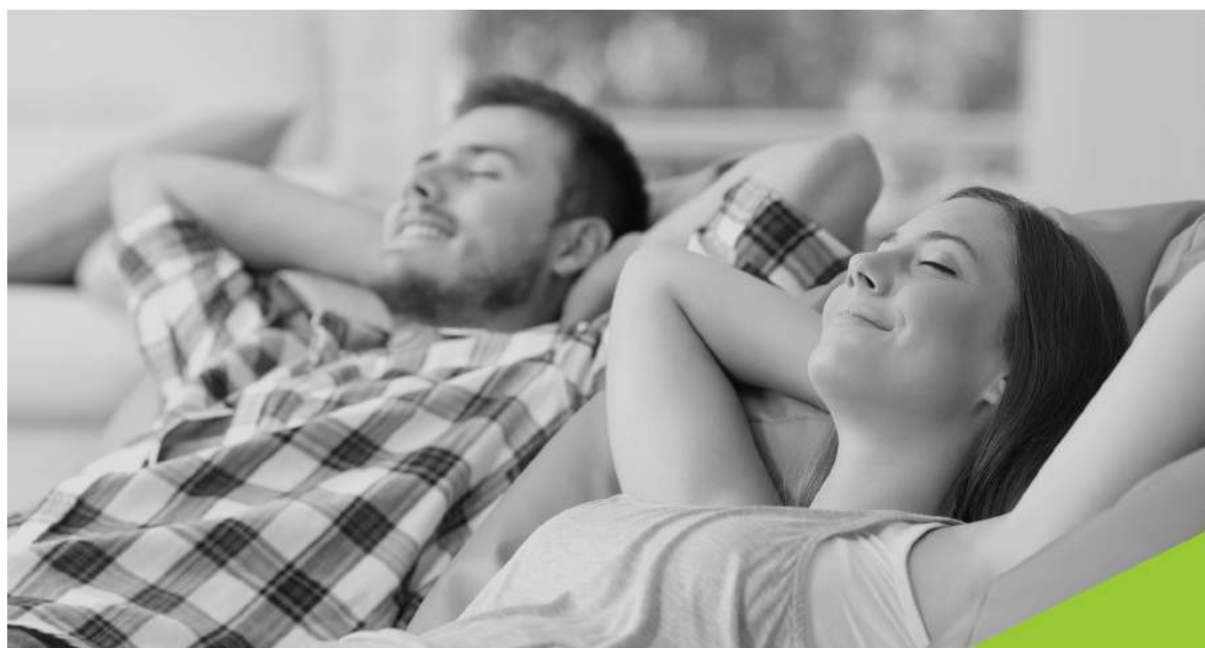
HOME WARRANTY COVERAGE

Our home warranty plan covers a variety of mechanical, electrical, and plumbing items, as well as some appliances. Optional coverage is available for additional items such as air conditioners, refrigerators, pools, and spas.

IHE provides all seller's with a complementary home warranty coverage prior to sale to protect against repairs needed during the listing period, and the buyer will assume the plan at the close of escrow. A home warranty plan provides many benefits including:

- Increasing the marketability of your home by reassuring potential buyers.
- Helping sell your home faster and at a higher price
- Guard against potential disputes after the sale for repair and/or replacement of covered items

A home warranty policy usually costs a buyer or seller between \$350-\$500. We provide this coverage to all buyers and sellers at no charge as a thank you for selecting In-House Escrow to handle the closing. <https://www.homewarranty.com/homeowner/faqs>





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