TIPS AND RESOURCES FOR THE

HOME BUYING PROCESS

LOUISVILLE TITLE

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Your Home is Yours

Title Insurance helps keep it that way.

Have you ever thought about losing your home because someone else has a legal right to it? Unfortunately, it can happen. There are many problems that could affect your property's title, such as undiscovered tax liens, forged signatures, clerical errors, or claims to the property by missing heirs and ex-spouses. Thankfully, title insurance can help protect you from future financial loss if a valid and covered claim against your property is made.

There Are Two Types of Title Insurance:

An **Owner's Policy** protects you and provides assurance that your title company will stand behind you if a covered title problem is discovered after you buy a home.

A **Loan Policy** protects the lender for the amount of the loan if a problem materializes with your title. It does not protect your property rights.

Remember, your home is your most valuable material asset. For a one-time-only fee, an Owner's Policy will safeguard your investment for as long as you and your heirs have an interest in the property. Don't wait until it's too late; protect your property rights with title insurance.

Contact Information

☐ Title Company ☐ Other:____________________

Name: ____________________

Company: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

☐ Attorney ☐ Other:____________________

Name: ____________________

Company: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

☐ Lender ☐ Other:____________________

Name: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

☐ Buyer’s Agent ☐ Other:____________________

Name: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

☐ Seller ☐ Other:____________________

Name: ____________________

Company: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

☐ Seller’s Agent ☐ Other:____________________

Name: ____________________

Company: ____________________

Address: ____________________

City/State/ZIP: ____________________

Phone: ____________________

Fax: ____________________

Email: ____________________

Getting Started

Financing – If you plan to finance your purchase, it's crucial to start the mortgage loan process early. If you have a real estate agent, they often can recommend lenders they've worked with before, or you can choose your own lender. Making contact with a lender prior to searching for your new home will help the transaction run smoothly.

Loan options – Talk with loan officers at financial institutions, mortgage companies or savings and loan institutions to review the types of loans that are available and/or applicable to you and compare rates.

First-time homebuyer – If you are a first-time homebuyer, you may qualify for mortgage programs with little money down, low interest rates or federal programs that give beneficial rates.

Financial history – By having good credit history and a limited debt load, you should gain a better loan rate. However, if your current credit score is less than ideal, ask your financial representative how to improve your score and earn a better rate.

Preapproval letter – Once you've chosen a loan and lender, it's important to get preapproved and obtain a preapproval letter. To do so, a loan officer will need to review your credit files and discuss exactly how much you can borrow. Be sure to show your preapproval letter to your real estate professional before you begin looking for homes.

Why Do I Need a Real Estate Professional?

Buying a home is one of the largest investments you will ever make. A real estate professional can research homes that specifically meet your criteria and provide access for you to preview homes, helping you narrow down your list of potential properties. Homes differ and so do contract terms, financing options, inspection requirements and closing costs. When you're ready to make an offer, a real estate professional can assist you with negotiations, and guide you through the process once your offer is accepted.

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Home Buying Process

Even if your offer is accepted, there are still many steps to complete before you can enjoy your new home. This is a general overview of the home buying process, from offer to closing. The specifics of your transaction may vary; so, you may wish to seek advice from a competent attorney.

The Offer

Once you've found the perfect home, it's time to make an offer. A buyer and seller must enter into a written contract called a "purchase contract." Typically the process begins with the buyer's written offer to the seller. Your real estate agent or attorney may wish to use a standard form to draft an offer and present it to the seller or the seller's real estate agent. Your real estate agent or attorney can negotiate many of the terms and conditions of the offer, including, but not limited to:

- Sales price
- Financing terms
- Earnest money amount
- Who will perform the settlement
- Title policy
- Property condition
- Possession terms
- Contingencies
- Any special provisions
- Any exclusions
- Settlement and other expenses
- Prorations
- Casualty loss
- Default
- Mediation
- Attorney's fees
- Representations and warranties
- Effective date
- Date of closing

Learn more about what happens after your offer is accepted:

The Executed Contract
Once both parties have agreed to the terms of the offer, and the seller has signed the offer and communicated acceptance, an offer becomes an executed contract. You'll need to address the next steps quickly in order to close on time.

Deliver the Earnest Money
Earnest money is a cash deposit the buyer gives the seller via a third party intermediary, usually a real estate agent, attorney or title agent. This deposit proves you are serious about purchasing the property. Typically, the earnest money deposit is credited to the purchase price at closing.

Obtain a Mortgage Loan
Notify your mortgage lender as soon as you have an executed contract so they can start the mortgage process. You'll need to submit extensive paperwork and pay for certain services related to your new home in order to secure the loan, even if you've been pre-approved. Your real estate agent or attorney can help serve as an intermediary between you and your lender.

Schedule Property Inspections
Property inspections help expose defects in the home that could influence your decision to purchase it at the price outlined in the executed contract. A standard home inspection is most common, but other types of inspections (radon, pest, septic, structural, HVAC, mold and others) are available. If a defect is found, your real estate agent or attorney may advocate that the seller cover the cost of repairs or reduce the home's sale price, or you may wish to cancel the contract.

Obtain Evidence of Title
Your contract will usually require the seller to deliver evidence of title. In addition, your mortgage lender will require a title company to review the title history of the seller's home to ensure they will have a valid, enforceable lien on the property after closing. You can also purchase an owner's title insurance policy that protects you from covered title defects arising prior to or concurrently with your purchase of the seller's home.

Order an Appraisal
An appraisal is also required by mortgage lenders to verify that the value of the property you intend to purchase is worth the sales price. Most lenders require the buyer to pay for an appraisal.

Obtain Homeowner's Insurance
Mortgage lenders also require buyers to purchase a homeowner's insurance policy. The policy covers any accidental damage to the home and the owner's possessions due to theft, storms, fires and some natural disasters.

Consider Purchasing a Home Warranty
You may also want to purchase a home warranty, which is a service contract that provides for the repair or replacement of major systems and appliances in certain circumstances.

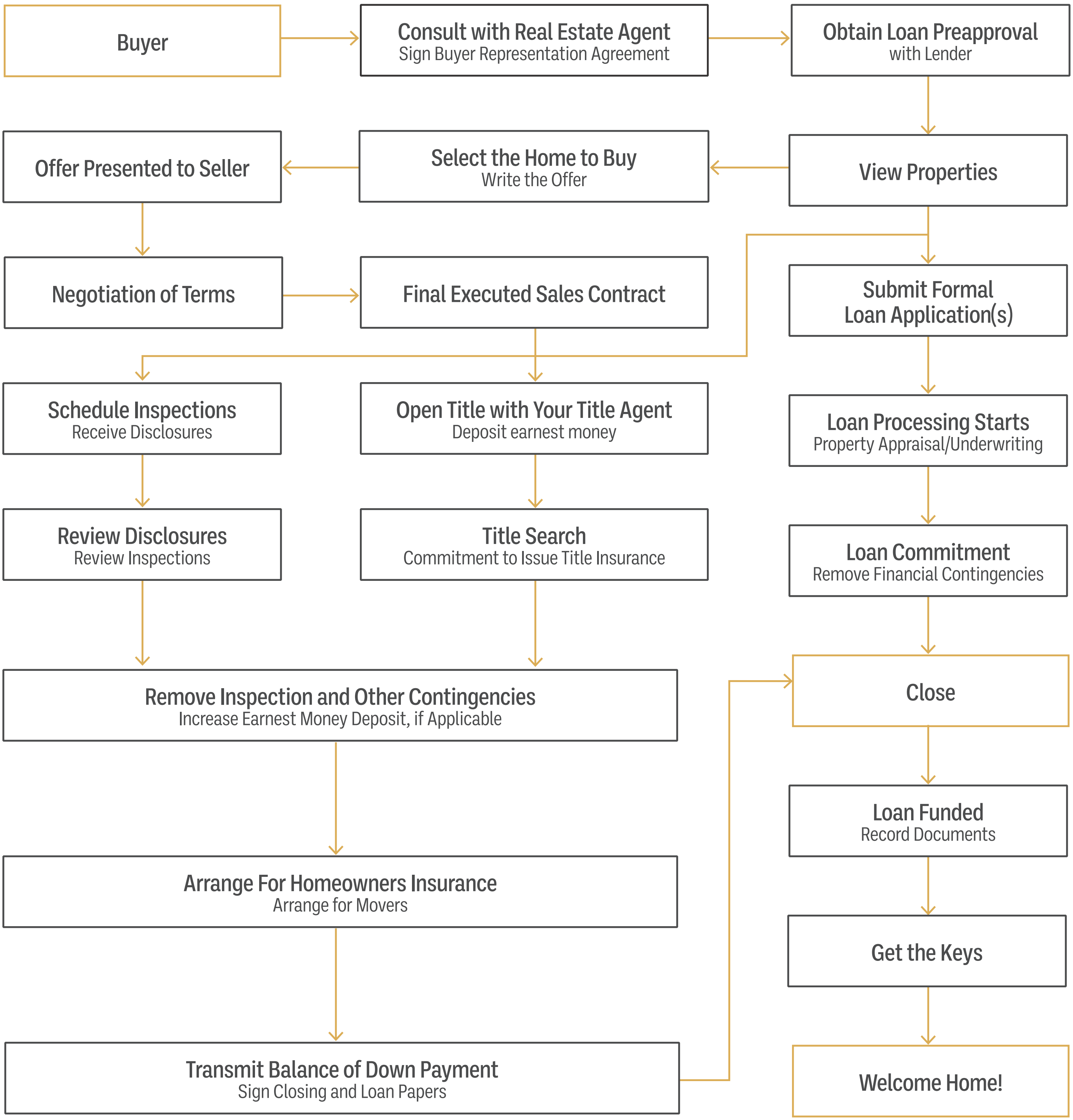
Set Up Utilities
Make arrangements to turn on your utilities and transfer all accounts to your name.

Schedule a Closing Time
You, your real estate agent or attorney should check in with your title agent and mortgage lender about a week before the closing date to make sure everything is in order for closing. Schedule your closing time accordingly.

Conduct the Final Walkthrough
It's recommended that homebuyers perform a final walkthrough of the property a few days before closing to verify that any repairs have been made and the seller's possessions have been removed.

Closing
The closing typically occurs at the title company and takes about an hour. A few days before closing, you should check with your title agent to determine what items are needed for closing. At a minimum, you should bring your driver's license and certified funds to closing. Once you've signed all documentation, your lender has funded your loan and the documents have been recorded at the County Recorder's office, you'll get the keys to your new home!

Home Purchasing Flow Chart



Buyer’s Worksheet

Buyer’s Name: ______________________________

Current Situation:

Currently, are you a:

☐ Homeowner ☐ First-time Buyer ☐ Renter

If renting, date lease expires: _____/_____/_____

When would you like to move?

☐ 1 month or less ☐ 2 – 3 months

☐ 4 – 5 months ☐ 6 months or more

Have you started shopping yet?

☐ No ☐ Yes

If so, how long have you been looking?

☐ 0 – 2 weeks ☐ 3 – 4 weeks

☐ 2 – 3 months ☐ 4 – 5 months

☐ 6 months or more

Future Home Attributes:

Desired city or ZIP code: ______________

Is close proximity to work a priority?

☐ No ☐ Yes

Is close proximity to school a priority?

☐ No ☐ Yes

Is access to public transportation a priority?

☐ No ☐ Yes

What type of neighborhood do you prefer?

☐ Urban ☐ Gated ☐ Suburbs ☐ Rural

Price range: $ ____________ to $ ______________

What type of home do you prefer?

☐ Urban Single-Family ☐ Urban Townhouse/Condo

☐ Urban Duplex

Bedrooms: ____________ Bathrooms: ____________

Sq. feet:______________ Lot size:_______________

How many stories?

☐ One ☐ Two

☐ Three ☐ Split-Level

Desired condition of the home?

☐ Move-in Ready ☐ Some Work ☐ “Fixer Upper”

Age range for the home: _________to _________years

What style of home do you prefer?

☐ Contemporary ☐ Cottage ☐ Craftsman

☐ European ☐ Farmhouse ☐ Mediterranean

☐ Modern ☐ Ranch ☐ Traditional

☐ Tudor ☐ Victorian ☐ Other

What size garage?

☐ One-Car ☐ Two-Car ☐ Three-Car ☐ Carport

Desired features: (check all that apply)

☐ Air Conditioning ☐ Dining Room ☐ Family Room

☐ Large Kitchen ☐ Breakfast Area ☐ Laundry

Rooms:

☐ Large Master ☐ Walk-in Closets ☐ Office Space

☐ Storage Space ☐ Vaulted Ceilings ☐ Large Yard

☐ Patio ☐ Pool/Spa ☐ Waterfront ☐ Other

Necessities:

____

____

____

____

____

____

Buyer's Scorecard

	House 1	House 2	House 3	House 4	House 5
Property Address					

Ratings: 0 - Unacceptable | 1 - Poor | 2 - Fair | 3 - Average | 4 - Good | 5 - Excellent

	House 1	House 2	House 3	House 4	House 5
Neighborhood					
Location					
First Impression					
Price					
Size of Home					
Number of Bedrooms					
Number of Bathrooms					
Room Size					
Utility Room					
Family Room					
Kitchen					
Dining Room					
Carpet					
Backyard					
Landscaping					
Total Score*					

*(Add up the individual ratings in each column.)

Glossary of Real Estate Terms

Abstract of title - A condensed history or summary of all transactions affecting a particular tract of land.

Chain of title - A term applied to the past series of transactions and documents affecting the title to a particular parcel of land.

Closing- Also known as “escrow” or “settlement.” The process of executing legally binding documents, such as deeds and mortgages, most commonly associated with the purchase of real estate and the borrowing of money to assist in the purchase.

Deed - A written document by which the ownership of land is transferred from one person to another.

Deed of trust - An instrument used in many states in place of a mortgage. Property is transferred to a trustee by the trustor (borrower), in favor of the beneficiary (lender), and reconveyed (satisfied) upon payment in full.

Earnest Money - Advance payment of part of the purchase price to bind a contract for property.

Easement - An interest in land owned by another that entitles its holder to a specific limited use, such as laying a sewer, putting up electric power lines or crossing the property.

Encroachment - A trespass or intrusion onto another’s property, usually by a structure, wall or fence.

Encumbrance - A lien, liability or charge upon a parcel of land, e.g. a mortgage or easement.

Escrow - A procedure whereby a disinterested third party handles legal documents and funds on behalf of a seller and buyer, and delivers them upon performance by the parties.

Examination of title - The investigation and interpretation of the record title to real property based on the title search or abstract.

Exception - In legal descriptions, that portion of land to be deleted or excluded. The term often is used in a different sense to mean an encumbrance on title, excluded from coverage in a title insurance policy.

Heir - One who might inherit or succeed to an interest in land of an individual who dies without leaving a will (intestate).

Joint tenancy - An estate where two or more persons hold real estate jointly for life, the survivors to take the entire interest on the death of one of the joint tenants.

Judgement - A decree of a court. In practice, this is the lien or charge upon the land of a debtor resulting from the court‘s award of money to a creditor.

Lien - A hold, claim or charge allowed by a creditor upon the land of a debtor. Some examples are mortgage liens, judgment liens and mechanics’ liens.

Loan Policy - A form of title insurance policy which insures the validity, enforceability and priority of a lender’s lien. This form does not provide protection for the owner.

Owner’s Policy - A policy of title insurance, which insures a named owner against loss by reason of defects, liens and encumbrances not excepted to in the policy or unmarketability of the title. The company also agrees to defend covered claims made against the title.

Power of attorney - An instrument authorizing another to act on one’s behalf in legal matters.

Prorate - To allocate between seller and buyer their proportionate share of an obligation paid or due. For example, a proration of real property taxes or fire insurance premiums.

Survey - The process of measuring land to determine its size, location and physical description, and the resulting drawing or map.

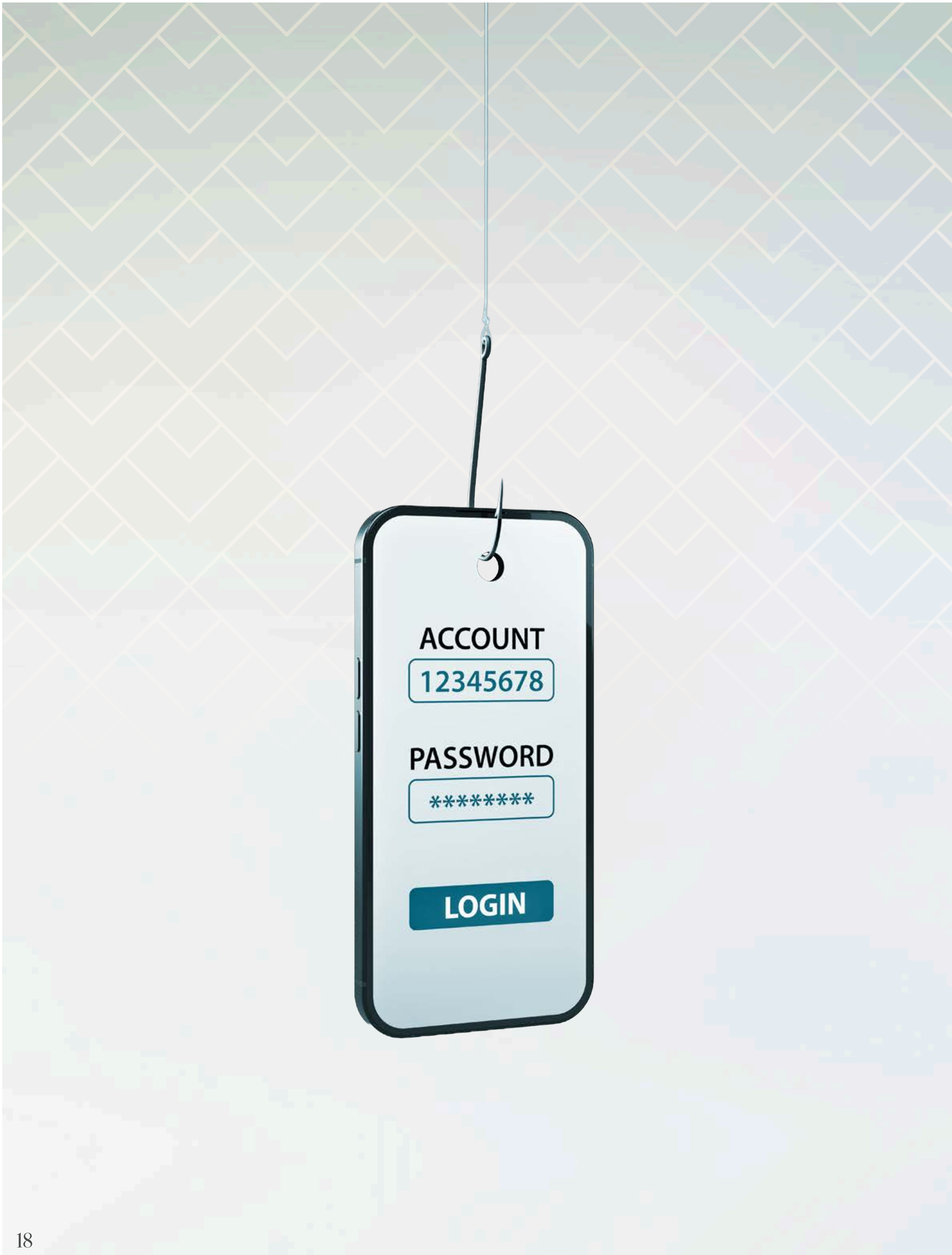
Title - (i) ownership of real property, which stands against the right of anyone else to claim the property; (ii) the evidence of right which a person has to the ownership and possession of land.

Title defect - Any legal right held by others to claim property or to make demands upon the owner.

Title insurance - An agreement to indemnify the insured against loss arising from a covered defect in title to a particular parcel of real property, which is typically issued to both the buyer to protect their property rights (through an owner's title insurance policy), and the lender to protect its lien rights (through a loan policy of title insurance).

Title insurance policy - A written contract of title insurance.

Title search - An examination of public records, laws and court decisions to disclose the current facts regarding ownership of real estate.


ACCOUNT
12345678
PASSWORD
****
LOGIN

Email Scams

Email phishing scams attempt to trick people into clicking a link, opening an attachment or responding to a message so criminals can exploit personal information. The Federal Trade Commission and the National Association of REALTORS® have warned consumers of an email phishing scam in which hackers compromise the email accounts of buyers and/or sellers, pose as a trusted real estate agent or title insurance company, and attempt to fool their targets into wiring closing funds into the hacker's own account.

The Scam

Once hackers gain access to a buyer or seller's unsecure email account, they look for the source of an upcoming financial transaction. Hackers use this information to register a fake domain name that mimics the domain name of the legitimate source, making spelling changes so subtle that most people would never notice. The hackers then use the fake domain name to email false wire transfer instructions to their target. If the consumer wires their settlement funds to the wrong account, he or she could lose those funds.

Easy Tips for Avoiding Email Phishing Scams

1. Be wary of emails that are unusual or unexpected – even if they appear to come from a trusted source. Look carefully for grammar or spelling mistakes, and be leery of those that use threats if swift action is not taken.
2. Avoid conveying sensitive information through unsecure email accounts or websites, and be aware that information you share on social networks can be used by scammers.
3. Do not click on suspicious links in emails. Instead, hover your mouse over a link to view its true web address. If it's different than what displays in the email, beware.
4. Create "fake" answers to password recovery questions; "real" answers can be discovered. Write down the false answers to help you remember them.
5. If anything in an email seems suspicious, call the sender using a previously known or verifiable phone number. Never reply to the email or information in the message.

Financial Strength

Strength and stability for over a century.
Ask for an Old Republic National Title Insurance Company policy. The protection of your owner's policy is only as strong as the company underwriting the policy. Since 1907, Old Republic National Title Insurance Company has been insuring residential and commercial properties across America. Weathering every storm, we protect property rights through good times and bad.

Old Republic Title's parent Company, Old Republic International Corporation, is one of the nation's 50 largest shareholder-owned insurance businesses.

Nothing else assures a homebuyer's peace of mind quite like title insurance.

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Moving Tips

8 Weeks Before

- ☐ Reserve movers or rental truck
- ☐ Create a file for receipts and documents

7 Weeks Before

- ☐ Collect legal, medical and pet records
- ☐ Transfer school and vet files
- ☐ Cancel/transfer memberships

6 Weeks Before

- ☐ Declutter—keep, sell, donate or toss
- ☐ Plan a garage sale
- ☐ Use up household items

5 Weeks Before

- ☐ Book storage (if needed)
- ☐ Submit change-of-address form
- ☐ Schedule home repairs

4 Weeks Before

- ☐ Hold garage sale
- ☐ Donate leftover items
- ☐ Plan utility transfers/ cancellations

3 Weeks Before

- ☐ Stock up on packing supplies
- ☐ Start packing non-essentials
- ☐ Arrange pet/hotel travel, if needed

2 Weeks Before

- ☐ Transfer/cancel subscriptions
- ☐ Notify providers and government offices
- ☐ Confirm truck parking or permits for moving day

1 Week Before

- ☐ Arrange sitter for kids or pets
- ☐ Refill prescriptions and transfer pharmacy
- ☐ Add ID, registration and insurance to file

2 Days Before

- ☐ Set aside essentials: clothes, valuables, documents
- ☐ Empty fridge
- ☐ Confirm mover/truck payment

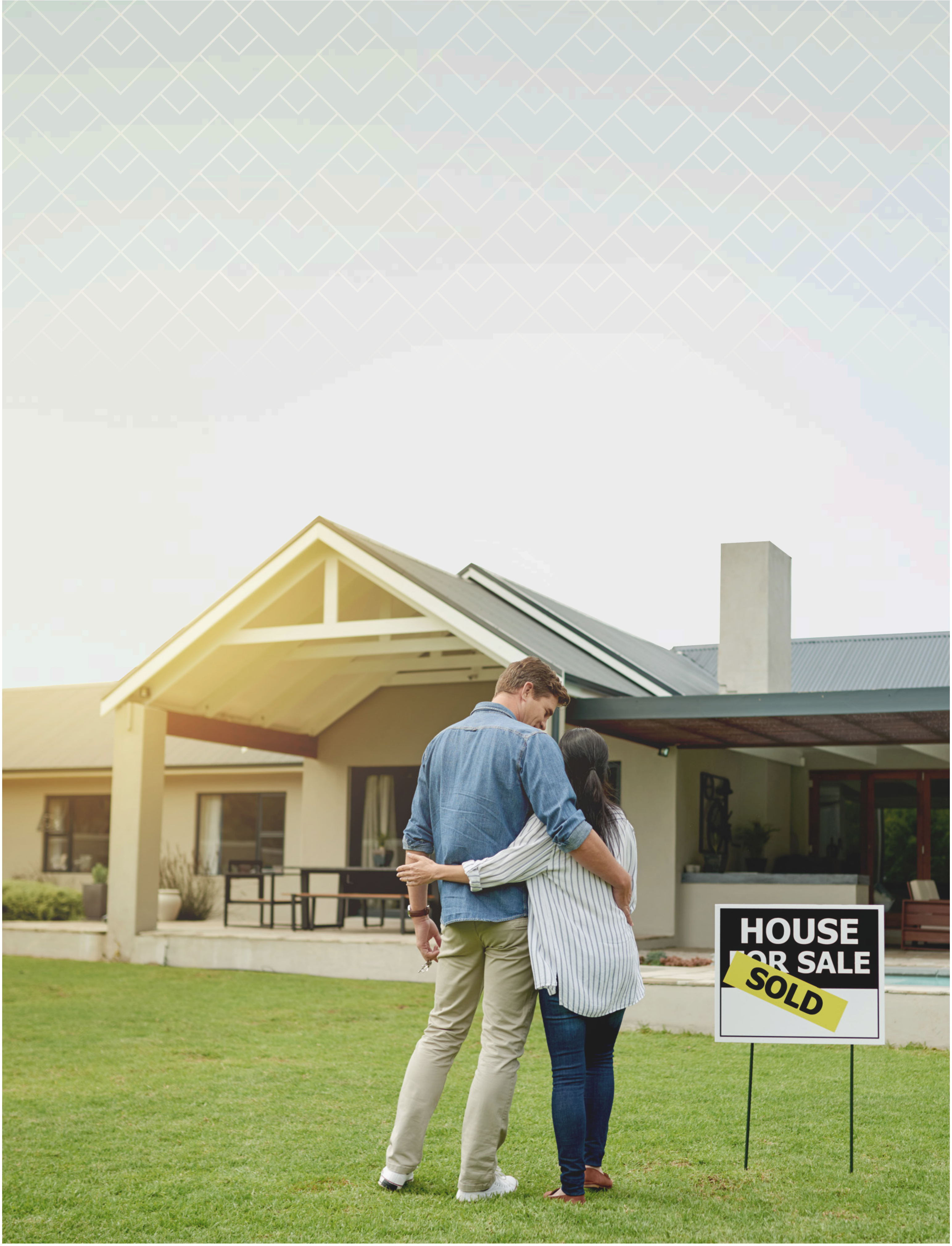
Moving Day

- ☐ Pick up truck or meet movers early
- ☐ Sign and file mover paperwork
- ☐ Do final walk-through
- ☐ Leave your forwarding address
- ☐ Lock up home

Delivery Day

- ☐ Check utilities and appliances
- ☐ Clean your new space
- ☐ Unpack essential items
- ☐ Install new locks

Enjoy Your New Home!


HOUSE
SOLD