

Buyer/Seller Questions and Answers

What is the role of a title company in a typical real estate transaction?

The title company is a neutral third party that performs the following functions in relation to the closing of a real estate transaction:

Receives an executed purchase and sales agreement and/or lender's instructions.
Orders and delivers a commitment for title insurance to the parties of the transaction.
Orders all payoff statements and demands necessary to clear the title
Obtains all documents needed to transfer title.
Prepares the settlement statement.
Obtains all necessary signatures and funds to close the transaction.
Records and delivers all documents

Why does my escrow officer require that I complete a 1099 form?

A 1099 form is the reporting form adopted by the I.R.S. for submitting the information required by law. Under guidelines established by the I.R.S., sellers of real property are required to have their gross proceeds from the sale reported on the 1099 form.

When can you tell me the amount of funds required to close?

Upon receipt of your loan documents and preparation of your settlement statement, the title company will contact your real estate agent and/or you to let you know the amount of funds you will need to bring for closing.

Can I give the title company a personal check?

No, all funds must be in the form a cashier's check or via wire transfer.

What will I need to take to the Title Company when I go in to sign my papers?

You will need to bring your cashier's check made payable to yourself (if the amount was given to you previously). Bring a valid driver's license, valid passport or Military I.D.

Do I have to attend the closing?

It is recommended for you to try to attend your closing but it is not a requirement. If you are unable to attend you must make arrangements for a title company in your area to conduct a courtesy signing.

Why do I need owner's title insurance?

Sometimes title problems occur that could not be found in the public records or are inadvertently missed in the title search process. To help protect you in these events, it is recommended that you obtain an Owner's Policy of Title Insurance to insure you against the most unforeseen problems.

Owner's Title Insurance, called an Owner's Policy, is usually issued in the amount of the real estate purchase. It is purchased for a one-time fee at closing and lasts for as long as you or your heirs have an interest in the property. Only an Owner's Policy fully protects the buyer should a covered title problem arise with the title that was not found during the title search. Possible hidden title problems can include:

- Errors or omissions in deeds
- Mistakes in examining records
- Forgery
- Undisclosed heirs