

TITLE 101

The Closing



Step 1: Starting the Process

A sales contract is signed by the buyer and seller and delivered to the closing agent, usually with a deposit check. The escrow is accepted by the escrow agent often by written notation on the

contract. The escrow agent starts the closing process by opening a title order. The file begins to be processed. Tax information, loan payoffs, survey (if necessary), homeowner/maintenance fees, inspections/reports, and hazard and other insurances, as well as legal papers, are ordered. A title search is ordered.



Step 2: Title Search and Examination

This is a search made of the public records. Records searched include deeds, mortgages, paving assessments, liens, wills, divorce settlements, and other documents affecting the title to the property. Title examination is the examination of the documents found during the title search that affect the title to the property. This is when verification of the legal owner is made and the debts owed against the property are determined. Upon completion of the search and examination, a title commitment/ preliminary report is prepared, reviewed, and sent out to interested parties.



Step 3: Document Preparation and/or Request to Produce

The closing agent reviews the new lender's instructions and requirements, reviews instructions from other parties to the transaction, reviews legal and loan documents, assembles charges, prepares closing statements, and schedules the closing.



Step 4: Settlement or Closing the Transaction

The escrow or settlement agent oversees the closing of the transaction. The seller signs the deed and closing affidavit. The buyer signs the new note and mortgage. The old loan is paid off.

The seller, real estate agents, attorneys, and other parties present at the closing of the transaction are paid.



Step 5: Post-Closing

After the signing has been completed, the escrow or settlement agent will forward payment to any prior lender, and pay all parties who performed services in connection with your closing (if they have not been paid). The transaction documents are recorded in

the county in which the property is located. Title insurance policies are prepared and sent to the new lender and to you. This all happens without any further actions by the buyer or seller.

**Do you have other questions about title Insurance?
Contact Real Advantage Title Insurance Agency today!**



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