



**TITLE
PARTNERS**
of South Florida, Inc.

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Dear Homebuyer;

Congratulations on your recent decision to purchase a new home!

We created this guide to explain the closing process and answer many of the common questions you may have, so you will feel comfortable and knowledgeable throughout the entire closing process.

A few of the questions we will answer are:

- What is a title search?**
- What kinds of problems can a title search reveal?**
- What is title insurance and why do I need it?**
- Am I responsible to pay for the title insurance?**
- If so, what will title insurance cost me?**
- How should I/we hold title?**
- What steps are involved in the closing process?**
- What do I need to bring to closing?**
- What happens at closing?**
- Why Title Partners of South Florida, Inc.?**

If you have further questions, please feel free to contact me at the telephone number referenced below.

I look forward to working with you and answering any questions you may have.

Sincerely,

Ryan Phillips

Ryan Phillips, LTA
Licensed Title Agent

Visit us on the web at: www.tposf.com
Email me at: r.phillips@tposf.com

Frequently Asked Questions:

A Title	Title Insurance	The Closing
<p>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.</p> <p>What is a title search? A title search is a detailed examination of the historical records concerning a property. These records 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>These defects can arise after you've purchased your home and can jeopardize your right to ownership. “Title insurance” protects your right to ownership.</p>	<p>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.</p> <p>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.</p> <p>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. The premium is figured based on the purchase price as follows; up to \$100,000 = \$5.75 per thousand, over \$100,000 = \$5.00 per thousand (ex: \$100,000 = 575.00; \$200,000 = \$1,075.00).</p> <p>Who pays for title insurance? In Florida it varies per county and can be negotiated in the contract. Generally the buyer pays for title insurance and chooses the title/closing company in the following counties; Broward, Miami-Dade, Collier and Sarasota. The seller generally pays in all other Florida counties. However, it is best if you as the buyer pay for the title insurance and choose the title company, so you will have more control over the closing process and make sure you have a reputable company issue and stand behind your Owner's Title Insurance Policy. Be sure to discuss this with your real estate agent and ask them if they can refer you to a reputable title company.</p>	<p>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 is typically held in an office and involves the completion of all the necessary paperwork to finalize the agreement between buyer and seller. In addition, all financial issues are settled at closing — closing costs — and once the title is successfully transferred, the necessary documents are prepared, signed, and filed with local authorities.</p> <p>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.</p> <p>Prior to closing, you should review your final HUD-1 Settlement Statement 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.</p> <div data-bbox="1049 1556 1442 1608" style="background-color: #003366; color: white; padding: 5px; text-align: center;"> Checklist For Closing </div> <p>Buyer(s):</p> <ul style="list-style-type: none"> — Wire Cash to Close — Valid Photo ID for all parties — Be as punctual as possible

The Closing Process Explained

Once both parties have agreed to terms and signed the contract, it is sent to a closing/title company. This is when the countdown to closing begins! Timing is essential to make sure all the ingredients for a successful closing are in place.

First, the title company will assign your closing to a processor who will review the contract for completeness and accuracy. If an earnest money or deposit check is received, the processor will see that it is promptly deposited into an escrow account where the funds will remain until the time of closing. Next, they will run a title search on the legal description of the property. Then, a title examiner reviews the search, examines the title and prepares a title commitment with requirements, which must be satisfied before closing.

Upon preparation of the title commitment, the processor checks the information for completeness and accuracy makes note of the outstanding requirements to be satisfied and obtains all necessary information and/or documentation to satisfy the outstanding requirements. The processor compares the commitment to other documents, such as the contract and loan-closing instructions, making sure all information is correct and consistent.

While the requirements are being satisfied, the processor is busy coordinating other matters such as ordering city lien searches, payoffs, surveys, estoppel letters, certificates of insurance, and anything else that may be required on a particular transaction. While each closing is as unique as the people attending it, much of this behind-the-scenes work leading up to the closing is fairly commonplace for the skilled professionals performing it.

The processor brings any problems or discrepancies, which may be discovered to the attention of the appropriate parties so that they can be corrected. It is his or her job to facilitate cooperation, coordination and compliance between all settlement services professionals involved with the transaction. Everyone working together helps make the closing a carefree transaction.

Once the preliminary work is complete and all information on the contract, loan closing documents and title commitment has been compared and complied with, the processor is ready to prepare the HUD-1 Settlement Statement.

All costs must be shown on the HUD-1. This includes costs paid at closing as well as pre-paid costs, such as earnest money deposit or loan application fee. If you are obtaining a loan to purchase residential property, your lender has three days from the time of the loan application to provide you with a Good Faith Estimate of your loan costs.

As closing day approaches, the processor orders any updated information that may be required. Once the processor is satisfied that the paperwork is in order, he or she confirms the date, time and location of the closing with all the parties involved.

The closing is where it all happens! Everything done behind-the-scenes leads up to this day and it's time to close the transaction and transfer ownership of the property from the seller to the buyer. Typically on the day of closing you will do a final walk-through and inspection. Then, all parties involved in the transaction meet at the title company or real estate agent's office to sign the papers. You will need to bring a current photo ID such as a Driver's License, State ID or Passport. After all the papers are signed you get the keys...

Congratulations on the purchase of your new home!

How should I/we hold title?

This important question is one that Florida real property purchasers ask their real estate, escrow, and title professionals every day. Unfortunately, though once thought that these professionals may identify the many methods of owning property, they may not recommend a specific form of ownership, as doing would constitute practicing law.

The form of ownership taken - the vesting of title - will determine who needs to sign documents involving the property and future rights of the parties to the property. These rights involve such matters as:

- Real property taxes
- Income taxes
- Estate taxes
- Gift taxes
- Transferability of title
- Exposure to creditors' claim

* Also, how title is vested can have significant probate implications in the event of death.

Title Partners of South Florida, Inc. advises those purchasing real property to give careful consideration to the manner in which title will be held. You may wish to consult our legal counsel to determine the most advantageous form of ownership for your particular situation, especially in cases of multiple owners of a single property.

You should consider the following definitions of common vesting as an information overview only. You should not rely on these legal definitions. You should carefully consider your vesting decision prior to closing, and consult with our legal counsel should you be unfamiliar with the most suitable ownership choice for your particular situation.

1. Sole Ownership

Sole ownership may be described as ownership by an individual

or

Other entity capable of acquiring title. Examples of common vestings in cases of sole ownership are:

- **A Single Man/Woman**
A man or a woman who has not been legally married. For example: Bruce Buyer, a single man.
- **An Unmarried Man/Woman**
A man or woman who was previously married and is now legally divorced. For example: Sally Seller, an unmarried woman.

2. Co-Ownership

- **Estate 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). Title must have been acquired at the same time, by the same conveyance, and the document must expressly declare the intention to create a joint tenancy estate with right of survivorship.

For example: Bruce Buyer and Barbara Buyer, husband and wife, as joint tenants with rights of survivorship (and not as tenants in common). When a joint tenant dies, title to the property automatically passes by operation of law to the surviving joint tenant(s). Therefore, joint tenancy property is not subject to disposition by will.

- **Tenancy 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 undivided $\frac{3}{4}$ interest, and Penny Purchase, a single woman, as to an undivided $\frac{1}{4}$ interest, as tenants in common.

Other Ways of Vesting Title Include as a:

1. **Corporation**

A corporation is a legal entity, created by statute, consisting of one or more shareholders, but regarded under law as having an existence and personality separate from such shareholders.

2. **Partnership**

A partnership is an association of two or more persons who can carry on business for profit as co-owners, as governed by various partnership statutes such as the Uniform Partnership Act. A partnership may hold title to real property in the name of the partnership.

3. **Trust**

A trust is an arrangement whereby legal title to property is transferred by the grantor to a person called a trustee, to be held and managed by that person for the benefit of the people specified in the trust agreement.

Remember: How title is vested has important legal consequences. You may wish to consult our legal council to determine the most advantageous form of ownership for your particular situation.

See the table on the next page for **Common Ways of Holding Title to Real Property...**

Common Ways of Holding Title to Real Property

	Tenancy in Common	Joint Tenancy	Tenancy by Entirety
Parties	Any number of persons (can be husband and wife).	Any number of persons (can be husband and wife).	Only husband and wife.
Division	Ownership can be divided into any number of interests, equal or unequal.	Ownership interests cannot be different. Interest must be obtained at the same time.	Ownership interest cannot be divided.
Title	Each co-owner has a separate title to his undivided interest.	There is only one title to the whole property.	There is only one title to the whole property.
Possession	Equal right of possession.	Equal right of possession.	Equal right of possession.
Conveyance	Each co-owner's interest may be conveyed separately by its owner.	Conveyance by one co-owner (without the others) breaks the joint tenancy.	Both co-owners must join in conveyance. Separate interest cannot be conveyed.
Purchasers	Purchaser becomes a tenant in common with the other co-owners.	Purchaser becomes a tenant in common with the other co-owners.	Purchaser must receive deed with both spouse's signatures.
Death	On co-owner's death, his interest passes by will to his devisees or if no will, then to his or her heirs. No survivorship rights.	On co-owner's death, his interest ends and cannot be willed. Survivor owns the property by survivorship.	On co-owner's death, his interest ends and cannot be willed. Survivor owns the property by survivorship.
Creditor's Rights	Co-owner's interest may be sold on execution sale to satisfy his creditor. Creditor becomes a tenant in common.	Co-owner's interest may be sold on execution sale to satisfy his creditor. Joint tenancy is broken. Creditor becomes a tenant in common.	Co-owner's interest cannot be seized and sold separately, except by Internal Revenue Services.
Presumption	Favored in doubtful Cases (See tenancy by entirety)	Right of survivorship must be expressly stated. Not favored.	Property acquired by husband and wife is a tenancy by the entirety, unless otherwise stated.

Discover the Top 10 reasons why Title Partners of South Florida, Inc. should be your choice to facilitate your closing, clear title and issue your title insurance policy...

Why Title Partners of South Florida, Inc.?

The Company and Staff

Title Partners of South Florida, Inc., prides itself on the knowledgeable and professional title "Team" it provides for your Florida 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.

Top 10 Reasons to Choose Title Partners

* Please compare these statements with other companies you may be considering

- 10.) Our mission statement is ***"Personal Service With The Professional Results You Deserve"***. We stand behind this statement and your satisfaction and happiness before, during and after your closing is our main concern.
- 9.) The employees at ***Title Partners of South Florida, Inc.*** have **over 50 years of combined experience** in the title industry. You can feel confident that you have real professionals working for you.
- 8.) We've **been in business since 1995** and **closed thousands of real estate transactions**.
- 7.) You will **never receive voice mail** when you call our office. We have a full-time receptionist that is happy to take your call and connect you with the appropriate person.
- 6.) We have **attorneys available** who will work for you to resolve any issue that may arise during your closing.
- 5.) We have a **"double check" file and closing system**. In addition to the processors and closers preparing the files, we have a 3rd person thoroughly review the file before closing to ensure nothing has been missed and there will be no problems at the closing table.
- 4.) We deliver both **Lender's and Owner's Policies at the closing**, instead of waiting months after closing.
- 3.) Two (2) of the **nation's largest underwriters** back our title insurance policies, First American Title Insurance Company and Fidelity National Title Insurance Company.
- 2.) We have received **numerous Top 10 agent awards** from both of our underwriters.
- 1.) **GUARANTEED** a memorable, engaging and professional closing experience!

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Underwriters:
Commonwealth Land Title Insurance Company
First American Title Insurance Company