

HOME BUYER GUIDE



THURSTON
COUNTY TITLE

THE NEXT STEPS

YOU'VE MADE AN OFFER ON A HOME - NOW WHAT?

If you are reading this, you probably just made an offer on a house or are preparing to make an offer on a piece of property. Congratulations! You're one step closer towards owning your new home!

This booklet will be your guide to what happens after your offer is signed by all parties:

Although the Title and Escrow process can seem confusing, we've been doing it for years and we would love to answer any questions that you might have. Continue on through this booklet to see the questions we get asked the most, along with resources to make your closing process a smooth sail.

As always, call us at (360) 943-7300 if you have any questions or concerns!



TITLE & ESCROW

Title is a collective term for your legal rights to own, use and dispose of real property. Title includes all previous ownership, uses and transfers. To legally transfer real property, a title search should be performed. In most cases the title should be free of any circumstances that could compromise your right of ownership.

Escrow is a method of closing a real estate transaction in which all of the required documents and funds are placed with a neutral third party for processing and disbursement.

TITLE INSURANCE

TITLE INSURANCE PROTECTS THE MOST IMPORTANT INVESTMENT YOU'LL EVER MAKE: THE INVESTMENT OF YOUR HOME.

PURPOSE

Title insurance protects against financial loss from defects in title to real property and from the invalidity of mortgage loans. Title insurance will defend against a lawsuit attacking the title or reimburse the insured for the actual monetary loss incurred up to the dollar amount of insurance provided by the policy.



TYPES OF POLICIES

A **lender's policy** insures that the lender has a valid, enforceable lien on the property. The policy is effective until the loan is paid in full.

An **owner's policy** protects the home buyer's interest in the property from title defects that existed prior to the issue date of the policy. There are a few defects that it will cover that happen after the issue date too. The policy remains in force as long as the owners or their heirs have an interest in the property.

PRICING & INSTANT QUOTES

Title Insurance is unlike other forms of insurance; there is only a one-time premium! The premium is directly related to the amount insured. It is paid when you purchase your property through the closing process.

For questions about our title insurance rates, please visit our website www.ThurstonCountyTitle.com for an instant title quote.



CLOSING PROCESS

1

PRELIMINARY TITLE REPORT & ESCROW OPENED

The real estate broker forwards the purchase and sale agreement to Thurston County Title. The title search is completed and a report is issued. Earnest money is deposited with Escrow.

2

ESCROW BEGINS CLEARING THE TITLE

The preliminary title report and purchase and sale agreement are reviewed by Escrow. Opening letters are sent to buyers and sellers. Information is gathered to clear title and payoff demands are ordered from lien holders, homeowners association, etc.

3

DOCUMENTS ARE PREPARED

Buyer's Closing Disclosure, Lender's Instructions and Loan Documents are received by Lender and reviewed by Escrow. Closing documents and ALTA Settlement Statements are prepared and sent to the Lender and Real Estate Agents for review and approval.

4

THE SIGNING

Appointments are made and documents are signed by the buyer and seller. Documents are reviewed and sent to the lender for approval.

5

CLOSING DAY

Recording documents are checked by title then recorded at the auditors office. Escrow notifies all parties that the transaction is now closed. Then escrow disburses file, sends out payoffs, commissions and proceeds.

6

THE FINAL STEPS

The Final Title Policy is then issued, insuring clear title to the property for buyer and the lender. Escrow follows up, ensuring that any issues or release documents are recorded and removed from the title.

BUYER PACKAGE

The documents in this package will be sent to the buyer through mail or electronically. They will need to be returned to the title company before closing. There is an opening letter on page one that contains instructions on how to proceed with the documents in the package.



BUYER/BORROWER INFORMATION

This form clears questions arising due to the **community interest law** in the state of Washington. This includes general contact information, marital status, and lender information.

CLOSING AGREEMENT & ESCROW INSTRUCTIONS

This document designates and appoints Thurston County Title to act as the **closing and escrow agent**. The instructions define each portion of the closing agreement.

INITIAL PRIVACY NOTICE

Thurston County Title and our employees are bound by **privacy laws**. This page is our acknowledgement that all of your information is kept confidential. It explains the kind of information we collect, how we use that information, and how we protect it.

LPO DISCLOSURE NOTICE

Clarifies the legal powers that our Escrow Officers as **Limited Practice Officer's** can offer and which documents they will prepare for your transaction.

ON-SITE SEWAGE SYSTEM INSPECTION DISCLOSURE

Thurston County Environmental Health requires a **Time of Transfer Evaluation Report** for all sales that involve an on site sewage system. This document holds Thurston County Title harmless from any claim regarding this process and/or inspection fees required by Thurston County Environmental Health.

PRELIMINARY TITLE REPORT

This document is our **preliminary commitment** to insure title and discloses all matters of public record that might affect this piece of property.

WIRE FRAUD

This form aims to warn and inform clients how hackers commit wire fraud and how to **avoid being a victim** of wire fraud.

LEGAL DESCRIPTION

Description of property that is sufficient to identify the property for legal purposes. May or may not be included in the buyer package.

COMMON DEEDS

BARGAIN AND SALE DEED: A bargain and sale deed in Washington would be called a special warranty deed in many other states. By using a bargain and sale deed, the grantor makes some promises regarding title, but the covenants only relate to the period that the grantor owned the property. Thus, the grantor promises (1) that he or she is the owner of the property, (2) that there are no encumbrances against the property during the time the grantor owned it, and (3) that the grantor will not interfere with the transferee's rights to the property. Bargain and sale deeds are commonly used by banks who have acquired property after foreclosure. A bargain and sale deed could also be used in other situations where the grantor is unwilling to make the broad covenants that go along with a warranty deed.



SHERIFF'S DEED: A deed given to a buyer when property is sold through court action in order to satisfy a judgement for money or for foreclosure of a mortgage.

DEED IN LIEU OF FORECLOSURE: A deed given by a borrower who is in default to a mortgage lender, to eliminate the need for a foreclosure proceeding.

SPECIAL WARRANTY DEED: A Bargain and Sale Deed in which the grantor warrants only against defects of title that have occurred after the grantor acquired title.

FULFILLMENT DEED: A deed issued in compliance with and in fulfillment of the terms of a real estate contract.

PERSONAL REPRESENTATIVES DEED: A deed distributing the real estate of a deceased individual in accordance with the resolution of legal proceedings on their affairs.

STATUTORY WARRANTY DEED (OR JUST WARRANTY DEED): A statutory warranty deed conveys the property together with certain specified covenants from the grantor to the recipient. By using this deed, the grantor promises the transferee (1) that he or she is the owner of the property and has the right to convey it, (2) that no one else is possessing the property, (3) that there are no encumbrances against the property, (4) that no one with a better claim to the property will interfere with the transferee's rights, and (5) to defend certain claims regarding title to the property. Warranty deeds are commonly used in purchase transactions where the buyer wants assurances as to the title of the property.

QUIT CLAIM DEED: A deed that conveys only whatever interest a person may have in a particular parcel of real property, without making any warranties of title.



TRUSTEE'S DEED: A deed issued by the trustee of a deed of trust following the non-judicial foreclosure of a deed of trust.

PROPERTY TAXES



Whether you are buying a home or refinancing your existing mortgage, taxes are applied in several ways in your escrow. Property taxes can be paid when the Treasurer has certified them. This typically happens in mid to late January of each year.

PROPERTY TAX DUE DATES

- **April 30th Due**
May 1st Delinquent
- **October 30th Due**
November 1st Delinquent

The first installment, due April 30th, covers January 1st thru June 30th. The second installment, due October 30th covers July 1st thru December 31st.

TAXES TO BE PAID:

Property taxes are generally divided so that the buyer and the seller each pay taxes for the part of the property tax year they owned the home. The fiscal tax year commences on Jan 1 of each year. and ends on December 31 of the following year.

TAX IMPOUNDS:

An Impound Account, also known as an Escrow Impound Account, is an account set up and managed by mortgage lenders to pay property taxes and insurance on behalf of the home buyer. The lender may collect 2-6 months of tax payment with each month's amount equal to about 1/12 of the total sum of the annual property taxes along with their mortgage payment. When the time comes to pay the annual property taxes, the lender makes the payment from the funds accumulated in the account on behalf of the buyer.

TAX PRORATION:

At time of closing, the escrow agent will sometimes be required to determine what portion of the next tax installment is the seller's responsibility, they will then charge the seller and credit the buyer with said amount. When the next installment is due, the buyer will pay the total amount since the buyer was already reimbursed with the seller's portion at closing. Likewise, if the seller had already prepaid his taxes, the prepaid portion will then be charged to the buyer and serves as credit to the seller.

MOVING CHECK LIST

ONE MONTH BEFORE

- ___ Reserve a rental truck
- ___ Acquire moving supplies (boxes, tape, rope, packing materials)
- ___ Make travel arrangements if moving far away
- ___ Save moving receipts, some are tax deductible
- ___ Put all necessary documents (legal, medical) in a safe place
- ___ Notify post office, banks, credit card companies, doctors, dentists, state and federal tax authorities of move.

TWO WEEKS BEFORE

- ___ Inform gas, electric, water, cable and phone of move
- ___ Recruit moving day help
- ___ Make arrangements for alternative transportation
- ___ Assemble a folder of important information about the house for the new owner of your home
- ___ Cancel any scheduled delivery service
- ___ Confirm travel arrangements for pets and family
- ___ Empty the refrigerator by planning meals for the 1st week of move, avoid using appliances that'll be packed.
- ___ Pick up cash for "on the road" expenses
- ___ Return library books and DVD rentals



ONE DAY BEFORE

- ___ Set aside all moving materials that will go with you & not on the moving truck, like legal documents & valuables
- ___ Pick up rental truck
- ___ Confirm tickets, charge cards, etc.
- ___ Defrost refrigerator and freezer
- ___ Make sure to have payment for the moving truck

MOVING DAY

- ___ Make a list of every box and item that is loaded on the moving truck
- ___ Inform the mover of where you can be reached
- ___ Lock all doors and windows before leaving
- ___ Make sure the appliances and water have been turned off
- ___ Leave the garage door openers and keys in the house

AFTER MOVING

- ___ Notify sender of mail that you have moved
- ___ Register to vote
- ___ Contact DMV if you have moved out of state
- ___ Contact Dept. of Sanitation to see when the trash will be picked up
- ___ Provide new doctors and dentists with medical history of family
- ___ Transfer insurance policies to an agent in the community
- ___ Call Chamber of Commerce for help finding schools, cable services, hospitals, police stations, cleaners, etc.

GLOSSARY OF REAL ESTATE TERMS

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 re-conveyed (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 sewer, putting up electric power lines or crossing the property.

ENCROACHMENT: A trespasser 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. 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 of 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 (interstate).

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, judgement 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 expected 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, proration of real property taxes or Homeowners Association Dues.

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.

HELPFUL RESOURCES



READY2CLOSE IS OUR MOBILE-FRIENDLY CLOSING TOOL THAT GIVES YOU ACCESS TO YOUR CLOSING.

- Buyers and Sellers can receive email and/or text updates as milestones are reached.
- Securely upload documents and access wiring instructions
- View Property Address
- Google Map image of the property and quick click driving directions



NEED TO DEPOSIT YOUR EARNEST MONEY ELECTRONICALLY? ASK US HOW TO USE ZOCCAM!



**WANT TO LEARN MORE ABOUT THE FOLLOWING TOPICS?
SCAN THE QR CODE BELOW TO VIEW OUR TITLE EDUCATION VIDEO SERIES.**



- WHAT TO EXPECT DURING THE CLOSING?
- WHAT IS TITLE?
- WHAT IS TITLE INSURANCE?
- WHAT DOES TITLE INSURANCE DO?
- CYBER SECURITY



Thurston County Title is the only locally owned and operated title company in Thurston County. We have been serving our community since 1972. Our goal is to provide prompt and accurate reports and policies prepared by a team of title and escrow experts with a wealth of knowledge and experience. We have 13 affiliated branches across Washington and into Oregon to assist with your out-of-county transactions.

CONTACT US



Annette Deines
Manager & Vice President
Annette@tctitle.net
360-943-7300



Chris Lester
Business Development Manager
Chris@tctitle.net
360-943-7300

Thurston County Title
105 8th Avenue SE
Olympia, WA 98501
360-943-7300
www.ThurstonCountyTitle.com