



Buyer & Seller Guide

Committed to Your **Successful** Closing.



Fidelity National Title

Trusted everywhere,
every day.



About This Guide

At Fidelity National Title, we are committed to your successful transaction and to guiding you through the entire process. Your team at Fidelity National Title is proud to provide this resource to understanding title insurance and the escrow process. We are committed to offering you the guidance and support you need every step of the way.

With over 160 years in the title industry, Fidelity National Title through our family of companies offers you the financial strength, experience and expertise needed to close your transactions with confidence and complete peace of mind.

This booklet has been prepared to give you an overview of the process involved during the purchase or sale of a property and also to explain the various roles that we will play in helping you as you move toward the close your transaction.

We hope you find this information helpful in the process of a smooth and successful transaction. Please feel free to **contact us** at any time with your questions or need for additional information. It is why we are...

**Trusted everywhere,
every day.**



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Your Transaction Details:

Subject Property Address:

Escrow Number: _____

Loan Number: _____

Estimated Closing Date: _____

Inspection Date: _____

Inspection Date: _____



IMPORTANT REMINDER: ALWAYS CALL BEFORE YOU WIRE.

Wire fraud is on the rise. Fidelity National Title urges our clients to ALWAYS CALL BEFORE YOU WIRE and never rely upon e-mail communication. Always follow these two simple steps:

STEP 1: Obtain the phone number of your real estate broker, REALTOR® and your Fidelity National Title escrow officer as soon as an escrow is opened.

STEP 2: Call the phone number you wrote down from STEP 1 above to peak directly with your Fidelity National Title escrow officer to confirm wire instructions PRIOR to wiring. If you receive alternative wiring instructions appearing to be from Fidelity National Title, be suspicious as we rarely change our wiring instructions.

WIRE INSTRUCTIONS: _____

OTHER NOTES: _____



Fidelity National Title®

Buyer & Seller Guide to Title & Escrow

Important Contacts

Real Estate Agent

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Title & Escrow

Name: Fidelity National Title _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Lender

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Home Warranty

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Home Inspection

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Insurance Company

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____



The Title Insurance “Value Proposition”

10 Reasons Why Title Insurance is Important and *Worth the Money*

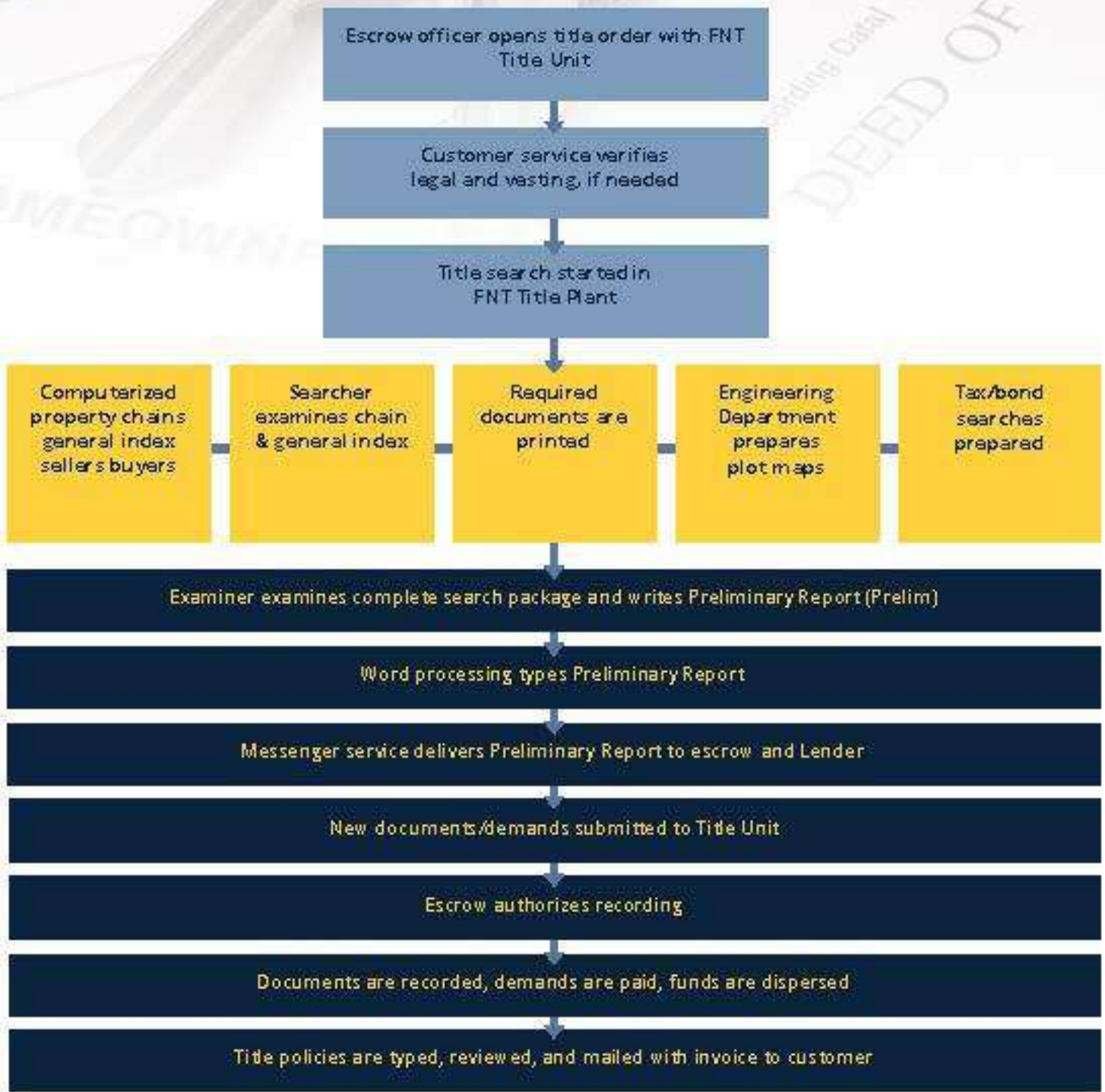


A “Value Proposition” is the unique value a product or service provides to a customer. It describes the benefits the product delivers. In this instance, the value proposition will answer the question: *Why is this worth the money?*

1. Title insurance protects the interests of property owners and lenders against legitimate or false title claims by owners or lien holders. It insures the title to the investment, unlocking its potential as a financial asset for the owner.
2. At Fidelity National Title we access, assemble, analyze, and distribute title information, in addition to handling escrow and closing.
3. Potential title problems are discovered in more than one-third of residential real estate transactions. These “defects” must be resolved prior to closing. The most common problems are existing liens, unpaid mortgages, and recording errors of names, addresses or legal descriptions.
4. A homeowner’s title insurance policy protects the owner for as long as he or she has an interest in the property and the premium is paid only once at closing.
5. Title insurance is different from other forms of insurance because it insures against events that occurred before the policy is issued, as opposed to insuring against events in the future, as health, property or life insurance do. Title insurance is loss prevention insurance.
6. Fidelity National Title performs a thorough search of existing records to identify all possible defects in order to resolve them prior to issuing a policy. We perform intensive and extensive work up-front to minimize claims. The better we do this, the lower our rate of claims and the more secure your level of protection.
7. Researching titles is extremely labor-intensive since only a small percentage of public records are computerized. The industry invests a substantial amount of time and expense to collect and evaluate title records. As a result, the industry experiences relatively fewer claims compared to other lines of insurance.
8. Fidelity National Title’s impressive claim reserves gives you unquestionable security and peace of mind knowing that your policy is backed by a leader in the title insurance industry.
9. Dollar for dollar, title insurance is the best investment you can make to protect your interest in one of the most valuable assets you own: your home.
10. To get the best value, choose Fidelity National Title for all your Title and Escrow needs. Write us in on your next transaction and you’ll see why we are trusted everywhere, every day.



Life of a Title Search





All About Title Insurance

And Frequently Asked Questions



What is Title Insurance?

The purchase of a home is the largest investment most people will make in a lifetime; therefore, the importance of fully protecting such an investment cannot be overstressed. Title insurance is protection which assures that the rights and interests to the property are as expected, that the transfer of ownership is smoothly completed and that the new owner receives protection from future claims against the property. It is the most effective, most accepted and least expensive way to protect property ownership rights.

Because land endures over generations, many people may develop rights and claims to a particular property. The current owner's rights—which often involve family and heirs—may be obscure. There may be other parties (such

as government agencies, public utilities, lenders or private contractors) who also have "rights" to the property. These interests limit the "title" of any buyer.

Why Do You Need a Title Insurance Policy?

If title insurance companies work to eliminate risks and prevent losses caused by defects in the title before the closing, why do you need a title insurance policy? The title to the property could be seriously threatened or lost completely by hazards which are considered hidden risks—"those matters, rights or claims that are not shown by the public records and, therefore, are not discoverable by a search and examination of the those public records." Matters such as forgery, incompetency or incapacity of the parties, fraudulent impersonation, and unknown errors in the records are examples of "hidden risks" which could provide a basis for a claim after the property has been purchased.

Title insurance isn't just for a homeowner. Subdividers need it when planning a new tract of homes or a commercial strip center. Attorneys use it for clients who are investing in shopping centers, hotels, office buildings and countless other projects. Builders need it in order to obtain construction loans from their lender. Everyone wants to have peace of mind when investing their hard-earned money. The title insurance company will help protect these important investments, no matter how large or small, with its own reputation and financial strength.

Why Does the Lender Need a Policy on My Property?

For the lender, a title policy is a guarantee that it has a valid and enforceable lien (loan or deed of trust) secured by the property, that no one else other than those listed on the policy has a prior claim (or loan, etc.) and that the party to whom they are making the loan does own the property being used as security for the loan. This protection remains in effect as long as the loan remains unpaid.

The existence of a lender's title policy encourages lenders such as banks, savings and loan associations, commercial banks, life insurance companies, etc., to loan money. Because they are lending other people's money (savings or policy holder's funds), they must be concerned with safety should the borrower not make their payments. The title company

Continued, next page.



Title Insurance Frequently Asked Questions, *continued.*

insures that the title to the property is marketable in the event of foreclosure and the guarantee is backed by the integrity and solvency of the title company. Of course, this benefits everyone - from the single family homeowner to the owner of a high-rise building.

What is a Title Search?

Before issuing a policy of title insurance, the title company must review the numerous public records concerning the property being sold or financed. The purpose of this title search is to identify and attempt to clear potential problems before the new owner takes title or the lender loans money.

Our research helps us to determine if there are any rights or claims that may have an impact upon the title such as unpaid taxes, unsatisfied mortgages, judgments, tax liens against the current or past owners, easements, restrictions and court actions. These recorded defects, liens, and encumbrances are reported in a "preliminary report" to applicable parties. Once reported, these matters can be accepted, resolved or extinguished prior to the closing of the transaction. In addition, you are protected against any recorded defects, liens or encumbrances upon the title that are unreported to you and which are within the coverage of the particular policy issued in the transaction.

What Types of Policies Are There?

Protection against flaws and other claims is provided by the title insurance policy which is issued after your transaction is complete. Two types of policies are routinely issued at this time: An "owner's policy" which covers the home buyer for the full amount paid for the property; and a "lender's policy" which covers the lending institution over the life of the loan. When purchased at the same time, a substantial discount is given in the combined cost of the two policies. Unlike other forms of insurance, the title insurance policy requires only one moderate premium for a policy to protect you or your heirs for as long as you own the property. There are no renewal premiums or expiration date.

How is Title Insurance Different Than Other Types of Insurance?

With other types of casualty insurance such as auto, home, health, and life, a person thinks of insurance in terms of future loss due to the occurrence of some future event. For instance, a party obtains automobile insurance in order to pay for future loss occasioned by a future "fender bender" or theft of the car. Title insurance is a unique form of insurance which provides coverage for future claims or losses due to title defects which are created by some past event (i.e. events prior to the acquisition of the property).

Another difference is that most other types of insurance charge ongoing fees (premiums) for continued coverage. With title insurance, the original premium is the only cost as long as the owner or heirs own the property. There are no annual payments to keep the Owner's Title Insurance Policy in force. While some people balk at another "closing fee", title insurance is reasonable considering the factor that the policy could last a lifetime.

How Does a Title Insurance Policy Protect Against Claims?

If a claim is made against the owner or lender, the title insurance company protects the insured by:

1. Defending the title, in court if necessary, at no cost to owner/lender, and
2. Bearing the cost of settling the case, if it proves valid, in order to protect your title and maintain possession of the property.

Each policy is a contract of "indemnity." It agrees to assume the responsibility for legal defense of title for any defect covered under the policy's terms and to reimburse for actual financial losses up to the policy limits.