



The Title Process

The Funniest Part of a Real Estate
Transaction

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First Steps

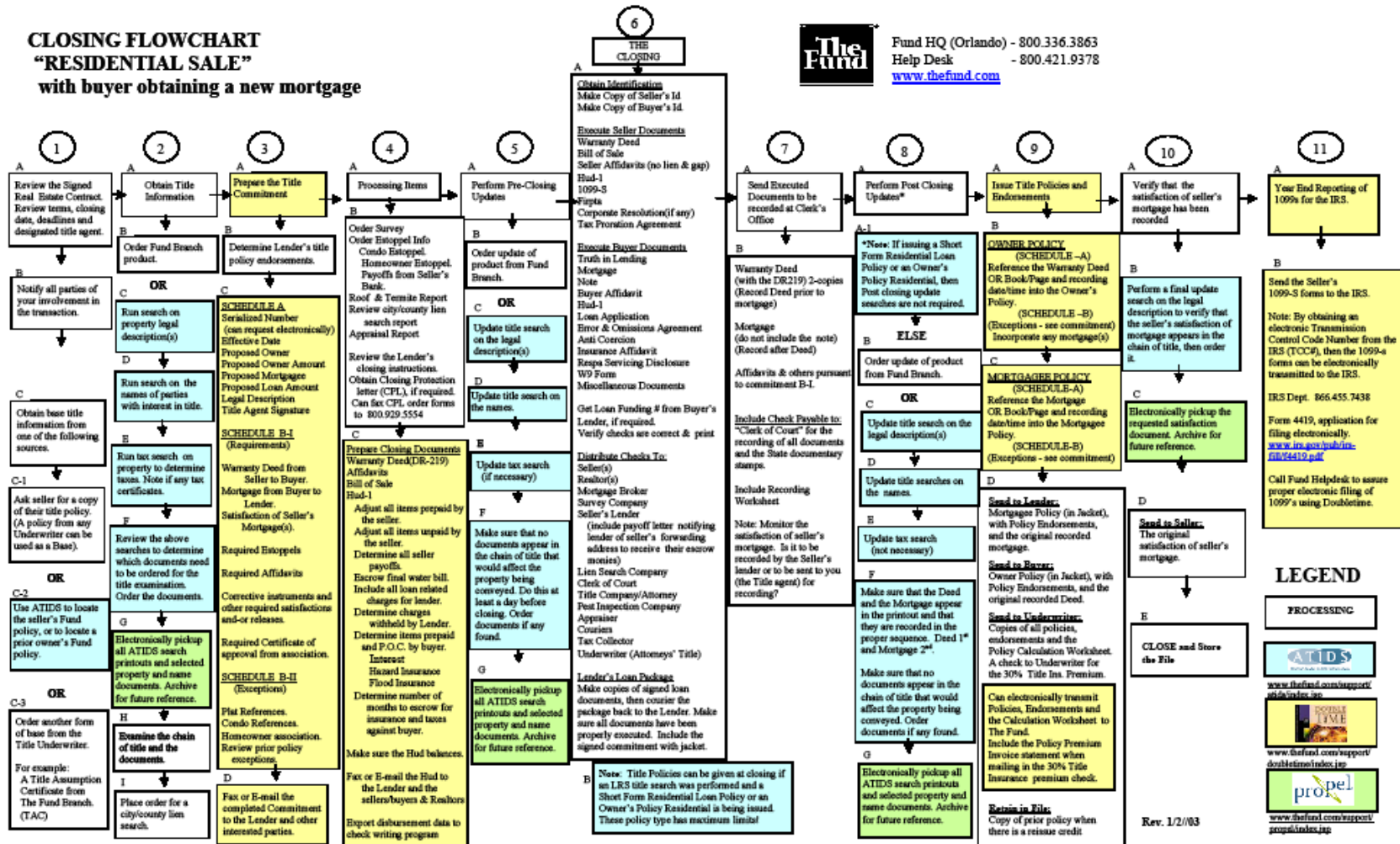
- Clients accept contracts presented by REALTORS
- Earnest money is exchanged and escrowed
- Title company or attorney receives order for title

- THEN THE FUN BEGINS...



The Title Process...

CLOSING FLOWCHART "RESIDENTIAL SALE" with buyer obtaining a new mortgage



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The Process (Simplified)

- Review contract for terms and deadlines
- Notify everyone of involvement
- Obtain base title information
- Perform title search and order documents
- Prepare title commitment



The Process (Simplified)

- Process Items
 - Order survey
 - Order estoppel letters
 - Order payoffs
 - Roof and termite reports
 - Appraisal reports
 - Review lenders closing instructions



The Process (Simplified)

- CLOSE!!
- Post-closing updates
- Issue title policy and endorsements
- Year end 1099 reports to IRS





How Can You Help?

- Collect as much documentation as possible
 - Prior owner's title policy (saves time)
 - Prior owner's survey (saves money to re-certify)
 - Have HOA documents and contact info ready
 - Have clients provide insurance company early
 - Ask about home warranties early (many companies offer "seller's coverage")

All of this helps the lender also - nothing gets dropped through the cracks for FHA, VA, or other lender requirements



How Can You Help?

- Provide the title company as much contact info as possible (including lender info)
 - Saves time!
 - Client happier with more communication
 - REALTOR able to communicate better and be better informed with client
 - Able to help title company obtain info even when client is unavailable
 - You look more professional if no one has to chase down these documents!
 - More potential referrals from clients because of professionalism and thoroughness of process!
 - Create a checklist for yourself and every client! Ask title company for help on this!



How Has the Industry Changed?

- BEFORE – Title companies could charge:
 - Settlement fee
 - Abstract or title search
 - Title examination
 - Title insurance binder
 - Document preparation
 - Notary fees
 - Attorney’s fees
 - Title insurance
 - Post-closing fees





NOW....

- House Bill 111, 2007
 - Closing Fee
 - Title search
 - Title insurance
 - Attorney's fees (if applicable AND must be outside title company or charged by attorney/agent for actual services rendered)





Closing/Settlement Fees include:

- Services performed by title company
- Preparing documents for closing
- Conduct closing
- Disbursement of funds



Title Search includes:

- Compiling title information from official or public records





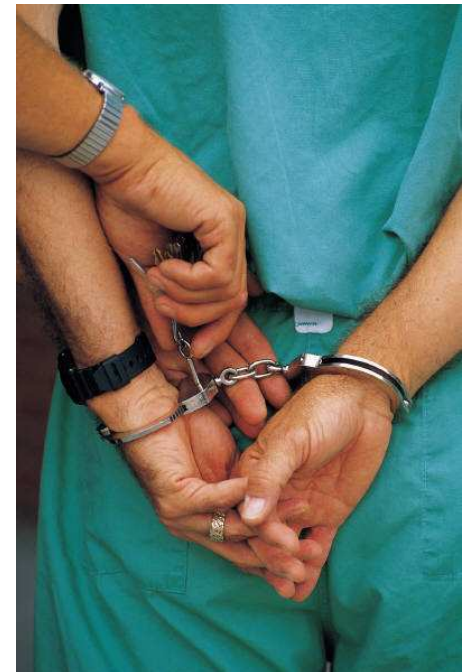
Title Insurance includes:

- Searching UCC records
- Examining title search records
- Clearing underwriting obstacles
- Determining insurability
- Preparing AND issuing title commitment



What Else Has Changed?

- Title companies can only charge PROMULGATED rates now!
- No kickbacks, commissions, finders fees, post-closing fees, processing fees, etc.
- People are going to jail now!!





How Can You Help?

- Don't be afraid to question charges on HUD!
- Be an advocate for your client – look out for their best interests!
- Remember that everything deserves an explanation!
- Talk to the title company about the title commitment letter when it is issued early on – many of the requirements are easy to deal with if the client deals with them early!! Again – ASK QUESTIONS but don't be an attorney and interpret!!!



Q&A

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