

TOP 10 THINGS
CONSUMERS SHOULD KNOW ABOUT
THE CLOSING PROCESS

DE QUEEN ABSTRACT COMPANY

The Consumer Financial Protection Bureau (CFPB) created the TILA-RESPA Integrated Disclosure (TRID) Rule to improve mortgage disclosure forms to make it easier for consumers to understand the terms of their loans and closing costs. In order to ensure a timely closing, it is more important than ever that you communicate with your lender, real estate agent and settlement professional.

1 TIME IS OF THE ESSENCE

- To avoid delays or a postponement of your closing, be sure to respond to lender and settlement company requests immediately.
- Work closely with your lender, real estate agent and settlement professional to avoid delays.

2 YOU HAVE A CHOICE

- When it comes to service providers associated with your closing, you have a choice. This includes the company or attorney that will close your transaction and most inspectors, just to name a few. In certain areas, the seller will pay for some closing costs and thus will be entitled to select the vendor(s).
- Talk to your lender, real estate agent and settlement professional to obtain additional information about the various service providers and fees.

3 PROTECTING YOUR INFORMATION – SECURED EMAILS

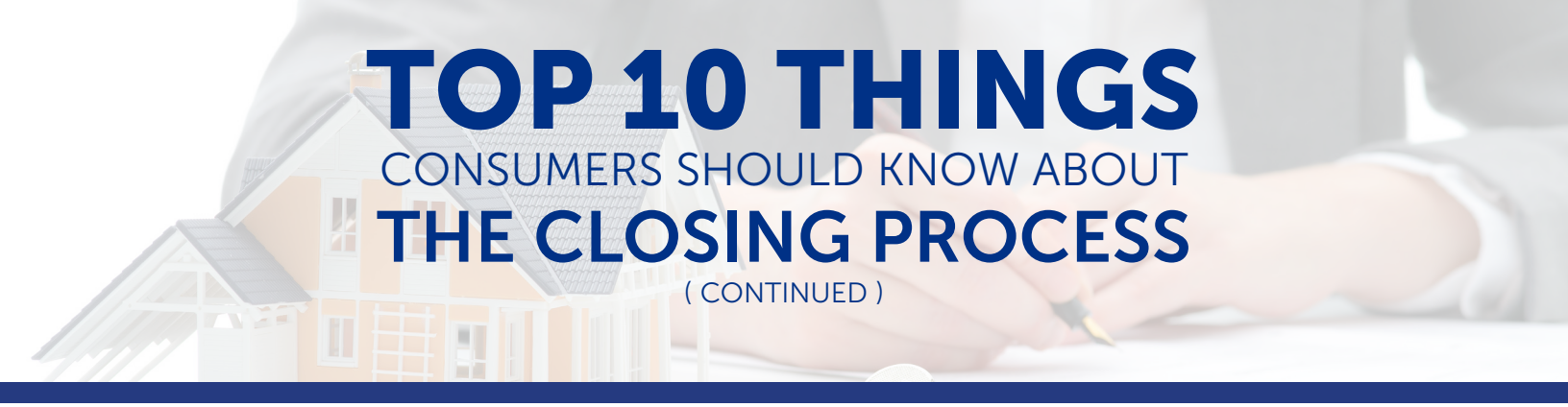
- As an additional security measure to protect your non-public personal information, you may receive secured emails from your lender and settlement service provider.
- You will need to follow the instructions for retrieving that information (which will likely require you to create an account) and make sure that you return any information through the secured email system.

4 LOAN ESTIMATE (LE)

- The Loan Estimate (LE) will be sent to you within three days of your loan application. You may receive multiple copies of the LE if there are any changes in circumstance(s).
- The terms provided on the LE will also appear on the Closing Disclosure (CD). Lenders are required to explain any changes in fees on the CD.

5 PREPARING FOR CLOSING

- Approximately 10 – 14 days before you are scheduled to sign your documents you should be prepared to communicate with your lender, real estate agent and settlement professional. It will be important for you to provide your hazard insurance information.
- NOTE: Wiring instructions will be subject to strict verifications to prevent fraud. Discuss this with your closing professionals well in advance.



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(CONTINUED)

6 **CLOSING DISCLOSURE (CD)**

- A closing statement called the Closing Disclosure (CD) will be used for most loan applications. The CD will be sent directly to you (buyer/consumer) and not your real estate agent.
- The CD is designed to make it easy for you to understand the terms of your loan.

7 **THREE-DAY REVIEW PERIOD**

- The Closing Disclosure (CD) must be delivered to the buyer/consumer at least three business days prior to the signing the documents.
- If the CD is delivered via email it is important to acknowledge receipt to avoid additional delays.
- The CD may also be mailed seven days in advance and does not require proof of receipt.
- This time allows you to share it with your agent, attorney and/or financial advisor and ask questions or get clarifications from your lender about the terms and conditions of your loan.

8 **LENDERS TITLE INSURANCE POLICY**

- Lenders typically require their borrowers to purchase a Lender's Policy of Title Insurance for the purchase loan(s).
- The fees are usually based on the amount of the loan(s).
- However, a lender's policy protects only the lender's interests should a problem with the title arise.

9 **OWNERS TITLE INSURANCE POLICY**

- Research the value and importance of an Owner's Title Insurance Policy early on in the process of obtaining a loan and closing on the purchase of your home.
- Homebuyers often assume that the Lender's Title Insurance Policy protects them from challenges to their ownership rights in the property being acquired. This is not the case. Instead, the homebuyer's interests are protected by an Owner's Title Insurance Policy. This insurance coverage typically protects against adverse matters such as ownership challenges, errors and omissions in deeds, forgery, and undisclosed heirs, among other things. It also provides coverage for the attorney's fees that arise where legal challenges to your property's ownership occur. Its cost is typically based on the home's total purchase price, and is a one-time fee paid at closing.

10 **ASK QUESTIONS**

- This is one of the most important purchases of your life.
  Do not be afraid to ask questions of your lender, real estate agent and settlement professional.

CONTACT ME FOR MORE INFORMATION ON THE BENEFITS OF AN OWNER'S TITLE POLICY TO
SAFEGUARD YOUR INVESTMENT AND PEACE OF MIND.