



HOT TIPS

For Cool Closings



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BUYERS' AGENTS

1

When preparing an offer on a property, consider the following:

Confirm your clients' marital status.

If you have a married client planning to acquire a property as a separate investment, or if there's a discussion about other forms of co-ownership (for example, joint tenancy or tenants in common with unmarried couples or partners), talk to a real estate attorney to ensure your clients are fully informed about these types of ownership, and the ways that Texas community property and homestead laws may affect ownership.

If possible, avoid closing dates in the last few days of the month.

Your client will enjoy more options as to closing appointments and last-minute changes or issues will be easier to take care of smoothly.



2

After the contract is received, communicate with your Escrow Officer about the following, where applicable:

Changes made to the contract during the option period

Including amendments, lease-backs, seller concessions, etc., or any other modifications that might occur after the initial receipt of the contract.

The transaction is linked to another closing.

Your Escrow Officer can better coordinate all the moving parts if they know that all or part of the Buyers' purchase money is coming from another transaction.

A party to the contract will use a Power of Attorney.

Your title company will need to have the original executed document at closing, and is legally required to contact the person granting the Power of Attorney on the day of closing. Remember that the Power of Attorney should be specific to the transaction and that the title company will need to keep and record the original.

All or part of the transaction will be handled remotely.

If your clients cannot attend closing, plan in advance with your Escrow Officer to find a cooperating title company office or notary, and determine the method by which the original documents will be delivered timely to your Escrow Officer. There may be additional third-party fees for this service.

Your clients are first-time homebuyers.

A good Escrow Officer will appreciate the opportunity to plan extra time with them to make sure all their questions are answered.

Special circumstances for your clients

e.g., they do not speak English, or have a disability.

3

Prior to the scheduled closing . . .

Prepare your clients to bring complete identification to closing,

including anyone signing under a Power of Attorney. To comply with federal security, banking, and notary laws, your clients must bring valid (not expired!) government-issued identification.

Prepare your Buyers in advance to bring "good funds" to the closing table,

in other words a cashier's check or wire transfer. Good funds, as defined by the Texas Department of Insurance, are required for any closing funds over \$1,500.00. A cashier's check may be a safer option than a wire transfer due to the significant increase of wire fraud nationwide. Bear in mind that a cashier's check must be honored or "collected" by the bank prior to disbursing those funds so early communication about expectations can save last minute contention about when the Seller receives proceeds, when the Buyer may take possession, etc. Depending upon circumstances, a cashier's check may even need to be delivered 24 hours prior to closing. Should a wire transfer be the Buyer's chosen method to deliver the funds, a request for the instructions will need to be made to the escrow team by the Buyers via phone and upon that request, our encrypted instructions will be sent directly to the Buyers. We will also ask that they confirm when the wire has been transferred so that its receipt can be anticipated by the escrow staff. Note: ACH transfers are often confused with wire transfers but they are not the same. An ACH transfer will be rejected upon receipt which could cause a lengthy delay in the return of the funds back to the Buyer.



SELLERS' AGENTS

1

When preparing an offer on a property, consider the following:

At the time of listing, ask your client for the following:

Copy of a prior survey: If the parties to the contract have agreed to use a prior survey, present it to your title company for review when you receipt the contract along with the T-47 Survey Affidavit.

Complete identification information from the Seller: This includes full name, Date of Birth, Driver's License and Social Security number. This information will help eliminate confusion about liens or judgments against individuals with similar names that may come up in the title search. In addition, it is very important that the Seller discloses whether or not they are a US Citizen for income tax reporting purposes. There are stringent IRS guidelines for persons selling property who are not US Citizens and early identification of those individuals can help alleviate a delay in closing.

Special circumstances for your client: e.g., they do not speak English or have a disability.

HOA information: This will help in meeting contract deadlines, and compliance with the new HOA Addendum in the TREC contract.

Clarification of marital status for the entire time your client has owned the property: If there has been a divorce, death, or marriage during the ownership period, consider opening a title order with Independence Title in advance to ensure that any community property issues are addressed timely. Your Escrow Officer can provide you with an "Open Title Request" form for your Seller to sign, which allows your title company to open a file without a contract.

Loan payoff information: This includes the bank name, your client's Social Security Number, loan number and an estimated principal balance. This will allow your Escrow Officer to prepare an estimated closing statement/net sheet, and will facilitate getting a payoff statement more quickly.

2

When executing the contract, consider the following:

Clarify your Sellers' expectations about when they will receive proceeds from the sale.

In most instances, the title company will offer the Seller an ITC check immediately upon funding or offer to wire funds to the account of their choice. A wire transfer is typically received by the Seller's bank no later than the next business day. If they need the funds quickly for another transaction, it is best if they make us aware of that information in advance so we can accommodate their request to the degree possible.

If possible, avoid planning your closings for the last few days of the month.

Your client will enjoy more options as to closing appointments and last-minute changes or issues will be easier to take care of smoothly.



3

After the contract is received, communicate with your Escrow Officer about the following, where applicable:

The transaction is linked to another closing. Related to the closing proceeds discussion above, your Escrow Officer can better coordinate all the moving parts if he/she knows the Sellers need the proceeds quickly for a purchase.

Changes made to the contract during the option period, including amendments, lease-backs, seller concessions, or any other modifications that might occur after the initial receipt of the contract.

A party to the contract will use a Power of Attorney. Your title company will need to have the original executed document at closing, and is legally required to contact the person granting the power of attorney on the day of closing. Remember that the Power of Attorney should be specific to the transaction and that the title company will need to keep and record the original.

All or part of the transaction will be handled remotely. If your clients cannot attend closing, plan in advance with your Escrow Officer to find a cooperating title company office or notary, and determine the method by which the original documents will be delivered timely to your Escrow Officer. There may be additional third-party fees for this service.

Prepare your clients to bring complete identification to closing, including anyone signing under a Power of Attorney. To comply with federal security, banking, and notary laws, your clients must bring valid (not expired!) government-issued identification.

Prepare your clients for bringing or receiving funds. In the event your Seller needs to bring funds to closing, a cashier's check or wire transfer is required for any funds in excess of \$1,500. In the event your Seller is receiving funds from closing and they want those funds sent via wire transfer, they will need to bring WRITTEN instructions for their bank or institution. A voided check is acceptable for a regular checking account. For investment, money market or brokerage accounts, please ask your Seller to contact that institution and obtain their specific wiring instructions since those shown on an investment, money market or brokerage account checks are often missing key pieces of information which will delay sending out the wire. Alternatively, if your seller needs to have the funds sent to another title company for a concurrent transaction, please ask that they bring those instructions to closing.

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Make us your personal title company!



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