



DEVELOPING THRIVING COMMUNITIES

Escrow & Title Vocabulary

CC&Rs – Covenants, Conditions & Restrictions. Limits and rules placed on a group of homes by a builder, developer, neighborhood association or Homeowners Association; when living in a building, a buyer gives up certain freedoms to be part of a shared community.

Closing – The final step in the sale, purchase or refinance of property when ownership of the property is transferred.

Closing Costs – Fees incurred in addition to the purchase price of a home that will be listed on the Closing Disclosure provided to the borrower three days before closing. Closing costs cover fees associated with the sale of the home, such as title and settlement services, title insurance.

Deed – A legal document conveying title to a property. An instrument whereby a seller transfers ownership rights of a property.

Earnest Money – the money you pay 1-3 days after the seller has accepted your offer. How much earnest money you pay varies, but it's typically 1-3% of the price of the home.

Easement – Common land or utilities owned publicly and used by the local community. Easements are also a right to use another person's land for a specific purpose.

Encroachment – Fences or other parts of neighboring lots that cross property lines. Encroachments should be listed in the title report or the seller disclosure documents.

Escrow – A neutral third-party who holds funds until conditions are met.

Judgement – Part of the title search. Determines if there are any unsatisfied judgements against the seller or previous owners which were in existence while they owned the title.

Lien – a legal claim on a tract of real estate granting the holder a specified amount of money upon the sale of property.

Note – a legally binding agreement between a buyer and the lender. It is a promise to repay a loan with specific terms.

Prepays – the expenses or items that the homebuyer pays at closing, before they are technically due. Prepays can include taxes, insurance, private mortgage insurance and special assessments. **Pro-rates** and **Reserves** are interchangeable terms.

devNW.org



212 Main Street
Springfield, OR 97477

257 SW Madison Avenue #200
Corvallis, OR 97333

437 Union Street NE
Salem, OR 97301

421 High Street, Suite 110
Oregon City, OR 97045



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Quitclaim Deed – A term used to describe the act of transferring the ownership of a home from the owner to another party, often a family member or a spouse.

Title – Title is the right to, or ownership of, a specific real estate property. The report identifies all parties with a legal claim to the property, what items need to be cleared from the title before the new buyer can take possession, and if there are any easements or encroachments on the property.

Title Insurance – Protects a lender or owner against loss in the event of a property ownership dispute.

Title Search – The process of examining all relevant records to confirm that the seller is the legal owner of a property and that there are no liens or other claims outstanding.

Sources: Redfin, RealtyTitle, LendingTree

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Who Pays Closing Costs

Closing costs (or settlement costs) are fees and expenses over and above the price of the property incurred by the buyer and/or the seller during the transfer of ownership of the property. Typically, a buyer pays 2-4% of the purchase price in closing costs. A seller can expect to pay anywhere from 6-10% of the purchase price in closing costs.

Keep in mind the following fees are typical and should not be considered hard fast rules. Consult with your realtor for more details.

Seller Normally Pays for...	Buyer Normally Pays for...
<ul style="list-style-type: none"> • One-half of the escrow fees • Work orders (according to the contract) • Owners' title insurance premiums • Real Estate commission • Any judgements or liens against the seller • Any unpaid Homeowners Associations dues • Home Warranty (according to the contract) • Any bonds or assessments • Recording charges to clear all documents of record against the seller • Payoff of all loans in seller's name (or existing loan balance being assumed by buyer) • Interest accrued to lender being paid off, reconveyance fees and any prepayment penalties 	<ul style="list-style-type: none"> • One-half of the escrow fees • Lender's title policy premium • Document preparations • Tax pro-rational (from date of acquisition) • Recording charges for all documents in buyer's name • Home Insurance premiums for the first year • Home Warranty (according to contract) • Inspection fees • All new loan charges (except those required by lender for seller to pay) • Interim interest on new loan from date of funding to first payment date

Be sure to budget saving for closing costs on top of your downpayment as you save for purchasing a home.

Source: A local Title & Escrow Company

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
 Anytown, ST 12345
Sale Price \$180,000

Transaction Information

Borrower Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
Seller Steve Cole and Amy Doe
 321 Somewhere Drive
 Anytown, ST 12345
Lender Ficus Bank

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional FHA
 VA _____
Loan ID # 123456789
MIC # 000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Prepayment Penalty	Does the loan have these features? YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments	Years 1-7	Years 8-30
Payment Calculation		
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>
		In escrow? YES YES NO

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$14,147.26 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title – Lender’s Title Insurance to Epsilon Title Co.	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title – Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner’s Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner’s Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00	
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title – Owner’s Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$1,035.04	YES • See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION**K. Due from Borrower at Closing \$189,762.30**

01	Sale Price of Property	\$180,000.00
02	Sale Price of Any Personal Property Included in Sale	
03	Closing Costs Paid at Closing (J)	\$9,682.30
04		

Adjustments

05		
06		
07		

Adjustments for Items Paid by Seller in Advance

08	City/Town Taxes	to	
09	County Taxes	to	
10	Assessments	to	
11	HOA Dues	4/15/13 to 4/30/13	\$80.00
12			
13			
14			
15			

L. Paid Already by or on Behalf of Borrower at Closing \$175,615.04

01	Deposit	\$10,000.00
02	Loan Amount	\$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to	
04		

05	Seller Credit	\$2,500.00
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Other Credits

06	Rebate from Epsilon Title Co.	\$750.00
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07		
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Adjustments

08		
09		
10		
11		

Adjustments for Items Unpaid by Seller

12	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
13	County Taxes	to	
14	Assessments	to	
15			
16			
17			

CALCULATION

Total Due from Borrower at Closing (K)	\$189,762.30
Total Paid Already by or on Behalf of Borrower at Closing (L)	– \$175,615.04

Cash to Close **From** **To Borrower** **\$14,147.26****SELLER'S TRANSACTION****M. Due to Seller at Closing \$180,080.00**

01	Sale Price of Property	\$180,000.00
02	Sale Price of Any Personal Property Included in Sale	
03		
04		

05		
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06		
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07		
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08		
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Adjustments for Items Paid by Seller in Advance

09	City/Town Taxes	to	
10	County Taxes	to	
11	Assessments	to	
12	HOA Dues	4/15/13 to 4/30/13	\$80.00
13			
14			
15			
16			

N. Due from Seller at Closing \$115,665.04

01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	\$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	\$100,000.00

05	Payoff of Second Mortgage Loan	
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06		
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07		
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08	Seller Credit	\$2,500.00
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09		
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10		
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11		
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12		
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13		
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Adjustments for Items Unpaid by Seller

14	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
15	County Taxes	to	
16	Assessments	to	
17			
18			
19			

CALCULATION

Total Due to Seller at Closing (M)	\$180,080.00
Total Due from Seller at Closing (N)	– \$115,665.04

Cash **From** **To Seller** **\$64,414.96**

Additional Information About This Loan

Loan Disclosures

Assumption

- If you sell or transfer this property to another person, your lender
- will allow, under certain conditions, this person to assume this loan on the original terms.
 - will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner's Association Dues</i> You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@ epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

File No.:
 Printed: 05/01/2018, 5:12 PM
 Officer/Escrow Officer:
 Settlement Location:
 Anytown

Estimated Settlement Statement

Property Address: 123 Anywhere Street, Anytown, OR 12345
 Buyer: Happy Buyer
 Seller: Sad Seller
 Lender: Favorite Lender
 Settlement Date: 04/15/2013
 Disbursement Date:

Description	Buyer	
	Debit	Credit
Financial		
Sale Price	180,000.00	
Loan Amount - To Favorite Lender		162,000.00
Prorations/Adjustments		
Association Dues 04/15/13 to 05/01/13 @\$160/mo	80.00	
County Taxes 04/15/13 to 07/01/17 @\$2960.88/yr		365.04
Seller Credit for buyers closing costs		2,500.00
Buyer Deposit		10,000.00
Rebate from Title		750.00
Loan Charges		
Loan Charges to To Favorite Lender		
Prepaid Interest 04/15/13 to 05/01/13 @\$17.440000/day	279.04	
Application Fee	300.00	
Underwriting Fee	1,097.00	
0.25% of Loan Amount (Points)	405.00	
Appraisal Fee		Paid by Others-L \$405.00
Credit Report		POC-B \$29.80
Flood Determination Fee	20.00	
Flood Monitoring Fee	31.75	
Tax Monitoring Fee	75.00	
Tax Status Fee	80.00	
Pest Inspection Fee	120.50	
Survey Fee	85.00	
Impounds		
Aggregate Adjustment		0.01
Homeowner's Insurance 2 mo(s) @\$100.83/mo	201.66	

This document is not intended to replace the Closing Disclosure form.

Description	Buyer	
	Debit	Credit
County Property Taxes 2 mo(s) @\$105.30/mo	210.60	
Title Charges & Escrow / Settlement Charges		
Title - Owner's Title Insurance (optional) Policy: ALTA Owners - 2006 STD to First American Title Company of Oregon	1,000.00	
Title - Lender's Policy Policy: ALTA Lenders - 2006 EXT to First American Title Company of Oregon	650.00	
Title Insurance Binder Fee ALTA Elimination Fee to First American Title Company of Oregon	500.00	
Title Search Misc Title Processing Fee to First American Title Company of Oregon	800.00	
Title - Escrow Fee Escrow/Closing Fee to First American Title Company of Oregon	500.00	
Government Recording and Transfer Charges		
Record First Grant/Warranty Deed Record Warranty Deed-First to County Clerk Deeds and Records	40.00	
Record First Deed of Trust Record Deed of Trust-First to County Clerk Deeds and Records	45.00	
Miscellaneous		
HOA Capital Contribution to To Be Determined	500.00	
HOA Processing Fee to To Be Determined	150.00	
Home Inspection Fee to To Be Determined	750.00	
Homeowner's Insurance Premium to Insurance Agent	1,209.96	
6 months of taxes to Lane County Assessment & Taxation	631.80	
Subtotals	189,762.31	175,615.05
Due From Buyer		14,147.26
Totals	189,762.31	189,762.31

Our wire instructions do not change. If you receive an email or other communication that appears to be from us and contains revised wiring instructions, you should consider it suspect and you must call our office at an independently verified phone number. Do not inquire with the sender.

Acknowledgement

We/I have carefully reviewed the Estimated ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements to be made on my account or by me in this transaction and further certify that I have received a copy of the Estimated ALTA Settlement Statement. This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of Escrow Settlement Statement. We/I authorize Title Company to cause the funds to be disbursed in accordance with the Final ALTA Settlement Statement to be provided to me/us at closing.

Buyer(s):

Happy Buyer

Escrow Officer:

This document is not intended to replace the Closing Disclosure form.

Closing Disclosure Scavenger Hunt

Page 1

- 1) Do the following match the most recent Loan Estimate?
 - o Loan Estimate: Yes/No
 - o The Estimated Total Monthly Payment: Yes/No
 - o Closing Costs: Yes/No
 - o Cash to Close: Yes/No
- 2) Does the loan have any prepayment penalties?

Page 2

- 3) What are some services the borrower did shop for?
- 4) How much is the property tax per month?

Page 3

- 5) What is the Seller Credits total?
The Seller Credit reflect the amount the seller has agreed to contribute to the buyer's closing costs.

Page 4

- 6) How much will it cost for making a late payment?
- 7) Will the buyer have an escrow account?
Many homeowners pay their property taxes and homeowner's insurance as part of their monthly payment. This arrangement is called an escrow account.

Page 5

- 8) Under "Contract Details," why is important to read your note and security instrument*?
The security instrument is also known as the "mortgage" or "deed of trust."

Source: Consumer Finance Protection Bureau