



## TITLE COMPANY PROCESS.....FROM START TO FINISH

A lot happens between the point the title company receives a contract and the actual closing. Listed below is a brief summary of the many processes the title company completes before the closing can occur.

1. Contract and earnest money is receipted.
2. Order entry area sets up the file, assigns a GF number, escrow closer and escrow assistant.
3. Order enters the title plant, tax certificates are ordered from the Appraisal District and other tax office that may apply.
4. Title examiners research the property by legal description in a geographical index to find all records of conveyance that affect the property. Copies of documents are assembled in chronological order to form a "chain of title." Documents such as Deeds, Deeds of Trust, Releases of Lien, Assignments, Easements, Restrictions, etc. are found during this portion of the examination. The older the property, the longer the "chain" and, as a result, the more involved the title search. Properties outside the city limits identified by a metes and bounds description require more time to examine than a lot and block property inside the city limits.
5. Title examiners now search record owners of subject property, past and present, against an alphabetical name index to determine if any Abstracts of Judgment, Federal or State Tax Liens, suits, divorces, wills, powers of attorney, etc. affect the title.
6. All information compiled from the geographical index and alphabetical name index is evaluated and scrutinized by the senior title examiner to determine the status and insurability of the subject property. At this point, a formal title report is generated and sent to the commitment department.
7. The commitment department prepares a title commitment based on the examiner's report. Any and all requirements needed to correct the title will be listed under Schedule C of the commitment.
8. The file then returns to the closing office and the title commitments, taxes, restrictions, etc. are distributed to all parties.
9. The escrow officer reviews the title commitment and works with the seller and their agent to satisfy any Schedule C requirements.
10. Payoff statements are ordered.
11. The escrow assistant then begins to work with the mortgage lender to prepare for closing. Upon lender approval, all information is gathered, closing instructions are issued and any special requirements are addressed. **The title company does not order appraisals, surveys, termite inspections, etc.**
12. Upon receiving closing instructions from the loan company, the escrow assistant prepares the HUD settlement statement in accordance with the contract and the lender's instructions. The HUD is reviewed by the closing coordinator and forwarded to the lender for approval. Upon receiving HUD approval, copies are forwarded to the agents and/or sellers/buyers for review. The closing documents are prepared upon receipt of the loan paperwork from the mortgage company.
13. The closing then takes place at the title company. The proper parties sign all documents and after reviewing and copying them, they are forwarded to the mortgage lender for approval and funding.
14. Upon funding authorization and funds received by the title company, the transaction is funded and checks are distributed. The title company records the legal documents and issues the title insurance policies.

Remember...this is just a capsule version of what takes place before and after a closing. A variety of things can create obstacles during this process: title defects, repairs to the property, inspections, appraisals, etc. If we all work together and communicate, the process can be a smooth one.