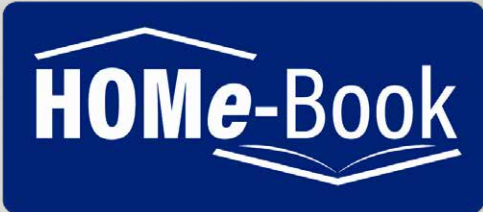


 **OLD REPUBLIC TITLE**



DALLAS - FORT WORTH, TEXAS

Understanding Title & Escrow | Closing Costs
The Language of Real Estate
Includes Consumer Information on Closing Practices (TRID)

Table of Contents

CONTACT INFORMATION	ii
Old Republic Title	1
Why Old Republic Title?.....	1
Services We Provide.....	3
Financial Ratings.....	4
ESCROW	5
What is Escrow?.....	5
How Does Escrow Work?.....	6
Closing Process Checklist.....	7
'Know Before You Owe' Mortgage Disclosure Terms.....	8
Getting Started - Buyers.....	9
Getting Started - Sellers.....	11
Explanation of Estimated Seller's Closing Costs.....	13
Key Closing Information.....	14
Showstoppers.....	16
How to Prepare for your Closing.....	17
Beware of Wire Fraud.....	19
Mimecast Secure Messaging.....	20
COMMITMENT FOR TITLE INSURANCE	22
Commitment for Title insurances — Some Basics.....	22
TITLE INSURANCE	25
What is Title Insurance and How Does It Work?.....	25
8 Common Misconceptions about Title.....	27
33 Covered Risks for the Homeowner's Policy.....	29
Comparison of Title Coverage.....	32
Frequently Asked Questions About Title Insurance.....	33
CLOSING COSTS	35
Examples of Additional Closing Costs.....	35
FIRPTA Withholding Rule.....	36
Branches	37
REAL ESTATE DICTIONARY	39



Contact Information

Name: _____
Company: _____ Old Republic Title
Address: _____
City/State/ZIP: _____
Phone: _____
E-mail: _____

Name: _____
Company: _____
Address: _____
City/State/ZIP: _____
Phone: _____
E-mail: _____

Name: _____
Company: _____
Address: _____
City/State/ZIP: _____
Phone: _____
E-mail: _____

Name: _____
Company: _____
Address: _____
City/State/ZIP: _____
Phone: _____
E-mail: _____





Home ownership is the American Dream and you are about to embark on an exciting process. Your home will be one of your largest assets and most likely will appreciate in value over the life of your ownership. There are a lot of decisions ahead of you. Please use this handbook as a guide to help you throughout this process.



Old Republic Title

WHY OLD REPUBLIC TITLE?

When you select a title insurer, you've chosen a company you can rely on as long as you or your heirs own a property. Old Republic Title's value doesn't just come from being in business for more than a century. It's much more than that.

At Old Republic Title, you'll find exceptional client service every step of the way. Through each stage of the process, you'll work with experienced title insurance professionals who strive to provide prompt delivery of our products and services.

How do we know you'll work with experienced professionals? We keep our standards high. Whether it's state or regional counsel, title officers, title searchers, underwriters or escrow officers, we recruit individuals with knowledge and skill in the title insurance and real estate industries—many of whom build long careers with Old Republic Title.

Our products and services are designed to protect our clients associated with a real estate transaction. Whether you're a homeowner, title agent, real estate professional, builder or lender, we provide solutions to meet your needs. We take the mystery out of the complex settlement process by providing advanced technology solutions that meet high compliance standards.

The value of our services is backed by financial strength that is unsurpassed in the title insurance industry. Since 1992, no other title insurer has had higher overall ratings than Old Republic Title. By carefully considering each financial step we take, we make every effort to ensure we'll be here to serve you for many years to come.



Success on Your Terms

Old Republic Title** and its underwriter Old Republic National Title Insurance Company, herein “Old Republic,” provide title and escrow products and services for individuals, businesses and governments. Our services are highly comprehensive and flexible to respond to changing market environments and to ensure your transaction is settled according to the most current industry standards. We’re committed to expediting the timely close of your real estate transaction by underwriting and managing each transaction with the highest levels of technical skill, client services and professional integrity.

Certainty Matters

When real estate ownership is transferred, the stakes are high and reputations are on the line. Our products and services protect our clients from financial loss and hardship related to unknown judgments and liens, forged transfers, inconsistencies within a property’s title or misapplication of fiduciary funds. This is what makes title examination and insurance policies – like those provided by Old Republic – invaluable. Old Republic minimizes the risks of real estate transactions by providing an insured statement about the ownership.

Reputation at Work

Old Republic is a subsidiary of Old Republic International Corporation, a multi-lined insurance corporation, which is one of America’s 50 largest shareholder-owned insurance businesses. The Old Republic Title Insurance Group* of companies have been issuing title insurance and providing peace of mind to its clients for over a century. We offer residential and commercial title insurance products as well as a variety of other title insurance related services through a national network of branch offices, subsidiaries and over 8,300 independent policy-issuing agents.

(*) ORTIG underwriters are: Old Republic National Title Insurance Company and American Guaranty Title Insurance Company.

(**) Old Republic Title Company, Old Republic Title Insurance Agency, Inc., Old Republic Title of Nevada, Old Republic Title, Ltd., Old Republic Title & Escrow of Hawaii, Ltd., Old Republic Title of Oregon.

SERVICES WE PROVIDE

Our products and services have been developed to address four important aspects of the real estate transfer process: information, ownership, asset management and commitment. In each area, we have created the tools and resources needed to ensure the most risk-free and expedient closing possible.

1. Information Services

The best real estate closings begin with good information.

We own and subscribe to leading industry information services for the most current market information, including property profiles, farm reports and mortgage records. We have access to secure, Internet-based databases with millions of public real estate records and documents. We can prepare and deliver preliminary reports and commitments electronically to multiple locations.

We provide real estate professionals with the most current ownership information available through a variety of sources to assist them in selling property and locating the next opportunity. In addition, we provide a variety of real estate insurance products to national lenders ranging from full ALTA policies to limited coverage policies.

2. Title Services

Insured ownership is at the heart of every transaction.

We work to remove any recorded encumbrances which are inconsistent with the terms of the transaction. We offer traditional, fully-insured products like ALTA policies, as well as innovative products and insurance policies in the refinance, second mortgage and equity markets. We respond quickly to unique circumstances with flexible and creative approaches to title insurance.

3. Escrow Services

The careful management of assets ensures a smooth transaction.

We coordinate and process the entire real estate and mortgage closing procedure. Our services include: document gathering, preparation and delivery of the Closing Disclosure when required, loan funds disbursement, escrow withholding and document recording with the appropriate government authority; all done in accordance with our clients' instructions. We serve as a neutral third party working to benefit the entire transaction and the parties involved. Our escrow personnel are proficient at complying with complicated escrow instructions.

4. Client Service

At Old Republic Title, we focus on providing optimum client service and deploying technologies that meet the needs of real estate professionals, consumers and our clients. Our network of Property Information Departments provides a variety of products, including property profiles and FARMS. In addition, we subscribe to industry-leading information systems for the most current market data, information and public records and documents.

To further support the needs of those we serve, we also provide several convenient digital tools. Many of these tools allow clients to directly open title and/or escrow orders, update property information, calculate closing costs or search property details via their oldrepublictitle.com account, or through one of our applications.





FINANCIAL RATINGS

Since 1992, no other title insurer has had higher overall financial strength ratings than Old Republic Title.

In today's uncertain economy, it is important to choose an underwriter you trust.

- Our statutory reserves and surplus are equal to 22.8 times of our 5-year average claim payments, placing Old Republic Title in a position that is amongst the highest of all the national underwriting families. The title industry would have to add \$2.2 billion in additional surplus and reserves to be as strong as ours.
- From 2008 through 2024, our market share has gone up 154.1%! Over that period, Old Republic Title has been the fastest growing national title insurance group in the nation.
- Our cash and invested assets are equal to 468.3% of our 5-year aggregate claim payments, placing Old Republic Title in a position that is amongst the highest of all the national underwriting families. The title industry would have to add \$2.8 billion in additional cash and invested assets to be as strong as ours.

Since 1907, Old Republic Title has weathered challenging economic times, meeting obligations to policyholders no matter the conditions. With underwriting expertise, exceptional products and services, and a commitment to doing business with integrity, Old Republic Title is a name you can trust.

Strength & Stability for Over a Century

As of 06/03/2025 | © 2025 Old Republic Title | OR4677 | *Based on combined Form 9 Annual Statements for all insurers within each family, as compiled by the ALTA, December 31, 2024 | Old Republic Title's underwriters are Old Republic National Title Insurance Company and American Guaranty Title Insurance Company. Ratings as of 6/3/2025. Rating determinations made by rating agencies are subject to change. There are four main rating agencies: A.M. Best, Standard & Poor's, Moody's and Demotech. Each of these rating agencies use their own proprietary scale to rate an insurance company (A.M. Best: A+ to D; Standard & Poor's: AAA to D; Moody's: Aaa to Baa3; and Demotech: A" to S). While the Company attempts to show accurate information, it cannot assure the reliability of ratings referred to herein and assumes no obligation to monitor the ratings of any rating agency or to immediately incorporate any rating changes applicable to the Company.



Escrow

WHAT IS ESCROW?

Making a very large purchase, such as a house, causes buyers, sellers and lenders to seek reassurance about all the security measures that are in place to protect the funds involved in the closing transaction. Transferring large sums of money and finalizing the details of your sale needs to be done safely and in compliance with the latest security and privacy standards. To help minimize risks during real estate transactions, the escrow/settlement process was developed to protect the buyer, seller and lender.

An escrow account is basically a temporary pass through account held by the escrow holder. The escrow holder is a neutral third party that holds funds and related documents in a secure manner while the parties work through the details of the real estate transaction. Escrow ensures the conditions of the real estate transaction have been met before the property and/or money change hands.

HOW DOES ESCROW WORK?

The escrow process starts when a party to a real estate transaction (seller, seller's agent, buyer or buyer's agent) opens the escrow after a written sale agreement is reached. Upon opening, the escrow holder should be provided with the terms of the sale and the information necessary to carry out tasks. The escrow holder's duties and the timing of key tasks vary between states.

While your real estate transaction is in escrow, your escrow officer and agent will work with you to make sure the right steps are taken at the right time. Tasks that the escrow holder may complete include:

- Coordinating communications between all parties in the transaction
- Preparing written escrow instructions
- Requesting a Commitment for Title Insurance
- Requesting a statement of identity (information) from the buyer or seller as needed
- Ordering demands or beneficiary statements
- Receiving bills from home warranty companies, as well as pest, roof, home and other inspection companies
- Preparing or securing the deed or other recordable documents
- Complying with lender's requirements
- Prorating taxes, interest, insurance and rents
- Receiving purchase funds required for closing
- Coordinating recording of deeds and any other necessary documents
- Closing escrow when all the instructions of the buyer, seller and lender have been carried out
- Disbursing funds as authorized, including charges for title insurance, recording fees, real estate commissions and loan payoffs
- Preparing final statements for the parties, which account for the disposition of all funds deposited in escrow

When all instructions in escrow have been carried out to the satisfaction of each party, the escrow is ready to be closed. With closing, the title to the property is transferred to the buyer, the sales proceeds are paid over to the seller, necessary documents are recorded and title insurance is issued. It is important to note that the escrow holder does not offer legal advice, negotiate the transaction or offer investment advice.



CLOSING PROCESS CHECKLIST

This checklist summarizes important information about the closing process, including what occurs during each stage and actions that will help facilitate a smooth transaction.

PRIOR TO CLOSING

- Open title request as soon as possible to avoid potential delays.
- Schedule a closing appointment as soon as possible, especially for a closing to occur at the end of the month.
Date of Closing: _____
Time of Closing: _____
Closing Location: _____
- Notify clients that a copy of the Closing Disclosure (CD) will be provided by the lender, at least three business days before closing of the loan.
- Inform buyer(s) that they must bring certified funds or a cashier's check to the closing, or arrange to wire funds to Old Republic Title®.
- Make married buyer(s) and/or seller(s) aware that spouses must attend the closing if the property is their primary residence. Special arrangements must be made in advance if spouses cannot attend.
- Inform buyer(s) that keys will not be provided until the lender grants funding approval.
- Inform seller(s) that funds will not be provided until the lender grants funding approval.

ITEMS TO BRING TO CLOSING

Buyers

- Valid, government-issued photo identification (both spouses).
- Good funds in the form of a certified check, cashier's check or arrange to wire funds to Old Republic Title.

Sellers

- Valid, government-issued photo identification (both spouses).
- All keys and garage door openers to the property.
- All repair receipts, if applicable.
- Lease-back check payable to buyer(s), if applicable.
- Wiring instructions, if applicable, including bank name, ABA number, name on the account and account number.

Real Estate Agent

- Wiring instructions, if applicable, including bank name, ABA number, name on the account and account number.

AT CLOSING

- The final versions of the CD and all final documentation are executed by buyer(s) and seller(s).
- A certified check, cashier's check or wired funds are provided to the escrow officer.
- Copies of all executed documents are provided to buyer(s) and seller(s).

AFTER CLOSING

- Funding conditions are faxed to the lender.
- Funding approval is provided by the lender.
- Agent(s), buyer(s) and seller(s) are contacted to collect keys, garage door openers and funds from Old Republic Title.
- Funds are distributed in accordance with the CD.



'KNOW BEFORE YOU OWE' MORTGAGE DISCLOSURE TERMS

Closing Disclosure – The five-page Closing Disclosure, also referred to as CD, must be provided to the consumer three business days before they sign their loan documents. The Closing Disclosure details all of the costs associated with their mortgage transaction.

Consummation – Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes legally obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction.

Loan Estimate – A three-page Loan Estimate (LE) must be provided to the consumer no later than three business days after they submit a loan application for most mortgages. The Loan Estimate provides information about key features, costs and risks of the mortgage loan for which the consumer is applying.

Redisclosure – For covered transactions under the TILA-RESPA Integrated Disclosure (TRID) Rule and under very specific circumstances, the Loan Estimate and/or the Closing Disclosure may be revised and delivered to the consumer.

Three-Day Review Period – For transactions covered under the TRID Rule, the creditor is generally required to ensure that the consumer (borrower) receives the Closing Disclosure no later than three business days prior to the consummation of the loan.



GETTING STARTED - BUYERS

Getting Financing

If you plan to finance your home purchase, it's crucial to start the mortgage loan process well before buying a home; even prior to the bidding process.

LOAN OPTIONS - Talk with loan officers at financial institutions, mortgage companies or savings and loan institutions to review the types of loans that are available and/or applicable to you and compare rates.

FIRST-TIME HOMEBUYER - If you are a first-time homebuyer, you may have the potential of qualifying for mortgage programs with little money down, low interest rates or federal programs that give beneficial rates.

FINANCIAL HISTORY - By having good credit history and a limited debt load, you should gain a better loan rate. However, if your current credit score is less than ideal, ask your financial representative how to improve your score and earn a better rate.



PREAPPROVAL LETTER - Once you've chosen a loan and lender, it's important to get preapproved and obtain a preapproval letter. To do so, a loan officer will need to review your credit files and discuss exactly how much you can borrow. Be sure to show your preapproval letter to your real estate professional before you begin looking for homes.

Why do I need a real estate professional?

Buying a home is one of the largest investments you will ever make. A real estate professional can research homes that specifically meet your criteria and provide access for you to preview homes, helping you narrow down your list of potential properties. Homes differ and so do contract terms, financing options, inspection requirements and closing costs. When you're ready to make an offer, a real estate professional can assist you with negotiations, and guide you through the process once your offer is accepted.



GETTING STARTED - SELLERS

Before putting your home on the market, there are several steps you should take in order to ensure the greatest amount of positive feedback from prospective buyers and help to sell it faster.

SELF INSPECTION

- Walk through home and view objectively, removing any emotion/sentimentality attached to it.
- Make a list of the repairs/changes that need to be made.
- Don't make over-costly changes.
- Prioritize list - placing those that require more work or outside resources at the top.
- Create a timeline of necessary repairs/changes before showings to prospective buyers.

REPAIR, CHANGES & CLEANING CHECKLIST

EXTERIOR

- Clean out gutters, downspouts, chimney, etc.
- Patch peeling or chipped paint with new paint.
- Replace damaged roof shingles if applicable.
- Repair, paint or stain any overly worn wood decks.
- Clean dark spots or stains left on concrete or driveway.
- Clean and repair fencing surrounding home and ensure it's intact.
- Maintain good exterior lighting, especially along walkways.

YARD

- Mow or trim grass surrounding home.
- Re-sod the yard or re-mulch flower/plant beds, if needed.
- Continue grass/plant maintenance.
- Remove any overgrowth and dead/diseased plants, shrubs, grass and trees.
- Weed flower beds.

WINDOWS & DOORS

- Polish hardware; knobs, locks, etc.
- Ensure they open and close with ease and no squeaking; or repairs needed.
- Check doorbell functionality.
- Clean both inside and outside.
- Repair any cracks, tears or holes.
- Apply a fresh coat of paint, if needed.

ENTRY

- Make sure this area is spotless; clean floors, rugs, decorative pieces, etc.
- Eliminate any clutter to enhance space
- Ensure good, functional lighting



LIVING, DINING & FAMILY ROOMS

- Add a fresh coat of paint to walls, if needed.
- Repair cracks in ceilings and walls.
- Secure/repair peeling or torn wallpaper.
- Re-paint or re-stain woodwork, banisters, wall decor, etc.
- Clean blinds/drapery and ensure they work properly.
- Steam-clean carpeting or flooring.
- Position furniture in way that showcases shape of room.
- Eliminate clutter to enhance space.

KITCHEN

- Clean countertops and sink thoroughly.
- Repair leaks or dripping faucets.
- Organize pantry and cupboards.
- Make sure the refrigerator and freezer are defrosted and odorless.

BATHROOMS

- Clean sinks, showers, bath tubs and countertops thoroughly.
- Repair leaks or dripping faucets.
- Remove grout and soap stains left on tiles.
- Repair broken or cracked tiles and re-caulk if needed.
- Check the functionality of fixtures, lighting, heat lamps, fans, etc.
- Eliminate clutter.

BEDROOMS

- Repair cracks in ceilings and walls.
- Apply a fresh coat of paint, if needed.
- Secure/repair peeling or torn wallpaper.
- Clean all blinds/drapery and ensure they work properly.
- Make beds.
- Eliminate clutter.

SELECTING A REALTOR®

Millions of homes are sold each year, and each transaction is unique. With recent changes to contract forms and addendum, home selling has become more complex than it was five or ten years ago. Using a REALTOR® who has experience and training in such fields as real estate marketing, financing, negotiating and closing, can be very beneficial for a home seller. A REALTOR® can assist you in pricing your home according to market conditions, give you tips on showing the home, and assist you with negotiations when an offer is presented.



EXPLANATION OF ESTIMATED SELLER'S CLOSING COSTS

Below are brief definitions of terminology that may be related to your real estate transaction.

Broker's Commission

An amount paid to a real estate broker or real estate professional for services performed regarding the sale or purchase of real property.

Escrow Fee/Settlement Fee

A fee charged for escrow services performed during the purchase, refinance or sale of real property.

Home Warranty

A residential service contract for costs associated with the repair and/or replacement of major home systems and appliances that occurs due to normal wear and deterioration. Major home systems and appliances may include such items as heating and cooling or plumbing and electricity. Specific service coverages, limitations and exclusions are based on the terms and conditions set forth by the service contract.

Payoff Demand Fee

A fee, charged by some but not all lenders, for preparation and issuance of a payoff quote listing the amount required to pay off any existing mortgage loan, which will also include any interest owed up and until the day the loan is paid in full.

Pest Inspection Fee

The cost of retaining a registered Structural Pest Control Company to inspect a property for any wood destroying pests.

Reconveyance Fee

The fee for filing real property reconveyance documentation with the county recorder's office.



Recording Fee

Fees charged by county clerks' office to record any documents needed for closing, including those that convey title such as general warranty deed, deed of trust, releases, Power of Attorney, Heirship, Affidavits, etc.

Tax Certificate Fee

Seller fee charged to a third party tax service company for verification of unpaid taxes.

KEY CLOSING INFORMATION

Conducting your home closing with the utmost care and attention to detail is a responsibility that Old Republic Title® takes very seriously. To facilitate a smooth closing, here is some key information that you should generally expect to provide to your escrow officer.

Sellers

- Your marital and homestead status. This information is necessary to comply with homestead and community property laws.
- Are you a widow or widower? Did you own your home as joint tenants with right of survivorship or as tenants in common? If you owned your home as tenants in common, is there a will? If yes, has the will been probated? If there is not a will, are there any heirs? If so, are they minors?
- Has a divorce occurred? If yes, is it pending or final?
- Do you have a loan on your home? If yes, provide a recent mortgage statement of account that shows your loan number, the contact information for your mortgage company and the date of your last mortgage payment to facilitate a payoff of your loan. Let your escrow officer know if you intend to make any additional payments prior to the day of closing.
- Your social security number or other taxpayer identification number. This information is required for tax reporting and may be necessary to obtain a loan payoff. In addition, oftentimes liens, judgments or lawsuits are filed against someone with the same or similar name as the seller's name. This information may assist us in determining whether a lien, judgment or lawsuit affects the seller's interest in the property.



- Is there a homeowners association? If so, provide the management company's name and contact information as soon as possible. Homeowners associations can be slow in their response time, and this information is necessary to obtain a resale certificate.
- How would you like to receive your proceeds? If you prefer wire transfer, you must provide the bank's name, ABA number, name on the account and account number. If you owe money at closing, any amount over \$1,499.99 must be paid in the form of a certified or cashier's check.
- Will you attend the closing? Special preparations must be made in advance if you cannot attend. Call your escrow officer as soon as possible to avoid a delay in your closing.

Buyers

- Your lender's name and contact information
- Your homeowner's insurance company and contact information, once chosen.
- Your home warranty company and contact information, once chosen.

SHOWSTOPPERS

In our business, the show is the closing, and we want to help your clients have the smoothest closing possible. While not every problem can be anticipated, there are red flags you should watch for in your transactions. Being proactive to these potential showstoppers will help ensure a successful closing and bring you referrals. If you determine that your buyer or seller is affected by any of the following, call Old Republic Title immediately.

- Trusts
- Bankruptcy
- Foreclosure
- Divorce or separation
- Recent marriage of seller or buyer
- Death of property owners
- Known encroachments
- Power of attorney
- Shared driveways
- Foreign Sellers
- Liens or judgments against property owners
- Guardianship or incompetence of seller
- Sellers or buyers that will not be present at closing
- Easements obtained or given since purchase of property



HOW TO PREPARE FOR YOUR CLOSING

The search may have been long, but you've finally found the home of your dreams. You love its style, floor plan, and views. The neighborhood looks great. You've also done the hard work of reaching an understanding with the seller on price, signed a purchase agreement, and made an earnest money deposit. The home inspection went well, your loan has been approved, and your excitement builds as the big day of closing approaches.

For most of us, the purchase of our home is the single biggest investment we ever make. We certainly don't want any last minute problems to threaten the transaction. Please take a moment to review these points. They will help ensure a successful, trouble-free closing.

Do I need Title Insurance?

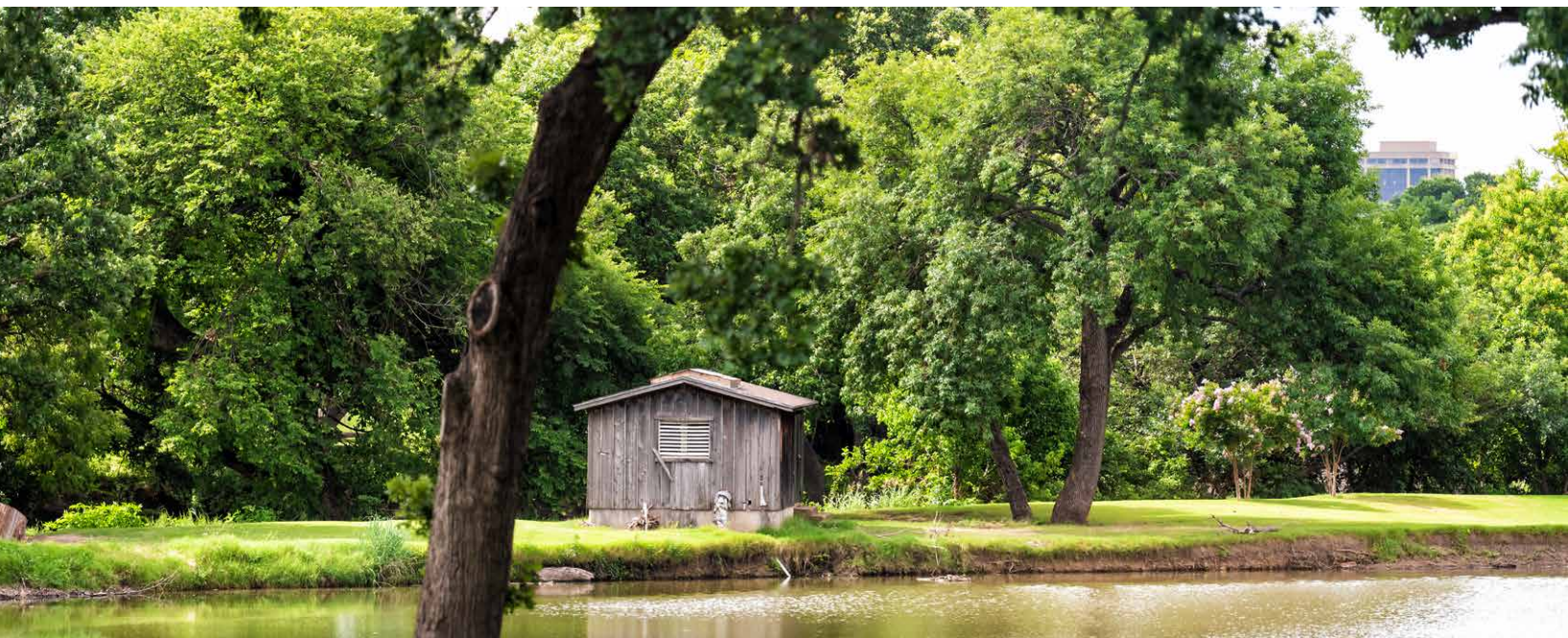
Most definitely! Title insurance is a means of protecting yourself from financial loss in the event that problems develop regarding the rights of ownership to your property. There may be hidden title defects that even the most careful title search will not reveal. In addition to protection from financial loss, title insurance pays the cost of defending you against any covered claim.

But the lender already requires title insurance. Won't that protect me?

Not necessarily. There are two types of title insurance. A Lender's Policy insures that your lender has a valid lien on the property. Most lenders require this type of insurance and will typically require the borrower to pay for it. An Owner's Policy, on the other hand, protects your interest in the property. Title troubles, such as improper estate proceedings or pending legal action, could put your equity at serious risk. If a valid claim is filed, in addition to covering the financial loss up to the face value of the policy, your owner's title policy will pay for the cost of legal defense.

Should I shop around for the best title insurance deal?

Some states closely regulate rates. Others permit open competition, which often results in significant differences in rates and coverage between title insurers. Depending where you live, it pays to investigate your options carefully in order to obtain the most complete coverage. You also want to work with a title insurer that responds readily to your needs and performs its complex tasks with great accuracy. It is vital, too, that you choose a title insurance company with the financial strength and stability to meet its obligations, through good times and bad, over the long term.





Can my title company handle the closing?

Yes, in most areas of the country, Old Republic Title and its agents act as a central clearinghouse for the parties involved—collecting necessary documents and providing customary and necessary settlement services. We are fully prepared to work with you from the beginning of your transaction all the way through to conclusion. When you work with your friends at Old Republic Title or its agents, you can be confident that you will enjoy a successful closing. You will want to have these items complete or in hand when you come to the closing (please confirm with your escrow officer, as practices vary by state):

Buyer

- Buyer's copy of purchase agreement
- Cashier's check(s) to make all payments
- Proof of purchase of insurance for fire, casualty, etc.
- Invoices for any unpaid taxes, utilities or assessments
- Photo identification (passport, driver's license, or state-issued identification card)

Seller

- Seller's copy of purchase agreement
- Invoices for any unpaid taxes, utilities, assessments and latest utilities meter readings
- Receipts for last payment of interest on loan
- Bill of Sale of personal property covered by the purchase agreement
- Any unrecorded instruments that affect the title
- Proof of satisfaction of any mechanics' liens, chattel loans, judgments, or loans that were paid prior to the closing
- Photo identification (passport, driver's license, or state-issued identification card)

BEWARE OF WIRE FRAUD

According to the Federal Bureau of Investigation (FBI), in 2024 victims of business email compromise reported losses over \$2.7 Billion.

The Internet Crime Complaint Center (IC3) receives, on average, more than 2,000 complaints per day (FBI, 2024).

Cybercriminals are sending **fraudulent wiring instructions** to real estate agents, title companies and clients, so it's important to remain vigilant.

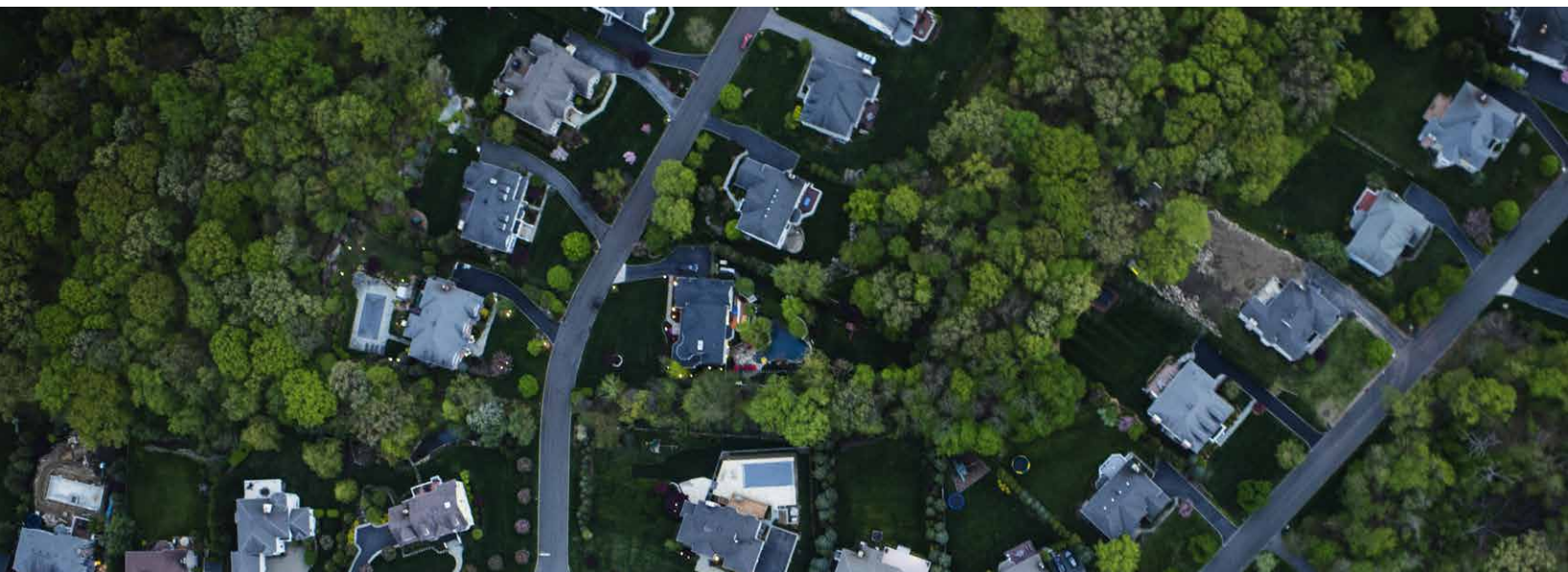
How to Protect Yourself

- Be wary of free, web-based email accounts; they are easily hacked.
- Always verify changes in payment instructions and confirm requests for transfer of funds.
- Carefully evaluate any requests for secrecy or pressure to take action quickly.
- Call, don't email. Confirm all wiring instructions by phone before transferring funds. Use a trusted phone number provided by your title company or closing agent.
- Be suspicious. It's not common for title companies to change wiring instructions and payment info.
- Confirm it all. Ask your bank to confirm not just the account number but also the name on the account before sending a wire.
- Verify immediately. You should call the title company or real estate agent to validate that the funds were received. Detecting that you sent the money to the wrong account within 24 hours gives you the best chance of recovering your money.
- Forward, don't reply. When responding to an email, hit forward instead of reply and then start typing in the person's email address. Criminals use email addresses that are very similar to business email addresses used by legitimate companies. By typing out an email address, you make it easier to discover whether a fraudster is after you.

If you think you might be a victim:

1. Using a previously known phone number, call the supposed sender of the email to authenticate the change request – don't call the number on the email.
2. If you suspect fraud, immediately notify the financial institutions and escrow agent involved in the transaction.
3. Contact your local law enforcement authorities, and file a complaint with the FBI's Internet Crime Complaint Center.

Sources: ALTA, FBI





MIMECAST SECURE MESSAGING

Old Republic Title is now using Mimecast Secure Messaging for email encryption. The Secure Messaging Portal allows recipients to read, reply and forward secure messages. To access an encrypted message using Mimecast, follow the instructions below.

3 Easy Steps

When a new encrypted message is sent from Old Republic Title, the recipient (you) will receive two emails.

1. Received e-mail from Old Republic Title - Please connect to the Secure Messaging service by clicking the link "here" - <https://ort.login-us.mimecast.com>

<https://...> you are currently viewing your email (personal or company)


Inbox

Checked items: [Delete](#) [Spam](#) [Move to...](#)

<input type="checkbox"/>	Sender	Subject
<input type="checkbox"/>	Smith, Jane-Doe	ORT Secure Messaging Notification
<input type="checkbox"/>	Smith, Jane-Doe	Secure Messaging Password Notification

From: "Smith, Jane-Doe" <jdsmith@ortc.com> [Add to Address Book]
To: John@ihavemailtoday.net
Subject: Secure Messaging Password Notification
Date: Dec 11, 2019 9:39 AM

Secure Messaging
Password Notification



This is a password notification message for the Old Republic Title Secure Messaging service.

You received this notification for one of the following reasons:

1. You have been sent a secure message.
2. The system administrator has arranged access to the Secure Messaging service for you.
3. The system administrator has reset your password.
4. You requested a password reminder.

Please connect to the Secure Messaging service by clicking [here](#). You may be required to change your password immediately following login.

Login information:

Email Address: John@ihavemailtoday.net
Password: am3_rrCS

Powered by **mimecast**

2. Log In - For new Mimecast users, copy-and-paste the **password provided** from the Secure Messaging Password Notification email, and click Log In.

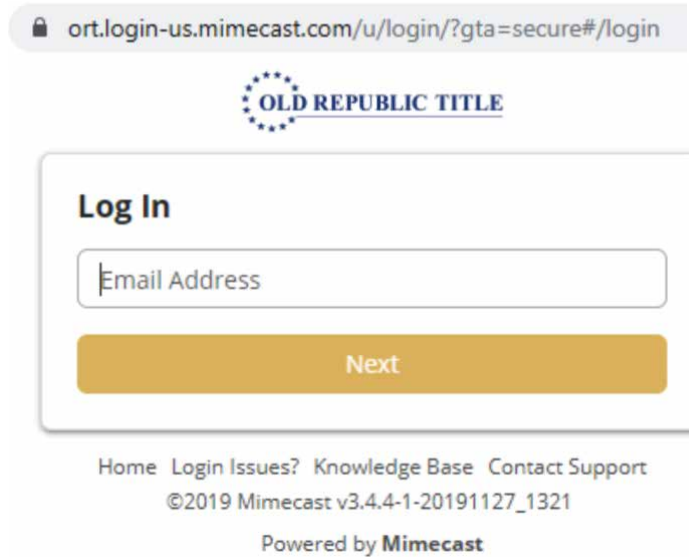


Login Information:
Email Address: John@ihavemailtoday.net
Password: am3_rrC\$

Powered by **mimecast**

For existing Mimecast users, simply type your password to access the inbox. (Or click Forgot your password.)

<https://ort.login-us.mimecast.com/u/login/?gta=apps#/login>



ort.login-us.mimecast.com/u/login/?gta=secure#/login

OLD REPUBLIC TITLE

Log In

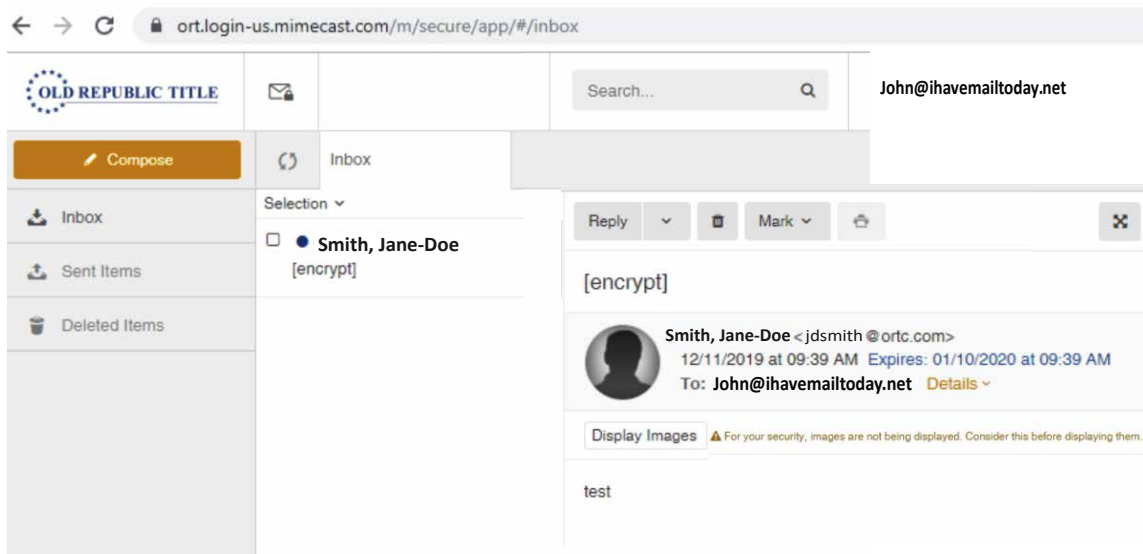
Email Address

Next

Home Login Issues? Knowledge Base Contact Support
©2019 Mimecast v3.4.4-1-20191127_1321
Powered by **Mimecast**

3. View Secure Email from Old Republic Title Mimecast website - After logging in, the Secure Messaging Portal Inbox is displayed. Click the desired message, and the content will appear on the right panel. Use the Reply button or dropdown to respond as needed.

<https://ort.login-us.mimecast.com/m/secure/app/#/inbox>



ort.login-us.mimecast.com/m/secure/app/#/inbox

OLD REPUBLIC TITLE Search... John@ihavemailtoday.net

Compose | Selection | Inbox

- Smith, Jane-Doe** [encrypt]

Reply | Mark | [X]

[encrypt]

Smith, Jane-Doe <jdsmith@ortc.com>
12/11/2019 at 09:39 AM Expires: 01/10/2020 at 09:39 AM
To: John@ihavemailtoday.net Details

Display Images ⚠ For your security, images are not being displayed. Consider this before displaying them.

test



Commitment for Title Insurance

COMMITMENT FOR TITLE INSURANCES – SOME BASICS

After months of searching, you've finally found it: your perfect dream home. But is it perfect? Will you be purchasing more than just a beautiful home? Will you also be acquiring liens placed on the property by prior owners? Have documents been recorded that will restrict your use of the property?

The commitment for title insurance will provide you with the opportunity, prior to purchase, to review matters affecting your property which will be excluded from coverage under your title insurance policy unless removed or eliminated before your purchase.

What is a commitment for title insurance?

A commitment for title insurance is a report prepared prior to issuing a policy of title insurance that shows the ownership of a specific parcel of land, together with the liens and encumbrances thereon which will not be covered under a subsequent title insurance policy.

What role does a commitment for title insurance play in the real estate process?

A commitment for title insurance contains the conditions under which the title company will issue a particular type of title insurance policy.

The commitment for title insurance lists, in advance of purchase, title defects, liens and encumbrances which would be excluded from coverage if the requested title insurance policy were to be issued as of the date of the commitment for title insurance. The report may then be reviewed and discussed by the parties to a real estate transaction and their agents.

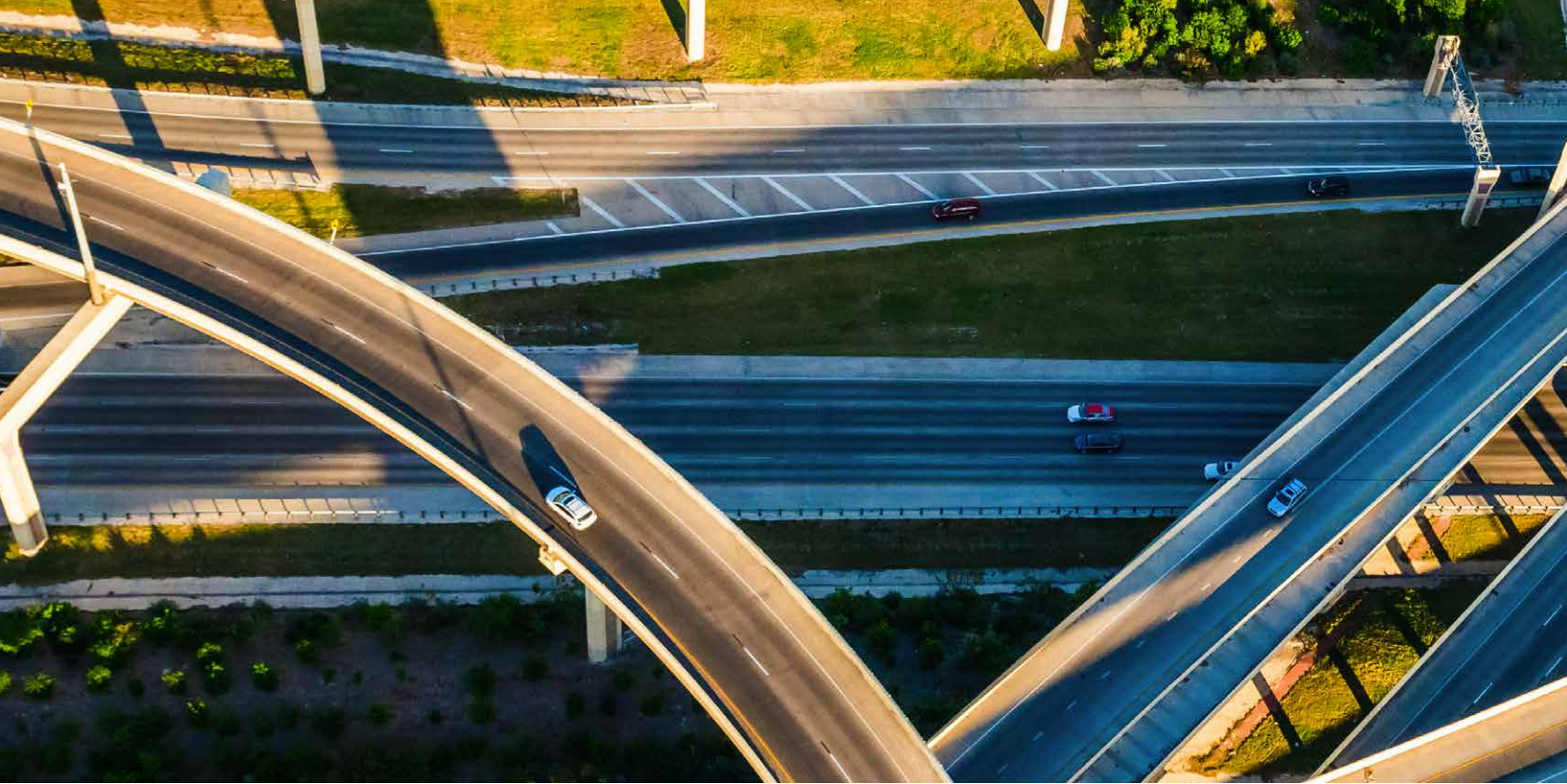
Thus, a commitment for title insurance provides the opportunity to seek the removal of items referenced in the report which are objectionable to the buyer prior to purchase.

When and how is the commitment for title insurance produced?

Shortly after escrow is opened, an order will be placed with the title company which will then begin the process involved in producing the report.

This process calls for the assembly and review of certain recorded matters relative to both the property and the parties to the transaction. Examples of recorded matters include a deed of trust recorded against the property or a lien recorded against the buyer or seller for an unpaid court award or unpaid taxes.

These recorded matters are listed numerically as "exceptions" in the commitment for title insurance. They will remain exceptions from title insurance coverage unless eliminated or released prior to the transfer of title.



What should I look for when reading my commitment for title insurance?

You will be interested, primarily, in the extent of your ownership rights. This means you will want to review the ownership interest in the property you will be buying and the description of the property, as well as any claims, restrictions or interests of other people involving the property.

The report will note in a statement of vesting the degree, quantity, nature and extent of the owner's interest in the real property. The most common form of interest is "fee simple" or "fee" which is the highest type of interest an owner can have in land.

Liens, restrictions and interests of others which are being excluded from coverage will be listed numerically as "exceptions" in the commitment for title insurance. These may be claims by creditors who have liens or liens for payment of taxes or assessments. There may also be recorded restrictions which have been placed in a prior deed or contained in what are termed "CC&Rs (covenants, conditions and restrictions)." Finally, interests of third parties are not uncommon and may include easements given by a prior owner which limit your use of the property. When you buy property, you may not wish to have these claims or restrictions on your property. Instead, you may want to clear the unwanted items prior to purchase.

In addition to the limitations noted above, a printed list of standard exceptions and exclusions listing items not covered by your title insurance policy may be attached as an exhibit item to your report. Unlike the numbered exclusions, which are specific to the property you are buying, these are standard exceptions and exclusions appearing in title insurance policies. The review of this section is important, as it sets forth matters which will not be covered under your title insurance policy, but which you may wish to investigate, such as governmental laws or regulations governing building and zoning.

Will the commitment for title insurance disclose the complete condition of the title to a property?

No. It is important to note that the commitment for title insurance is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land, but merely report the current ownership and matters that the title company will exclude from coverage if a title insurance policy should later be issued.



Is a commitment for title insurance the same thing as title insurance?

Definitely not. A commitment for title insurance is an offer to insure; it is not a report of a complete history of recorded documents relating to the property. A commitment for title insurance is a statement of terms and conditions of the offer to issue a title insurance policy, not a representation as to the condition of title.

These distinctions are important for the following reasons: first, no contract or liability exists until the title insurance policy is issued; second, the title insurance policy is issued to a particular insured person and others cannot claim the benefit of the policy.

Can I be protected against title risks prior to the close of the real estate transaction?

Yes, you can. Title companies can protect your interest through the issuance of "binders" and "commitments."

A binder is an agreement to issue insurance giving temporary coverage until such time as a formal policy is issued. A commitment is a title insurer's contractual obligation to insure title to real property once its stated requirements have been met.

Discuss with your title insurer the best means to protect your interests.

How do I go about clearing unwanted liens and encumbrances?

You will wish to carefully review the commitment for title insurance. Should the title to the property be clouded, you and your agents will work with the seller and the seller's agents to clear the unwanted liens and encumbrances prior to taking title.



Title Insurance

WHAT IS TITLE INSURANCE AND HOW DOES IT WORK?

To put it simply, title insurance is a way to protect yourself from financial loss and related legal expenses in the event there is a defect in title to your property that is covered by the policy. Title insurance differs from other types of insurance in that it focuses on risk prevention, rather than risk assumption. With title insurance, title examiners review the history of your property and seek to eliminate title issues before the purchase occurs. Title insurance also differs in that it comes with no monthly payment. It's just a one-time premium paid at closing.

Do I need title insurance?

Absolutely. Title insurance is a way to protect what is likely your largest investment — your home. An Owner's Policy provides peace of mind that your title company will stand behind you if a covered title issue or defect arises after you have bought your home.

What does title insurance cover?

Any number of title issues may arise, even after the most meticulous search of public records. These hidden defects are dangerous because you might not learn about them for months, or even years, after purchase. Some common examples of risks covered by your Owner's Policy include defects in title caused by:

- Improper execution of documents
- Mistakes in recording or indexing legal documents
- Forgeries and fraud
- Undisclosed or missing heirs
- Unpaid taxes and assessments
- Unpaid judgments and liens
- Unreleased mortgages
- Mental incompetence of grantors on the deed
- Impersonation of the true owners of the land by fraudulent persons
- Refusal of a potential purchaser to accept title based on the condition of the title

How much does title insurance cost?

The one-time premium that you'll pay for a title insurance policy varies by state, but generally is related to the value of your property. You can use our Rate Calculator to estimate how much your title insurance policy may cost.

What is owner's title insurance?

An Owner's Policy of Title Insurance is designed to protect you from covered title defects that existed prior to the issue date of your policy. If a valid claim is filed, your Owner's Policy, subject to its terms and conditions, will cover financial loss up to the face amount of your policy. There are two types of owner's title insurance policies: the Owner's Standard Policy and Homeowner's Policy. *See page 22 for more details.*

What is lender's title insurance?

A Lender's Policy of Title Insurance provides no coverage to the homeowner. A Lender's Policy ensures that your lender has a valid, enforceable lien on your property. Most lenders require borrowers to purchase this type of insurance policy to protect their investment.



8 COMMON MISCONCEPTIONS ABOUT TITLE

Buying a new home is one of life's most gratifying experiences. Making sure your right to own the property is protected can be just as rewarding. During the process of purchasing your dream home, you'll hear two words you've probably never given much thought – title insurance.

As with the rest of the home buying process, title insurance can be difficult to comprehend. To complicate matters, the topic is often surrounded by misconceptions that keep home buyers from recognizing its importance. To help you get a better understanding of what title insurance is and how it protects your property rights, let's analyze eight common misconceptions:

1. Title Insurance offers only minimal protection.

When you purchase a home, you receive "title" to the property. Title is your legal right to own it. Early in the home buying process, a title search is conducted to review the history of the property and uncover any issues that could limit your right to ownership. Even after the most meticulous search of public records, there can be hidden title defects, such as tax liens, forged signatures, claims by ex-spouses and recording errors. These title defects can remain undiscovered for months or even years after you purchase the home.

2. There is only one type of title insurance.

There are two types of title insurance policies: an owner's policy and a loan policy. An owner's policy protects you, the property owner, against loss or damage in the event there is a covered title defect in your right of ownership to the property. If you're obtaining a mortgage loan to purchase your home, a mortgage lender will likely require that you purchase a loan policy, also known as a lender's policy. This type of policy protects the lender's interest in the property until the mortgage loan is paid in full. The loan policy provides no coverage to the homeowner.

You can opt for more enhanced coverage within your owner's policy. Standard coverage protects you against financial loss and related legal expenses for common title defects that occurred prior to the date of the title insurance policy. Enhanced coverage includes all the standard coverages, plus even more for maximum protection, some of which protect against matters that may transpire after the date of the policy.

3. Title insurance requires a monthly or annual premium.

Unlike most insurance policies, there is no monthly or annual premium. Title insurance is a one-time cost you pay at closing when you purchase or refinance real property.



4. Title insurance is expensive.

The one-time premium for an owner's title policy is based on the purchase price of your home and accounts for only a small percentage of your closing costs. Coverage is provided for as long as you and your heirs own the property. When you add up the benefits compared to the costs, an owner's policy of title insurance is quite reasonable.

5. Paying all cash eliminates the need for title insurance.

An all-cash purchase eliminates the requirement of a mortgage loan and therefore eliminates the need for lender's title insurance. However, an all-cash transaction does not eliminate the risk posed by unknown title defects. An owner's policy protects you against possible loss or damage from a covered title defect.

6. Homeowner's insurance and title insurance offer the same protection.

Title insurance protects a buyer's right to ownership and a lender's investment. On the other hand, homeowner's insurance is a policy that protects you against potential losses or damage you can experience to the structure of your home or its contents during an insurable incident.

7. Home buyers do not get to choose the title company.

Under the terms of the Real Estate Settlement Procedures Act (RESPA), the buyer generally has the right to choose the title company when the property is purchased with the assistance of a federally related mortgage loan. The property seller may not require the buyer to purchase title insurance from any specific title company, unless it has been instructed that the seller will pay for both the owner's and loan policies associated with the real estate transaction.

8. I'll never need to use title insurance.

According to the American Land Title Association, title insurance policyholders have filed over 730,600 claims to date.* In 2018, the title industry spent over \$615 million* defending the property rights of its policyholders and compensating their losses due to covered title defects.

With so many misconceptions about title insurance, finding a team of professionals that you can trust is imperative. At Old Republic Title, we are committed to providing quality service and being there for you if your property rights are threatened. To learn more about title insurance and working with Old Republic Title, contact a location near you.



33 COVERED RISKS FOR THE HOMEOWNER'S POLICY

1. Someone else owns an interest in Your Title.
2. Someone else has a right affecting Your Title because of a lease, contract, or option.
3. Someone else claims to have a right affecting Your Title because of forgery or impersonation.
4. Someone else has an Easement on the Land.
5. Any of Covered Risks 1 through 4 occurring after the Date of Policy.
6. Someone else has a right to enforce a Covenant to limit Your use of the Land.
7. Your Title is defective. Some examples of title defects are:
 - a. someone else's failure to have authorized a transfer or conveyance of Your Title.
 - b. a defective judicial or administrative proceeding.
 - c. a document, including an electronic document, on which Your Title is based:
 - i. was signed using a falsified, expired, or otherwise invalid power of attorney;
 - ii. was not properly authorized, executed, created, signed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered; or
 - iii. was not properly filed, recorded, or indexed in the Public Records.
 - d. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
8. Someone else has a lien on Your Title. Some examples of liens are:
 - a. a lien of real estate taxes or assessments imposed on Your Title by a governmental authority due or payable, but unpaid;
 - b. a Mortgage;
 - c. a judgment lien;
 - d. a State or federal tax lien;
 - e. a charge by a homeowner's or condominium association; or
 - f. a statutory lien, attaching before or after the Date of Policy, for service, labor, material, or equipment in connection with an improvement or work related to the Land and furnished before the Date of Policy.
9. Someone else has an encumbrance on Your Title.
10. Someone else claims to have a right affecting Your Title because of fraud, duress, incompetency, or incapacity.
11. You do not have actual vehicular and pedestrian access to and from the Land, based on a legal right.
12. You are forced to remove or remedy a violation, existing at the Date of Policy, of any Covenant, even if the Covenant is excepted in Schedule



B. You are not covered for any violation of an obligation contained in a Covenant:

- a. to perform maintenance or repair on the Land; or
- b. relating to environmental protection of any kind, including hazardous or toxic conditions or substances;

unless there is a notice of either of these violations recorded in the Public Records at the Date of Policy, and then, Our liability for Covered Risk 12 is limited to the extent of the violation described in that notice.

13. Your Title is lost or taken because of a violation, existing at the Date of Policy, of any Covenant, even if the Covenant is excepted in Schedule B.
14. A violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
15. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
16. Because of a violation existing at the Date of Policy of a State or Municipal subdivision law or State or Municipal subdivision regulation affecting the Land:
 - a. You are unable to obtain a building permit from a Municipal authority;
 - b. You are ordered by a State or Municipal authority to remove or remedy the violation; or
 - c. someone else refuses to perform a contract to purchase the Land, lease the Land, or make a mortgage loan on the Land, based on that violation.

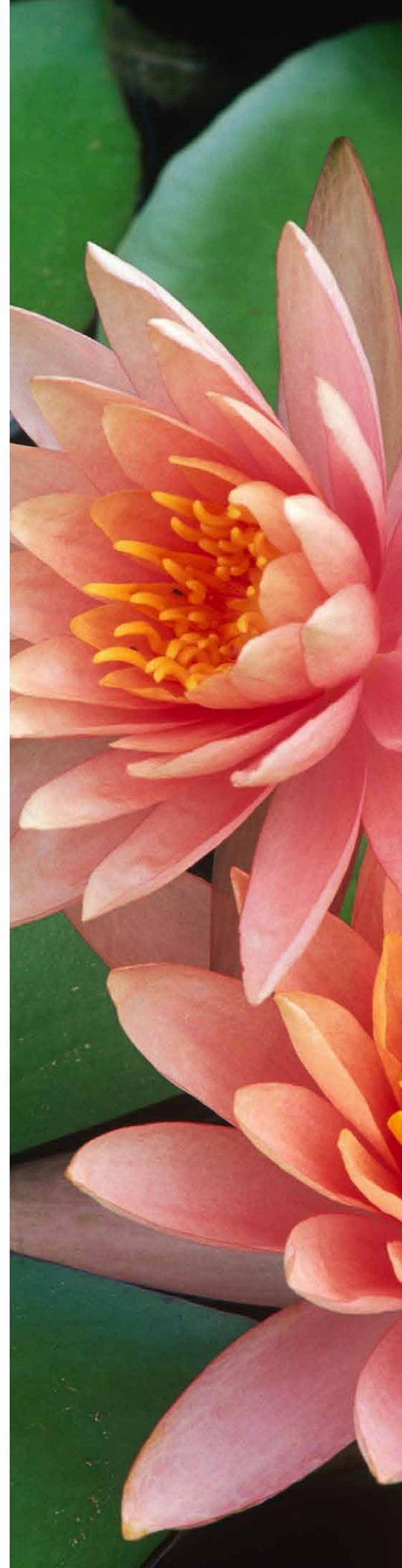
The Amount of Insurance for Covered Risk 16 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

17. You lose Your Title to any portion of the Land to an enforcement authority because of an exercise of the power to take the Land by condemnation, but only to the extent:
 - a. of the taking described in an Enforcement Notice; or
 - b. the taking occurred before the Date of Policy and is binding on You, if You purchased the Land without Knowledge of the taking.
18. You are ordered by a State or Municipal authority to remove or remedy any portion of Your existing structures—other than boundary walls or fences—because any portion of Your existing structures was built without obtaining a building permit from the proper Municipal authority. The Amount of Insurance for Covered Risk 18 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. .
19. You are ordered by a State or Municipal authority to remove or remedy any portion of Your existing structures, because they violate an existing State or Municipal zoning law or State or Municipal zoning regulation. The Amount of



Insurance for Covered Risk 19 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

20. You are not able to use the Land because use as a single-family residence violates an existing State or Municipal zoning law or State or Municipal zoning regulation.
21. You are forced to remove any portion of Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the Amount of Insurance for Covered Risk 21 is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A..
22. Someone else exercises a legal right refusing to perform a contract to purchase, lease, or make a mortgage loan on the Land because Your neighbor's existing structures encroach onto the Land.
23. You are forced to remove any portion of Your existing structures that encroach onto an Easement or over a building set-back line, even if the Easement or building set-back line is excepted in Schedule B.
24. Your existing structures are damaged because of the exercise of the right to maintain or use any Easement affecting Your Title, even if the Easement is excepted in Schedule B.
25. Your existing improvements (or a replacement or modification made to them after the Date of Policy), including lawns, shrubbery, or trees, are damaged because of the future exercise of the right to use the surface of the Land for the extraction or development of oil, gas, minerals, groundwater, or any other subsurface substance, even if those rights are excepted or reserved from the description of the Land or excepted in Schedule B.
26. Someone else tries to enforce a Discriminatory Covenant that they claim affects Your Title.
27. A State or Municipal taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the Date of Policy because of construction or change of ownership or use, that occurred before the Date of Policy.
28. Your neighbor builds any structures after the Date of Policy—other than boundary walls or fences—that encroach onto the Land.
29. Your Title is unmarketable, which allows someone else to refuse to perform a contract to purchase, lease, or make a mortgage loan on the Land.
30. Someone else owns an interest in Your Title because a court order invalidates a prior transfer of the Title under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law.
31. The residence with the Property Address shown in Schedule A is not located on the Land at the Date of Policy.
32. Any defect in or lien or encumbrance on the Title that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.
33. The map, if any, attached to this policy does not show the correct location of the Land according to the Public Records.





COMPARISON OF TITLE COVERAGE

	OWNER'S POLICY (STANDARD)	HOMEOWNER'S POLICY (ENHANCED)
Someone else owns a record interest in your title	✓	✓
A document is not properly signed, acknowledged or delivered	✓	✓
Forgery, fraud, duress, incompetency, incapacity or impersonation	✓	✓
Defective recording of a document	✓	✓
Unmarketability of title	✓	✓
Lack of a right of access to and from the land	✓	✓
Mechanic's lien protection	✗	✓
Forced removal of the residential structure — encroachments	✗	✓
Liens by the homeowner's association	✗	✓
Others have rights arising out of leases, contracts or options	✗	✓
Post-policy encroachment	✗	✓
Post-policy forgery	✗	✓
Building permit violations — forced removal	✗	✓
Subdivision law violations	✗	✓
Zoning violations — forced removal	✗	✓
Restrictive covenant violations	✗	✓
Enhanced access coverage	✗	✓
Locations of the land on a map	✗	✓
Exercise of mineral rights	✗	✓
Living trust coverage	✗	✓
Automatic policy amount increase	✗	✓



FREQUENTLY ASKED QUESTIONS ABOUT TITLE INSURANCE

Q. What does title insurance insure?

A. Title insurance offers protection against claims resulting from various defects (as set out in the policy) which may exist in the title to a specific parcel of real property effective on the issue date of the policy. For example, a person might claim to have a deed or lease giving them ownership or the right to possess your property. Another person could claim to hold an easement giving them a right of access across your land. Yet another person may claim that they have a lien on your property securing the repayment of a debt. That property may be an empty lot or it may hold a 50-story office tower. Title companies work with all types of real property.

Q. How much can I expect to pay for title insurance?

A. This point is often misunderstood. Although the title company or escrow office usually serves as a meeting ground for closing the sale, only a small percentage of total closing fees are actually for title insurance protection. Your title insurance premium may actually amount to less than 1% of the purchase price of your home and less than 10% of your total closing costs. The title policy is good for as long as you and your heirs own the property with the payment of only one premium.

Q. Why are separate owner's and lender's title insurance policies issued?

A. Both you and your lender will want the security offered by title insurance. As the owner, you will want assurances that the home is yours and that you are protected against certain title defects. Your lender will likely want title insurance in order to protect its loan security interest, and may even be required to have a lender's policy in place in order to sell the loan to secondary market investors.

Q. What are my chances of ever using my title policy?

A. In essence, by acquiring your policy, you derive the important knowledge that recorded matters have been searched and examined so that title insurance covering your property can be issued.

When a title company provides a legal defense against claims covered by your title insurance policy, the savings to you for that legal defense alone will greatly exceed the one-time premium.

Because title insurance companies are risk eliminators, the probability of exercising your right to make a claim is very low. However, claims against your property may not be valid, making the continuous protection of the policy all the more important.

Q. What if I am buying property from someone I know?

A. You may not know the owner as well as you think you do. People undergo changes in their personal lives that may affect title to their property. People get divorced, change their wills and engage in transactions that limit the use of the property and have liens and judgments placed against them personally for various reasons.

There may also be matters affecting the property that are not obvious or known, even by the existing owner, which a title search and examination seeks to uncover as part of the process leading up to the issuance of the title policy.

Just as you wouldn't make an investment based on a phone call, you shouldn't buy real property without assurances as to your title. Title insurance provides these assurances.

The process of risk identification and elimination performed by the title companies, prior to the issuance of a title policy, benefits all parties in the property transaction.

Title insurance minimizes the chances that adverse claims might be raised, and by doing so reduces the number of claims that need to be defended or satisfied. This process keeps costs and expenses down for the title company and maintains the traditional low cost of title insurance.

Reprinted with permission from the California Land Title Association (CLTA).





Closing Costs

The buyer and seller will pay “closing” or settlement costs, an accumulation of separate charges paid to different entities for the professional services associated with the buying and selling of property.

Some closing costs might include real estate commissions, appraisal fees, loan fees, escrow charges, advance payments like property taxes (city and county), hazard insurance, title insurance, pest inspections, etc.

Keep in mind that your closing funds should be in the form of a cashier’s check made payable to the title company or escrow office in the amount requested, or by wired funds.

EXAMPLES OF ADDITIONAL CLOSING COSTS

- Title insurance premiums
- Escrow and notary fees
- Documentation preparation fee
- Recording charges for all documents in buyer’s name
- Interest on new loan from date of funding to 30 days prior to first payment
- Inspection fees (property, roof, geological)
- All new loan charges (except those required by lender for seller to pay)
- Tax proration from date of acquisition
- Assumption/change of record fees for take over of existing loan
- Beneficiary statement fee for assumption of existing loan
- Homeowners association transfer fee
- Home warranty (according to contract)
- Any city transfer tax/conveyance tax (per custom)*
- Real estate commission
- Documentation preparation fee for transferred deed
- Fire insurance premium for first year impounds, if applicable
- Payoff of all loans in seller’s name (or existing loan balance if being assumed by buyer)
- Interest accrued to lender being paid off, statement fees, reconveyance fees and any prepayment penalties
- Termite work (according to contract)
- Natural hazard disclosure report
- Any judgments, delinquent taxes, tax liens, etc. against seller
- Tax proration (for any unpaid taxes)
- Recording charges to clear all documents of record against seller
- Any bonds or assessments
- Any unpaid homeowner’s dues, homeowner’s document and demand fees
- Documentary transfer tax



FIRPTA WITHHOLDING RULE

Under the Foreign Investment in Real Property Tax Act (FIRPTA) of 1980, a foreign person who sells a real property interest located in the U.S. is subject to a tax withholding at disposition. This regulation requires the buyer in such a transaction to withhold 10-15% of the “amount realized” from the sale and remit it to the Internal Revenue Service (IRS) unless one or more exemptions apply to the seller or the transaction.

Although the requirement to withhold and remit funds to the IRS falls on the buyer, typically the closing agent does withhold and remit funds or prepare exemption affidavit forms to be delivered to the IRS at the time of closing. The seller’s real estate agent plays an important role in encouraging the seller to consult with their tax professional early in the transaction process to address any potential issues that may delay their closing. Some tax professionals may recommend submitting an early tax return application for any excess withholding. This is particularly important as the IRS has reported that refunds filed after withholding may take up to 12 months to process.

Property	Amount Realized	Withholding Rate
Not acquired to be buyer’s residence	Any amount	15%
	Up to \$300,000	0%
Acquired to be buyer’s residence	Over \$300,000 and up to \$1,000,000	10%
	Over \$1,000,000	15%

If a foreign person is selling a U.S. real property interest, a withholding is required as noted above, unless one or more of the following exceptions apply (this is not a complete list of exceptions):

- Buyer acquires the real property as a personal residence and the sales price does not exceed \$300,000
- Seller provides a Non-Foreign Affidavit
- Seller provides a Withholding Certificate from the IRS which excuses the withholding
- The amount realized by the seller is zero
- The property is acquired by the United States, a U.S. state or possession, a political subdivision, or the District of Columbia

This content is provided solely for informational and educational purposes and does not purport to offer tax advice or legal advice of any kind. A complete understanding of FIRPTA is critical to determining the buyer’s tax withholding and reporting obligations. Questions concerning the applicability of the provisions of any state or federal tax legislation should be directed to a licensed and qualified tax professional.



DALLAS - FORT WORTH BRANCHES

Old Republic Title's offices in Dallas - Fort Worth are staffed with highly qualified and experienced professionals ready to assist with your title insurance needs for residential and commercial real estate transactions. Nationally, we operate through a network of Old Republic Title-owned offices, affiliates, authorized agents and approved attorneys, enabling us to be a central point of contact in serving you at the local, state, regional and national level, regardless of the number or location of properties. Please call us at any of our locations.

ALLIANCE

9718 North Beach Street
Suite 200
Fort Worth, TX 76244
Phone: 817.849.7166

ARLINGTON

1241 West Green Oaks Boulevard
Suite 101
Arlington, TX 76013
Office: 817.457.3930
Fax: 817.394.2451

COLLEYVILLE

1210 Hall Johnson
Suite 150
Colleyville, TX 76034
Office: 817.428.0888
Fax: 817.788.8866

DFW CORPORATE

2591 N Dallas Parkway
Suite 102
Frisco, TX 75034
Office: 972.623.0250
Fax: 214.705.8081

FLOWER MOUND

3020 Corporate Court
Suite 100
Flower Mound, TX 75028
Office: 972.906.1160
Fax: 972.767.3613

FORT WORTH

4421 Oak Park Lane
Suite 102
Fort Worth, TX 76109
Office: 817.920.7990
Fax: 817.920.7721

GARLAND

4280 Lavon Drive
Suite 256
Garland, TX 75040
Office: 972.455.6700
Fax: 972.767.1589

MANSFIELD

1405 North Highway 287
Suite 101
Mansfield, TX 76063
Office: 817.453.8104
Fax: 817.622.7508

MIDLOTHIAN

800 Silken Crossing
Suite 110
Midlothian, TX 76065
Office: 469.672.8727
Fax: 817.622.7333

PLANO - SHOPS AT LEGACY

5800 Tennyson Parkway
Suite 150
Plano, TX 75024
Office: 972.202.2075
Fax: 972.312.8781





Real Estate Dictionary

Old Republic Title offers this dictionary as a reference tool for individuals and organizations in the real estate community. We hope you find our definitions useful and we welcome the opportunity to serve you.

Why Old Republic Title?

Old Republic Title has been a respected member of the American title insurance community for over 100 years. Our experienced title professionals would be pleased to answer any questions regarding title insurance or entries in this dictionary. You also may access oldrepublictitle.com for a thorough overview of our capabilities.

A

Abstract of Title: A condensed history or summary of all transactions affecting a particular tract of land.

Access: The legal right to enter and leave a tract of land from a public way, which can include the right to enter and leave over the land of another.

Accretion: The slow buildup of land by natural forces such as wind or water.

Adjustable Rate Mortgage (ARM): A residential mortgage that has an interest rate that is subject to change. The times of adjustment are agreed upon at the inception of the loan.

Administrator: A man appointed by a probate court to settle the affairs of an individual dying without a will. The term is "administratrix" if such a person is a woman. Also see "Personal Representative."

Adverse Possession: A claim made against the land of another by virtue of open and notorious possession of said land by the claimant.

Affidavit: A sworn statement in writing.

Agent: A person or company that has the power to act on behalf of another or to transact business for another, e.g., a title agent under contract with Old Republic Title is an agent solely for the purpose of issuing policies of title insurance and other title insurance products.

Air Rights: The right to ownership of everything above the physical surface of the land.

ALTA: American Land Title Association, a national association of title insurance companies, abstractors and attorneys specializing in real property law. Its headquarters are in Washington, D.C.

Annual Percentage Rate (APR): An expression of the percentage relationship of the total finance charges to the total amount to be financed as required under the federal Truth-in-Lending Act.

Appraisal: A written opinion of market value based upon a factual analysis of relevant local market information.

Appurtenance: Anything so annexed to land or used with it that it will pass with the conveyance of the land.

ARM: Adjustable Rate Mortgage.
Also see "Variable Rate Mortgage."



Assessment: The imposition of a tax, charge or levy, usually according to established rates.

Assessor: A public official who evaluates property for the purpose of taxation.

Assignee: One to whom a transfer of interest is made. For example, the assignee of a mortgage or contract.

Assignor: One who makes an assignment. For example, the assignor of a mortgage or contract.

Assumable Mortgage: A mortgage which, by its terms, allows a new owner to take over its obligations.

Attachment: Legal seizure of property to force payment of a debt.

Attorney in Fact: One who holds a power of attorney from another, allowing him or her to execute legal documents such as deeds, mortgages, etc., on behalf of the grantor of the power.

B

Balloon Mortgage: A mortgage that is amortized over a specific period of years, but requires a lump-sum payment in full at an earlier date.

Bankruptcy: A federal court proceeding in which debtors may be relieved of liability for their debts after surrender of their nonexempt assets to a court-appointed trustee.

Bureau of Land Management: The branch of government in charge of surveying and managing public land.

C

CC&R's: Covenants, Conditions and Restrictions. Also see "Conditions and Restrictions."

Changed Circumstance: In accordance with the TRID Rule, events which allow a creditor to revise a Loan Estimate or a Closing Disclosure include: (i) an extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction; (ii) information specific to the consumer or transaction that the creditor relied upon when providing the Loan Estimate and that was inaccurate or changed after the disclosures were provided; (iii) new information specific to the consumer or transaction that the creditor did not rely on when providing the Loan Estimate; (iv) revisions requested by the consumer; (v) when the Loan Estimate expires; or (vi) on the day of the rate lock.

Chain of Title: A term applied to the past series of transactions and documents affecting the title to a particular parcel of land.

Cloud on Title: An irregularity, possible claim, or encumbrance which, if valid, would affect or impair the title.

Closing: Also known as "escrow" or "settlement." The process of executing legally binding documents, such as deeds and mortgages, most commonly associated with the purchase of real estate and the borrowing of money to assist in the purchase.

Closing Costs: Expenses for services incidental to a sale of real estate, such as sales commissions, loan fees, title fees, appraisal fees, etc.

Closing Disclosure: The five-page Closing Disclosure, also referred to as CD, must be provided to the consumer three business days before they close on the loan. The Closing Disclosure details all of the costs associated with the mortgage transaction.

Closing Statement: A summation, in the form of a balance sheet, made at a closing showing the amounts of debits and credits to which each party to a real estate transaction is entitled.

Clouded Title: An encumbered title.

Coinsurance: A form of insurance underwritten by two or more title insurers sharing a single risk under separate title insurance policies in proportional amounts.

Common Interest Community (CIC): Ownership characterized by mutual ownership of common areas, either jointly or through membership in an association, e.g., condominiums, planned unit developments and townhomes.

Condemnation: Taking private property for public use through court proceedings.
Also see "Eminent Domain."

Condition or Conditions: A proviso in a deed, will or other instrument that, upon the happening or failure to happen of a certain event, limits, enlarges, changes or terminates the title of the purchaser or devisee.

Conditions and Restrictions: Limitations placed on the use and enjoyment of land. May include penalties for failure to comply. These are found most often on condominiums and planned unit developments.

Condominium: A system of individual fee ownership of units in a multi-unit structure, combined with joint ownership of common areas of the structure and land.

Conservator: See "Guardian."

Consummation: Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes legally obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction.

Consumer's Intent to Proceed: Unless a particular manner of communication is required by the creditor, a consumer indicates intent to proceed with the transaction when the consumer communicates, in any manner, that the consumer chooses to proceed after the Loan Estimate has been delivered. This may include (i) oral communication in person immediately upon delivery of the Loan Estimate; or (ii) oral communication over the phone, written communication via email, or signing a preprinted form after receipt of the Loan Estimate. A consumer's silence is not indicative of intent to proceed.

Contract for Deed: An agreement to sell and purchase, under which title is held as security by the seller until such time as the required payments to the seller have been completed.

Convey: The act of deeding or transferring title to another.

Conveyance: An instrument by which title is transferred, e.g., a deed. Also the act of transferring title.

Covenant: An agreement written into deeds and other instruments promising performance or nonperformance of certain acts, or stipulating certain uses or non-uses of the property.

Cul-de-Sac: The terminus of a street or alley. Usually laid out by modern engineers to provide a circular turnaround for vehicles.

D

Deed: A written document by which the ownership of land is transferred from one person to another.

Deed of Trust: An instrument used in many states in place of a mortgage. Property is transferred to a trustee by the trustor (borrower), in favor of the beneficiary (lender) and reconveyed (satisfied) upon payment in full.

Devise: The disposition of real property by will.



Due-on-Sale Clause: Provision in a mortgage or deed of trust which requires loan to be paid in full if property is sold or transferred.

E

Earnest Money: Advance payment of part of the purchase price to bind a contract for property.

Easement: An interest in land owned by another that entitles its holder to a specific limited use, such as laying a sewer, putting up electric power lines or crossing the property. Also see "Right of Way."

Egress: The right to leave a tract of land.

Eminent Domain: The power of the state to take private property for public use upon payment of just compensation.

Encroachment: A trespass or intrusion onto another's property, usually by a structure, wall or fence.

Encryption: The conversion of data into a form that cannot be easily understood by unauthorized people. The process of encoding a message so that it can be read only by the sender and the intended recipient. Encryption is the most effective way to achieve data security.

Encumber: To burden a parcel of land with a lien or charge.

Encumbrance: A lien, liability or charge upon a parcel of land, e.g. a mortgage or easement.

Escheat: A reversion of property to the state in those cases where an individual dies without heirs or devisees, and, in some states, without a will.

Escrow: A procedure whereby a disinterested third party handles legal documents and funds on behalf of a seller and buyer, and delivers them upon performance by the parties.

Estate: A person's possessions. The extent of a person's interest in real property.

Examination of Title: The investigation and interpretation of the record title to real property based on the title search or abstract.

Exception: In legal descriptions, that portion of land to be deleted or excluded. The term often is used in a different sense to mean an encumbrance on title, excluded from coverage in a title insurance policy.

Executor: A person appointed by the probate court to carry out the terms of a will. The term is "executrix" if that person is a woman. Also see "Personal Representative."

F

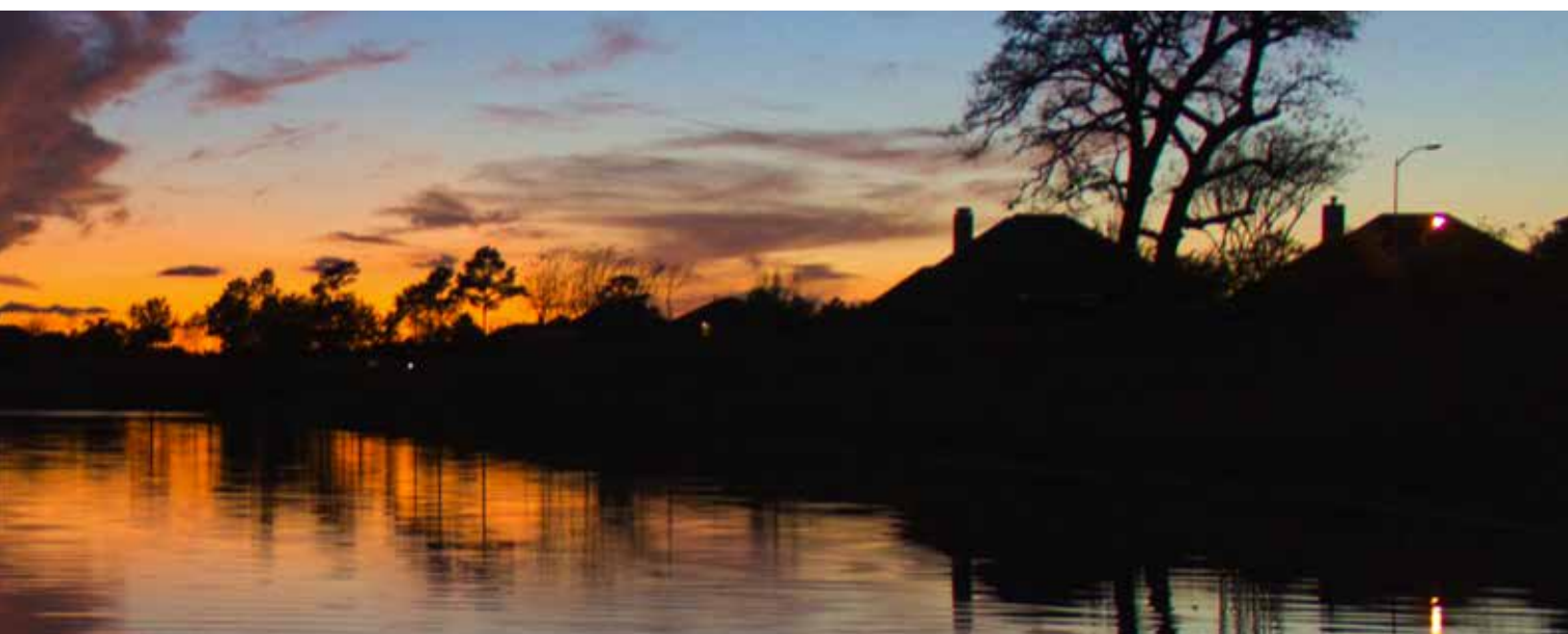
Fannie Mae: Federal National Mortgage Association (also FNMA) is a private corporation, federally chartered to provide financial products and services that increase the availability and affordability of housing by purchasing mortgage loans.

Fee Simple Estate: The greatest possible estate in land where the title is held completely and without any limitations or conditions. Sometimes designated simply as "Fee."

Financing Statement: A document filed with the Register of Deeds or Secretary of State to give notice that a creditor (lender) has or may have a security interest in the personal property of the debtor (borrower).

Fixed Rate Mortgage: A mortgage on which the same rate of interest is charged for the life of the mortgage.

Fixtures: Any item of property so attached to real property that it becomes a part of the real property.





Flood Certification: A common term for a Federal Emergency Management Agency (FEMA) Standard Flood Hazard Determination Form (SFHDF). This determines whether land or a building is located within a Special Flood Hazard Area for purposes of flood insurance requirements under the National Flood Insurance Program.

Forfeiture of Title: Provision in a deed creating a condition which will cause title to be passed to another, should certain circumstances occur.

Freddie Mac: Federal Home Loan Mortgage Corporation (also FHLMC) is a stockholder-owned corporation chartered by Congress that purchases mortgage loans.

G

Ginnie Mae: Government National Mortgage Association (also GNMA) is a wholly owned United States corporation that guarantees privately issued securities backed by pools of mortgages insured by FHA (Federal Housing Administration), FMHA (Farmers Home Administration) or VA (Veterans Administration).

Graduated Payment Mortgage: A loan in which monthly payments are relatively small in the beginning and gradually increase in dollar amount over the life of the mortgage.

Grantee: A person who acquires an interest in land by deed, grant or other written instrument.

Grantor: A person, who, by a written instrument, transfers to another an interest in land.

Guardian: One appointed by the court to administer the affairs of an individual not capable of administering his or her own affairs.

H

Harbor Line: An arbitrary line set by authorities on navigable rivers, beyond which wharves and other structures may not be built. Also designated as line of navigation.

Hazard Insurance: Insurance protecting a property owner against loss, such as: fire, windstorm, lightning, hail, explosion, riot, smoke, property damage, flood or mudslide. It is usually purchased as part of the Homeowner's Insurance Policy.

Heir: One who might inherit or succeed to an interest in land of an individual who dies without leaving a will (intestate).

Home Equity Conversion Mortgage: A reverse or reverse annuity mortgage in which HUD (U.S. Department of Housing and Urban Development), through FHA (Federal Housing Administration), guarantees that the borrower will receive monthly payments from the insurer (FHA), in the event the lender is unable to make payments to the borrower.

Home Equity Line of Credit (HELOC): A loan in which the lender agrees to lend a maximum amount within an agreed period (called a term), where the collateral is the borrower's equity in his/her house.

Homeowners Insurance: Insurance protection paying benefits for damage to improved real property or possessions in the home. Also provides liability coverage against accidents in the home or on the property.

HUD-1: The HUD-1 is a type of settlement statement which, prior to the TILA-RESPA Integrated Disclosure (TRID) Rule, was required for use with all federally related mortgage loans. It has been supplanted by the "Closing Disclosure" as a required form, but the HUD-1 will continue to be used for reverse mortgage and HELOC transactions. In addition, it may remain in use for some transactions that do not involve federally related mortgage loans since it functions well as a balance sheet of the settlement.

I

Improvements: Those additions to raw land tending to increase value, such as buildings, streets, sewer, etc.

Indemnify: To make payment for a loss or to hold another harmless from loss.



Ingress: The right to enter a tract of land.

Insurance: A contract of indemnity against specified perils.

Interim Financing: Temporary or short-term loans. Often used with new construction. Usually replaced with permanent long-term financing.

Intestate: Designates the estate or condition of failing to leave a will at death. "To die intestate."

J

Joint Tenancy: An estate where two or more persons hold real estate jointly for life, the survivors to take the entire interest on the death of one of the joint tenants.

Judgment: A decree of a court. In practice, this is the lien or charge upon the land of a debtor resulting from the court's award of money to a creditor. Also see "Judgment Lien."

Judgment Docket: The record book of a County Clerk, where a judgment is entered in order that it may become a lien upon the property of the debtor.

Judgment Lien: The charge upon the land of a debtor resulting from the decree of a court properly entered into the judgment docket.

L

Land Contract: See "Contract for Deed."

Lease: A grant of the use of land for a term of years in consideration of the payment of a monthly or annual rental.

Lender's Policy: A form of title insurance policy which insures the validity, enforceability and priority of a lender's lien. This policy does not provide protection for the owner.

Lessee: One who takes land under a lease.

Lessor: One who grants land under a lease.

Lien: A hold, claim or charge allowed a creditor upon the land of a debtor. Some examples are mortgage liens, judgment liens and mechanics' liens.

Life Estate: A grant or reservation of the right of use, occupancy and ownership for the life of an individual.

Lis Pendens: A notice recorded in the official records of a county to indicate that a suit is pending affecting title to the land in the jurisdiction where the notice is recorded.

Loan Estimate: A three-page Loan Estimate (also called LE) must be provided to the consumer no later than three business days after they submit a loan application for most mortgages. The Loan Estimate provides information about key features, costs and risks of the mortgage loan for which the consumer is applying.

Loan Policy: See "Lender's Policy."

Loss Payable Clause: A clause in a contract of insurance which says any loss will be paid to two or more parties as their interest may appear. Usually the owner and the mortgage lender.

Lot: A part of a subdivision or block having fixed boundaries ascertainable by reference to a plat or survey.

M

Marketable Title: A good title about which there is not fair or reasonable doubt.

Mechanic's Lien: A lien allowed by statute to contractors, laborers and material suppliers on buildings or other structures upon which work has been performed or materials supplied.

Metes and Bounds: A description of land by courses and distances.

Mortgage: An instrument used to encumber land as security for a debt.

Mortgage Banker: A specialized lending institution that lends money solely with respect to real estate and secures its loans with mortgages on the real estate.

Mortgage Broker: A person or company that buys and sells mortgages for another on commission or who arranges for and negotiates mortgage contracts.

Mortgage Insurance: Insurance protecting against the nonpayment of, or default on, an individual mortgage or loan involved in a residential mortgage transaction. It protects the mortgage lender against loss incurred by a reason of nonpayment or mortgage default.

Mortgagee: The mortgage lender.

Mortgagee's Policy: See "Lender's Policy."

Mortgagor: The mortgage borrower.

N

Non-Public Personal Information (NPPI or NPI): Means "personally identifiable financial information" that is (i) provided by a consumer to a financial institution, (ii) about a consumer resulting from a transaction or service performed for the consumer, or (iii) otherwise obtained by the financial institution. Personally identifiable financial information includes any information obtained by a financial institution in connection with its provision of a "financial product or service," even if the information is not typically considered financial in nature.

Notary: One authorized to take acknowledgments.

Note: The instrument evidencing the indebtedness. A note is usually secured by a security instrument such as a mortgage or deed of trust.

O

Origination Fee: The administrative fee charged by the lender to prepare loan documents, run credit checks, inspect and sometimes appraise a property, usually computed as a percentage of the face value of the loan.

Owner's Policy: A policy of title insurance, which insures a named owner against loss by reason of defects, liens and encumbrances not excepted to in the policy or unmarketability of the title. The company also agrees to defend covered claims made against the title.

Ownership: The right to possess and use property to the exclusion of others.

P

Patent: A document or grant by which the federal or state government originally transferred title to public land to an individual. The first in the series of transfers by which title comes down to present owners.

Personal Representative: A person appointed by the probate court to administer a decedent's estate. Also see "Executor" or "Administrator."

Plat or Plot: A map representing a piece of land subdivided into lots with streets shown thereon.

P.M.I.: Private Mortgage Insurance. An insurance contract which insures that the named lender will recover a specific percentage of the loan amount from the insurer in the event the loan goes bad.

Points: A one-time special fee or extra charge paid to a lender in order to secure a loan. Expressed as a percentage of face amount of mortgage.

Policy: See "Title Insurance Policy."

Policyowner: The insured on a title insurance policy.

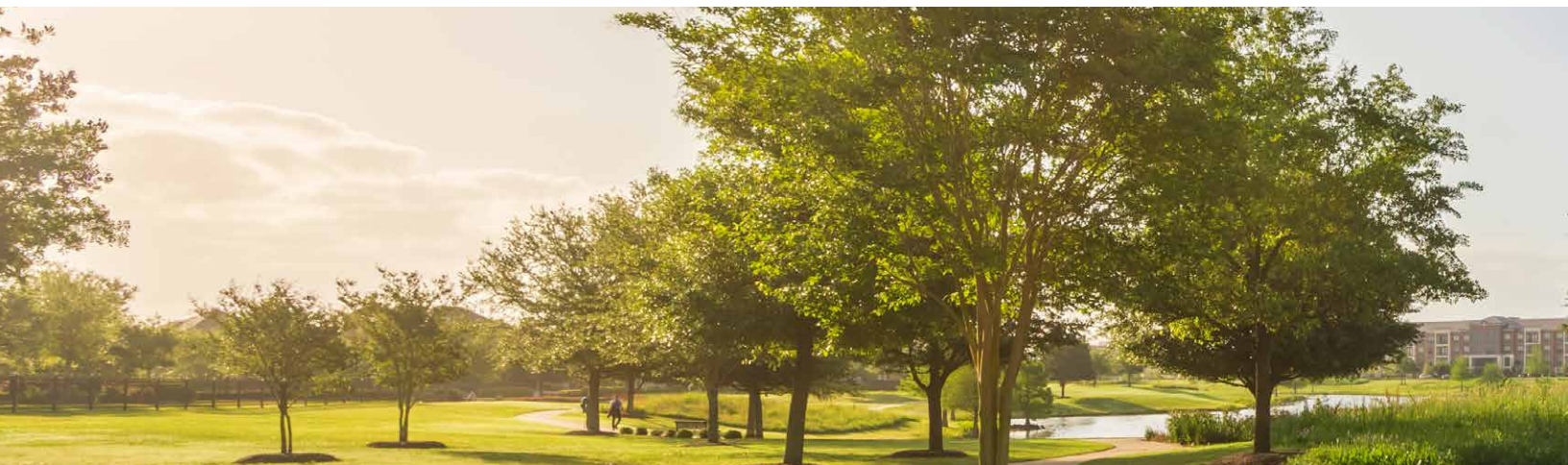
Power of Attorney: An instrument authorizing another to act on one's behalf in legal matters.

Power of Sale: A clause in a will, mortgage, deed of trust or trust agreement authorizing the sale or transfer of land in accordance with the terms of the clause.

Pre-Settlement Inspections: See "Walk Through."

Prepayment Penalty: A clause in a mortgage or loan contract that says if the mortgage is prepaid within a certain time period, a penalty will be assessed. The penalty can be based on percentage of the remaining mortgage balance or some other calculation as described in the clause.

Premium Tax: A tax imposed on all premiums from the business of title insurance. Only applies in some states.



Privacy Rule: The GRAMM-LEACH-BLILEY ACT requires financial institutions (which includes title insurance companies) to give notice to all of their "clients" about their privacy practices. The Privacy Policy is a "clear and conspicuous" written notice describing their privacy policies and practices.

Prorate: To allocate between seller and buyer their proportionate share of an obligation paid or due. For example, a proration of real property taxes or fire insurance premiums.

Q

Quiet Title: An action in a proper court to remove record defects or possible claims of other parties named in the action.

R

Range: A part of the government survey, being a strip of land six miles in width, and numbered east or west of the principal meridian.

Real Property: Land, together with fixtures, improvements and appurtenances.

REALTOR®: A federally registered collective membership mark which identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Realty: A brief term for real property.

Redeem: Literally "to buy back." The act of buying back land after a mortgage foreclosure, tax foreclosure, or other execution sale.

Redisclosure: For transactions covered under the TILA-RESPA Integrated Disclosure (TRID) Rule and under very specific circumstances, the Loan Estimate and/or the Closing Disclosure may be revised and delivered to the consumer.

Registered Land: See "Torrens Title."

Reinsurance: To insure again by transferring to another insurance company all or part of an assumed liability, thus spreading the loss risk any one company has to carry.

Reverse or Reverse Annuity Mortgage: A mortgage for which the borrower pledges home equity in return for regular (monthly) payments, rather than a lump sum distribution of loan proceeds. Repayment is usually not required until the home is sold or the borrower's estate is settled, provided the borrower continues to live in the home and keeps current all taxes and insurance. Also see "Home Equity Conversion Mortgage."

Right of Way: The right which one has to pass across the land of another. An easement.

Riparian: Rights to use of waterways in adjoining lakes or rivers.

S

Second Mortgage: A second loan on real estate that already has a mortgage. It is subordinate to the first mortgage.

Section or Section of Land: A parcel of land comprising approximately one square mile or 640 acres.

Set Back Lines: Those lines which delineate the required distances for the location of structures in relation to the perimeter of the property.

Sub-Surface Right: The right of ownership to things lying beneath the physical surface of the property.

Survey: The process of measuring land to determine its size, location and physical description, and the resulting drawing or map.

T

Tax Lien: A lien for real property taxes. Attaches only to the property upon which the taxes are due in most jurisdictions. It may be foreclosed for nonpayment.

Tenancy by the Entirety: Ownership by married persons. Each owns the entire estate, with the survivor taking the whole upon the other's death.





Tenancy in Common: An estate or interest in land held by two or more persons, each having equal rights of possession and enjoyment, but without any right of succession by survivorship between the owners.

Tenant: Any person occupying real property with the owner's permission.

Testament: Another term for a will. Commonly referred to as "last will and testament."

Testate: The state or condition of leaving a will at death. "To die testate."

Testator: A man who makes or has made a testament or will.

Testatrix: A woman who makes or has made a testament or will.

Three-Day Review Period: For covered transactions under the TILA-RESPA Integrated Disclosure (TRID) Rule the creditor is generally required to ensure that the consumer (borrower) receives the Closing Disclosure no later than three business days prior to the consummation of the loan.

Title: (i) ownership of real property, which stands against the right of anyone else to claim the property; (ii) the evidence of right which a person has to the ownership and possession of land.

Title Agent: See "Agent."

Title Defect: Any legal right held by others to claim property or to make demands upon the owner.

Title Commitment: A report issued by a title insurance company or its agent, committing the title insurance company to issue the form of policy designated in the commitment upon compliance with and satisfaction of requirements set forth in the commitment.

Title Examination: To peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

Title Insurance Underwriter: An insurance company that issues insurance policies either to the public or to another insurer.

Title Insurance: An agreement to indemnify the insured against loss arising from a covered defect in title to a particular parcel of real property, which is typically issued to both the buyer to protect their property rights (through an owner's title insurance policy), and the lender to protect its lien rights (through a lender's title insurance policy).

Title Insurance Policy: A written contract of title insurance.

Title Plant: The total facilities (records, equipment, fixtures, and personnel) required to function as a title insurance operation in some parts of the country. Technically, the organization of official records affecting real property into a system, which allows quick and efficient recovery of title information.

Title Search: An examination of public records, laws and court decisions to disclose the current facts regarding ownership of real estate.

Tolerances: See "Variances."

Torrens Title: A system whereby, after court proceedings, a certificate is issued setting forth the extent of the applicant's estate in land, subject to the exceptions shown.

Total Interest Percentage (TIP): The total amount of interest that the consumer will pay over the life of the loan as a percentage of the principal of the loan, assuming the consumer makes each monthly payment in full and on time, and does not make any overpayments.



Total Loan Costs: Fees the lender charges to make the loan, as well as fees paid to providers selected by the lender and fees paid to providers chosen by the borrower. Total Loan Costs are found under Section D of the Loan Estimate.

Township: A division of territory approximately six miles square, containing approximately 36 sections or 36 square miles.

Tract: A particular parcel of land.

Trust: A property right held by one as a fiduciary for the benefit of another.

Trustee: A person holding property in trust as a fiduciary for the benefit of another.

V

Variable Rate Mortgage: A loan in which the interest rate fluctuates with the cost of funds or some other index.

Variations: The comparison made between fees and/ or charges listed on the Loan Estimate (or Good Faith Estimate) and those listed on the final Closing Disclosure (or HUD-1). Not all fees are exposed to such scrutiny but for those that are the creditor/lender is held accountable for the excessive charges. There are two levels of tolerance based on the type of fee. Variance may also be referred to as Tolerance.

Vendee: A purchaser of real property under land contract.

Vendor: A seller of real property under land contract.

Vest: To pass to a person an immediate right or interest. Title may be said to vest in John Smith.

W

Walk-Through: Depending on the terms of the contract of sale or based on local custom, a walk-through or pre-settlement inspection may be scheduled prior to settlement or closing of the transaction. The primary purpose of this type of inspection is to make certain the property is in the agreed-upon condition, repairs (if any) from the home inspection are complete, and to confirm that nothing has gone wrong with the property since the buyer's last viewing.

Warranty: A limited promise by the grantor of real property that he or she is the owner and will be responsible to the buyer if title is other than as represented.

Will: A written document providing for the distribution of property owned by a person after his or her death.

Z

Zoning: The right of a municipality to regulate and determine the compatible character and use of property.

The terms contained in this booklet are defined in their most commonly used form. Should more precise interpretations of these terms be necessary, we advise you to seek the counsel of an attorney.



12/2025 | OR5458-DI-TX | This material is for educational purposes only and does not constitute legal advice. We assume no liability for errors or omissions.

Old Republic Title is providing this information as a free client service and makes no warranties or representations as to its accuracy.

Old Republic Title strongly recommends that consumers confer with their title insurer as underwriting requirements vary among companies and further, obtain guidance and advice from qualified professionals, including attorneys specializing in Real Property, Trusts and/or Title Insurance to get more detailed, and current, information as to any particular situation affecting them.