

# BUYER

TEXAS TITLE

## HOMEBUYER'S GUIDE

An informative guide to purchasing a home.



**TEXAS TITLE**  
*A Place to Call Home™*

Texas Title is a licensed Texas-based title agency that offers competitive escrow and title solutions complemented by a strong tradition of grassroots standards. Our centralized order processing platform ensures exceptional relationship management and an efficient, streamlined closing.

Operated by attorneys, we offer a specialized set of legal, escrow and title services that provide our clients and customers with a competitive advantage. We operate multiple direct branch locations and are licensed in 48 counties (consisting of 90% of the state's population) in Texas. Texas Title also has numerous fee attorney locations throughout the state of Texas.

At Texas Title, we recognize that each lender, realtor, borrower or homeowner is different. We focus on creating customized solutions to meet the needs of our clients, utilizing technology and attention to the experience as a basis for our services.



# HOMEBUYERS

## WHAT YOU NEED TO KNOW TO GET STARTED

### FINANCING

Starting the mortgage loan process is a crucial step in buying a home if you plan to finance the purchase. This should be done in advance, even before the bidding process takes place.

### 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 the rates of each.

### FIRST-TIME HOMEBUYER

You may have the potential to qualify for mortgage programs with little money down, low interest rates or federal programs that give beneficial rates. Loan officers can go over these programs and help you determine which program you may qualify for.

### FINANCIAL HISTORY

Having a good credit history and limited debt could help you obtain a better loan rate. Alternatively, if your current credit score is less than ideal, your financial representative can give you tips and tools to better your score and qualify for a better rate.

### PREAPPROVAL LETTER

When you have chosen a loan officer, dependent upon your loan, the next step is to get preapproved and obtain a preapproval letter. To do so, your loan officer will need to examine your credit files and discuss exactly how much you can borrow. It is important to discuss your preapproval letter with your chosen real estate professional before you begin looking for homes.

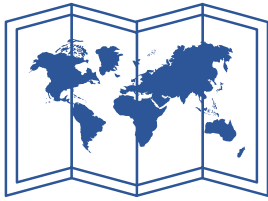
### WHY DO I NEED A REAL ESTATE PROFESSIONAL?

One of the largest investments you will ever make is in real estate. A real estate professional is trained to research homes that meet your specific wants and needs, preview those homes, give you access to them, and help you narrow down the list of potential properties for purchase. Each home is different, and things like contract terms, financial options, inspection costs and closing costs can all vary. When you are ready to purchase a home, a real estate professional will guide you through the process to ensure the best outcome. When selling as an owner, numerous complications can arise. It can be difficult to navigate these various complexities, so having a knowledgeable real estate professional on your team is a key tool for a successful transaction.



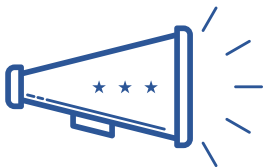
# WHY DO I NEED TO USE A REALTOR?

REAL ESTATE PROFESSIONALS GUIDE YOU THROUGH THE HOME BUYING AND SELLING PROCESS.



## AN EXPERT GUIDE

When buying or selling a home, there are extensive forms, reports, disclosures and other technical documents that a real estate professional can guide you through. An expert helps prevent delays and costly mistakes.



## AN ADVOCATE

Real estate professionals have a fiduciary responsibility to put their client's interests first. A realtor is bound by law to negotiate, advise and inform you of all pertinent information to help you come to an agreement that is in your best interest.



## AN OBJECTIVE OPINION

A real estate professional can provide you with data, facts, school ratings, zoning information, utilities, etc. to help you decide which property has everything you need, and can use this information in marketing your home, if selling.



## AN EXTENSIVE RESOURCE

Real estate professionals not only provide their expert knowledge, but that of their network as well—from access to information before it appears on MLS to recommending other professionals that can help get your property ready after you buy or before you sell.

# KEY PROFESSIONALS

## IN A REAL ESTATE TRANSACTION

Knowledgeable, customer-focused professionals are available to answer your title and settlement questions. Throughout the home selling process, you may also encounter the following industry specialists who are able to professionally answer questions in their area of expertise.

### REAL ESTATE AGENT

Licensed by the state to represent parties in the transfer of property.

### HOME INSPECTOR

Objectively and independently provides a comprehensive analysis of a home's major systems and components.

### LOAN OFFICER

A representative of a bank or other financial institution. They help customers identify their borrowing options and understand the terms of their loan.

### APPRAISER

Works on behalf of a lender and provides a market analysis of the subject property. An appraiser's finding is subjective and combined with market findings of sold properties within the surrounding neighborhood.

### INSURANCE AGENT

Helps a homebuyer determine the homeowners protection coverage needed and finds the right homeowners insurance policy to fit those needs.

### REAL ESTATE ATTORNEY

Can give advice on all legal aspects of the real estate transaction. Additionally, they are able to draft and review contracts, help decide how to take title, and assist with the closing process. Use of an attorney to review the contract and title documents is optional.

### ESCROW OFFICER

An independent third-party who works with all participants to facilitate a successful closing of a real estate transaction. At closing, the escrow officer will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the closing documents and record the necessary documents to transfer ownership of the property.

### CLOSING/TITLE AGENT

Performs title searches to ensure a clear title so a title insurance policy can be issued. The title company also facilitates the transfer of real estate by sending original transfer documents to the county clerk for recording.



# STEPS IN A REAL ESTATE TRANSACTION

What happens in a real estate transaction from start to finish.

1. Buyer connects with licensed real estate professional
2. Buyer connects with a lender if a loan is needed
3. Buyer signs contract and provides earnest money funds
4. Agent delivers contract to title company with earnest money funds
5. Buyer orders termite and mechanical inspections
6. Title company opens file and orders title commitment and taxes
7. Title company obtains payoff information from seller's lender
8. Title company orders survey if new one is required
9. Title company reviews title commitment for title defects
10. Title company issues title commitment to buyer and buyer's lender
11. Loan approval received from buyer's lender
12. Closing date is set with escrow officer at title company
13. Buyer orders homeowners insurance policy
14. Title company receives loan closing instructions from buyer's lender and prepares documents and closing statements
15. Closing occurs
16. The transaction is funded; funds are distributed

## **AFTER CLOSING, THE TITLE COMPANY DOES THE FOLLOWING:**

Returns or faxes required documents to lender for their approval. All lenders require this before funds are disbursed.

Receives and disburses all money from lender, including payment of all taxes, any bank charges, attorney's fees, title company fees and any other accrued expenses in connection with the closing.

Has legal documents recorded in the office of the county clerk.

Prepares and issues title policies and sends to lender and owner.

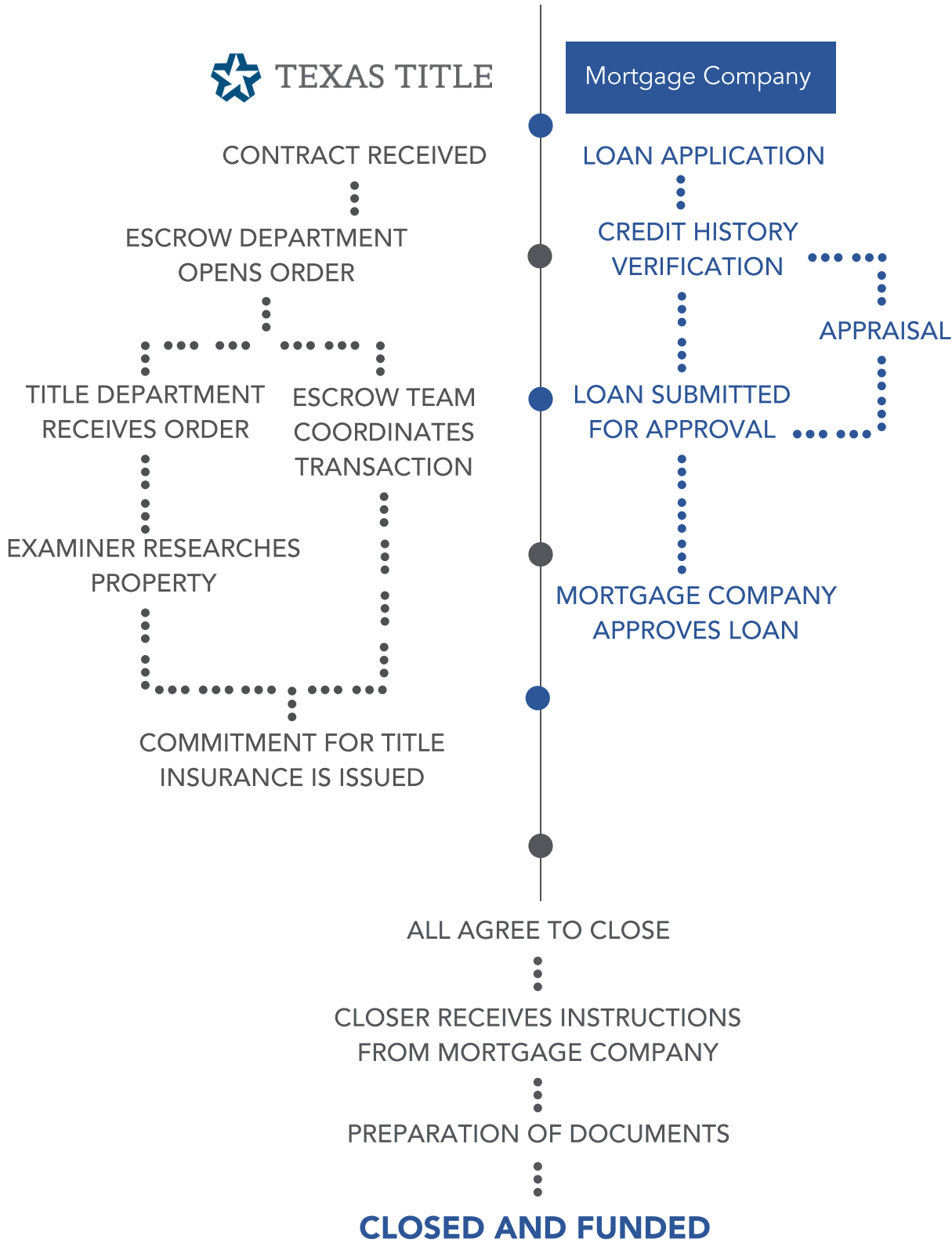
A TIMELINE

# CONTRACT TO CLOSING



**TEXAS TITLE**  
*A Place to Call Home™*

**CONTRACT SIGNED**



# CLOSING COSTS

## WHO PAYS WHAT?

Every transaction is unique and certain costs are negotiable. It is important to speak with your realtor, lender and escrow officer about your specific transaction.

### SELLER COSTS

- Payoff of existing loan(s)
- Tax certificate
- Realtor commissions
- Prorated taxes
- Owner's title policy and endorsements (per contract)
- Escrow fee
- Document preparation
- Recording fee(s)
- Survey (per contract)
- Home warranty (per contract)
- HOA resale certificate (per contract)
- Termite inspection (VA loan only)

### BUYER COSTS

- Property inspections
- Termite inspection
- Survey (per contract)
- HOA transfer fee (per contract)
- Prorated taxes
- Escrow fee
- Courier fee
- Hazard insurance

#### COSTS ASSOCIATED WITH A LOAN

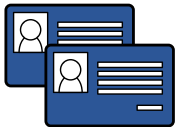
- Loan origination fee
- Loan title policy and endorsements (per contract)
- Appraisal
- Credit report
- Prepaid interest
- Document preparation
- Recording fee(s)
- Initial deposit for escrow account (if applicable)
- Mortgage insurance premium (if applicable)
- VA funding fee (if applicable)

# WHAT TO PACK FOR THE CLOSING TABLE

Homebuyers and sellers should come prepared with the following items to make the closing experience as seamless as possible.



## BUYER



### Two forms of ID

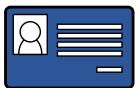
A valid driver's license and one of the following: social security card, passport or resident alien card.



### Funds for the closing

Either a wire transfer (with the bank confirmation) for the amount outlined by your escrow officer, or a cashier's check made out to Texas Title. Please know we are required to call the bank where the cashier's check was issued to verify the availability of funds. Call us before you wire and always ask questions if you have them.

## SELLER



### One form of ID

Valid driver's license or government issued photo ID.



### A voided check or your banking information

Bring this if you would like us to wire transfer your funds after closing.

*Alert your escrow officer if there are any changes to your marital status after signing the contract prior to closing. If you are using a power of attorney, the original executed document must be reviewed and approved by the title company prior to closing. The title company is required to contact the person granting power of attorney on the day of the closing.*





## 2020 TEXAS HOMESTEAD TAX EXEMPTION

### WHAT IS HOMESTEAD EXEMPTION?

- A homestead exemption lowers your property taxes by removing a portion of your home's value from taxation
- Different taxing entities give different exemptions, depending on the type of tax entity and the location
- You can apply for a retroactive exemption up to one year after the property tax delinquency date (normally February 1st)

You must occupy the property by January 1st of the applicable tax year to apply!

### HOW DO I APPLY?

- Most counties have online forms and it is free to apply
- You only need to submit the application one time while the property is your homestead
  - If a death or divorce occurs you will need to reapply for the exemption (varies county by county). Check with your county appraisal district for specific rules.
- The application must be filed by April 30th for the current tax year

### COUNTY WEBSITES

- ✓ [www.collincad.org](http://www.collincad.org)
- ✓ [www.dallascad.org](http://www.dallascad.org)
- ✓ [www.elliscad.org](http://www.elliscad.org)
- ✓ [www.graysonappraisal.org](http://www.graysonappraisal.org)
- ✓ [www.johnsoncad.com](http://www.johnsoncad.com)
- ✓ [www.kaufman-cad.org](http://www.kaufman-cad.org)
- ✓ [www.tad.org](http://www.tad.org)
- ✓ [www.dentoncounty.gov](http://www.dentoncounty.gov)
- ✓ [www.parkercountytexas.com](http://www.parkercountytexas.com)
- ✓ [www.co.hood.tx.us](http://www.co.hood.tx.us)

# UTILITY SERVICES DFW

## WATER, SEWAGE & WASTE

<b>Addison</b>	(972) 450-7081	<b>Farmers Branch</b>	(972) 919-2525	<b>Plano</b>	(972) 941-7105
<b>Aledo</b>	(817) 441-7016	<b>Farmersville</b>	(972) 782-6151	<b>Ponder</b>	(940) 479-2396
<b>Allen</b>	(214) 509-4560	<b>Fate</b>	(972) 771-4601	<b>Princeton</b>	(972) 736-2416
<b>Alvarado</b>	(817) 790-3351	<b>Flower Mound</b>	(972) 874-6010	<b>Prosper</b>	(972) 347-2741
<b>Anna</b>	(972) 924-3325	<b>Fort Worth</b>	(817) 392-8210	<b>Red Oak</b>	(972) 617-0307
<b>Argyle</b>	(940) 464-7273	<b>Frisco</b>	(972) 335-5575	<b>Reno</b>	(817) 221-2500
<b>Arlington</b>	(817) 275-5931	<b>Garland</b>	(972) 205-2671	<b>Richardson</b>	(972) 744-4120
<b>Aubrey</b>	(940) 440-9343	<b>Grand Prairie</b>	(972) 237-8413	<b>Richland Hills</b>	(817) 299-1800
<b>Azle</b>	(817) 444-2541	<b>Grapevine</b>	(817) 410-3173	<b>Roanoke</b>	(972) 491-6099
<b>Bedford</b>	(817) 952-2112	<b>Haltom City</b>	(817) 222-7717	<b>Rockwall</b>	(972) 771-7736
<b>Burleson</b>	(817) 426-9601	<b>Haslet</b>	(817) 439-5931	<b>Rowlett</b>	(972) 412-6105
<b>Carrollton</b>	(972) 466-3120	<b>Heath</b>	(972) 771-6228	<b>Sachse</b>	(972) 495-1212
<b>Cedar Hill</b>	(972) 291-5118	<b>Highland Park</b>	(214) 521-4161	<b>Saginaw</b>	(817) 232-4640
<b>Celina</b>	(972) 382-2682	<b>Irving</b>	(972) 721-2411	<b>Sanger</b>	(940) 458-7930
<b>Cleburne</b>	(817) 645-0919	<b>Keller</b>	(817) 743-4060	<b>Seagoville</b>	(972) 287-2050
<b>Colleyville</b>	(817) 503-1020	<b>Kennedale</b>	(817) 985-2120	<b>Southlake</b>	(817) 748-8082
<b>Coppell</b>	(972) 304-3695	<b>Lake Dallas</b>	(940) 497-2999	<b>Springtown</b>	(972) 220-6600
<b>Copper Canyon</b>	(817) 430-3541	<b>Lewisville</b>	(972) 219-3440	<b>Terrell</b>	(972) 551-6600
<b>Corinth</b>	(940) 497-2263	<b>Little Elm</b>	(972) 294-1821	<b>The Colony</b>	(972) 625-2741
<b>Crowley</b>	(817) 297-2201	<b>Mansfield</b>	(817) 276-4200	<b>Trophy Club</b>	(682) 831-4600
<b>Dallas</b>	(214) 651-1441	<b>McKinney</b>	(972) 547-7550	<b>University Park</b>	(214) 987-5322
<b>Denton</b>	(940) 349-8200	<b>Mesquite</b>	(972) 216-6208	<b>Watauga</b>	(214) 363-1644
<b>Desoto</b>	(940) 349-8200	<b>Midlothian</b>	(972) 775-7130	<b>Waxahachie</b>	(972) 937-7330
<b>Duncanville</b>	(817) 430-3541	<b>Murphy</b>	(972) 424-6021	<b>White Settlement</b>	(972) 937-7330
<b>Eules</b>	(817) 685-1471	<b>North Richland Hills</b>	(817) 427-6200	<b>Willow Park</b>	(817) 441-2858
<b>Fairview</b>	(972) 562-0522	<b>Parker</b>	(972) 442-4105	<b>Wylie</b>	(972) 442-8130

## ELECTRIC/GAS

<b>Ambit Energy</b>	(940) 735-5572
<b>Atmos Energy</b>	(800) 460-3030
<b>Coserve Electric</b>	(800) 566-2314
<b>Denton Electric</b>	(940) 349-8700
<b>Oncor Electric</b>	(888) 313-6862
<b>Reliant Energy</b>	(866) 222-7100
<b>Tri-County Electric</b>	(817) 431-1541
<b>TX New Mexico Electric</b>	(888) 866-7456
<b>TXU Energy</b>	(800) 242-9113

## TELECOMMUNICATIONS

<b>AT&amp;T</b>	(940) 735-5572
<b>Charter Communications</b>	(800) 460-3030
<b>Dish Network</b>	(800) 566-2314
<b>DirecTV</b>	(940) 349-8700
<b>Frontier Communications</b>	(877) 980-3616
<b>One Source Communication</b>	(888) 313-6862
<b>SBC</b>	(866) 222-7100
<b>Suddenlink</b>	(817) 431-1541
<b>Time Warner</b>	(800) 242-9113

# WHY IS TITLE INSURANCE IMPORTANT?

When any real estate is purchased, it's prudent to obtain homeowners coverage to cover loss from fire, storm damage or theft. Some purchasers of residential property will purchase mortgage life insurance to pay the debt in full in the event of the mortgagor's death. Neither of these policies cover one of the most important aspects of any real estate purchase – the rights of clear and equitable title and ownership of the property. An owner's policy is the only way to ensure complete title protection for new owners and their investment. A property's title relates to all your legal rights to own, use and dispose of real estate, both land and improvements. Title insurance protects against the possibility of future loss in the event legal rights of ownership to a specific property is challenged. The two most common types of title insurance are: an owner's title policy and loan policy.

The loan policy protects a lender in a real estate transaction, ensuring they have first lien position and good equitable title up to the amount of the value of the policy, which is typically the loan amount. A loan policy is effective for as long as the mortgage is in force.

An owner's policy protects the buyer or new owner of the property against loss up to the full value of their policy, which is typically the amount of their investment or the sales price of the property. The owner's policy is effective for as long as the owner or their heirs own the property. An owner's policy in Texas is optional and may be refused, but this is not advisable. All prudent lenders will require a loan policy.

## COVERAGE PROVIDED BY AN OWNER'S POLICY

An owner's title policy protects the new owner's interest in the real estate purchased from claims, such as:

- Mistakes in recording of legal documents
- Undisclosed or unknown heirs
- Prior owners who did not divest themselves properly
- Fraudulent or forged deeds and wills
- Deeds by minors or persons of unsound mind
- Deeds executed under an invalid or expired power of attorney
- Liens for unpaid taxes or homeowner association dues and assessments
- Unreleased liens

For an affordable, one-time premium paid at closing, your title insurer may assume responsibility for certain covered risks associated with the ownership of your property. If the defense is unsuccessful, then the title insurer may reimburse the insured up to the face value of the policy.

## TITLE SEARCH VS. TITLE EXAMINATION

Some industry investors mistakenly believe a title search will be able to offer the protection needed for purchasing real estate. In reality, a title search is simply an abstract or a report/record of all county recordings filed against a particular property, and includes current vesting and third-party claims filed of record. Title companies will offer a "search" or "abstract certificate" at a very reasonable cost, but it's not insurance. Once title is requested, a title company will take the search documents and examine each and every one to determine:

- All prior owners properly divested themselves of title
- All prior liens were released from the property
- Any documents are filed against a particular name or names, etc.

The compilation of the resulting title commitment will explain all findings and necessary requirements to cure any title issues so that good and equitable title may be delivered via the final title policy.

# WHY TEXAS TITLE?

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## **We're attorney-owned and operated.**

This means we can offer a specialized set of legal, escrow and title services that provide our clients and customers with a competitive advantage. If you need legal counsel, our attorneys are available to answer your questions. WE prioritize YOU, our client.



## **Our law firm is local to Texas.**

Since we're local, you get your legal questions answered in a timely manner, instead of being referred to a real estate attorney you don't know. We keep it personal.



## **Our education platform allows us to invest in our clients.**

We focus on investing in the education of our clients by providing the best continuing education courses in DFW. We regularly create courses that are specifically requested by agents and real estate professionals to provide the specialized and tailored programming they need.



## **We create custom solutions.**

We recognize that each lender, realtor, borrower or homeowner is different. When problem solving, we focus on creating custom solutions that meet the needs of our clients.





# FREQUENTLY ASKED QUESTIONS

## TITLE INSURANCE

### WHAT IS TITLE INSURANCE?

Title insurance is a policy that protects the insured from a financial loss related to the ownership of a property. A property's title relates to all your legal rights to own, use and dispose of real estate, both land and improvements. Title insurance protects against any possibility of future loss in the event legal rights of ownership to a specific property are challenged. The two most common types of title insurance are: an owner's title policy and loan policy.

### WHAT TYPES OF POLICIES ARE AVAILABLE?

The two most common types of title insurance are: an owner's title policy and loan policy. The loan policy protects a lender in a real estate transaction; they have first lien position and good equitable title up to the amount of the value of this policy, which is typically the loan amount. A loan policy is effective for as long as the mortgage is in force. An owner's policy protects the buyer or new owner of the property against loss up to the full value of their policy, which is typically the amount of their investment or the sales price of the property. The owner's policy is effective for as long as the owner or their heirs own the property. An owner's policy in Texas is optional and may be refused but not advisable. All prudent lenders will require a loan policy.

### WHO NEEDS TITLE INSURANCE?

Buyers, lenders and sellers all benefit from title insurance. Lenders usually require a loan policy to protect their loan. An owner's title policy protects the new owner's interest in the real estate purchased from claims, and your title insurer may assume responsibility for all legal expenses covered related to the defense of your property, if a challenge is ever made. The seller benefits from the policy because it represents a guarantee that the property being sold is free of any liens and encumbrances.



TEXAS TITLE

# ***EIGHT*** ***TEXAS LOCATIONS*** ***TO SERVE YOU***

## **ARLINGTON**

701 HIGHLANDER BOULEVARD, SUITE 105  
ARLINGTON, TX 76015  
(817) 329-1690

## **FRISCO**

5858 MAIN STREET, SUITE 140  
FRISCO, TX 75033  
(214) 618-2336

## **DALLAS**

19111 DALLAS PKWY, SUITE 120  
DALLAS, TX 75287  
(972) 733-3800

## **HOUSTON**

5300 MEMORIAL DRIVE, SUITE 460  
HOUSTON, TX 77007  
(281) 822-4111

## **DENTON**

2800 SHORELINE DRIVE, SUITE 160  
DENTON, TX 76210  
(940) 243-1200

## **MANSFIELD**

1024 EAST BROAD STREET, SUITE 104  
MANSFIELD, TX 76063  
(817) 627-8299

## **FORT WORTH**

1751 RIVER RUN, SUITE 205  
FORT WORTH, TX 76107  
(817) 329-1510

## **SOUTHLAKE**

601 ZENA RUCKER ROAD, SUITE 107  
SOUTHLAKE, TX 76092  
(817) 329-1501

"Closing on the purchase or sale of a home can be a complicated process. As a full service title company, our goal is to make the process as smooth and as easy as possible. We want to thank you for the opportunity to serve you, and hope you find Texas Title a place to call home."

- Bob Karlseng, CEO & Claude Rich, EVP

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