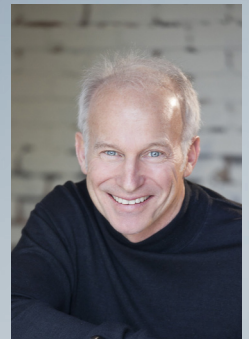


# COLORADO SELLER'S GUIDE

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# THE HOME SELLING PROCESS



## CHOOSE A REAL ESTATE AGENT

While not a requirement, working with a professional can streamline and improve the home selling process. Determine a marketing plan and strategic price at this time.



## SIGN KEY DOCUMENTS

These documents can include the Listing Agreement and Disclosures. This is the time when a title company is chosen.



## GET READY TO SELL

Prepare to sell your home by making necessary repairs, decluttering, securing valuables, having professional photos of the property taken, and other marketing collateral.



## OPEN ESCROW

During this time, a title order will be opened, the buyer will send earnest money, the closer will reach out with wire instructions, and payoff information will be collected.



## RECEIVE AN OFFER

Consider the offer and accept the offer or counter to reach a fair agreement.



## PROMOTION OF YOUR HOME

Your realtor will advertise your property. In addition to the MLS, consider posting information to social media, holding open houses and other marketing initiatives.



## TITLE SEARCH

The title company will search records, prepare a title commitment, and provide additional documentation, if applicable.



## HOUSE INSPECTION

An inspector will come and assess the property for any defects or hazards. The buyer will submit any inspection objections and request necessary repairs if applicable.



## HOME APPRAISAL

If the lender requests an appraisal, prepare for the appraiser to do a walkthrough of the property.



## POST-CLOSING

Title is transferred to you and recorded with the county. Your title company will disburse funds per the contract and lender closing instructions.



## CLOSING DAY

The big day! You will sign all necessary paperwork. Be sure to bring ID's to the closing and keys if applicable. After the paperwork is done, turnover the keys and celebrate!



## PREPARE FOR YOUR MOVE

Begin preparing to move:

- Select a moving company
- Box everything up
- Redirect mail
- Transfer/disconnect utilities

# YOUR REAL ESTATE TEAM



## **REAL ESTATE AGENT**

A licensed professional who represents parties in the transfer of real property.



## **MORTGAGE LENDER**

A bank, credit union, or other financial institution that provides financing for home purchases and other refinances.



## **TITLE COMPANY**

A neutral, third party that ensures the legitimacy of a property's title, provides title insurance, escrow services, a title search and settlement services.



## **INSPECTOR**

A person who conducts a thorough investigation of a property to determine any potential hazards or defects that may effect the sale of a property.



## **APPRAISER**

A professional who determines the value of a property after having examined it.



## **GETTING YOUR HOME READY TO SELL**

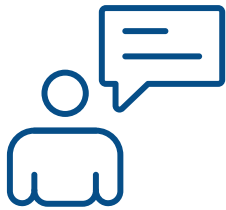
# BENEFITS OF WORKING WITH AN AGENT



## SERVES AS AN EXPERT

Buying or selling a home can be both exciting and stressful and is often the biggest investment one will make. Plus, it requires a variety of forms, reports, disclosures, and other legal and financial documents. A knowledgeable real estate agent will know what's required in your market, helping you avoid delays and costly mistakes. Look for an expert who understands the selling process.

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## OFFERS OBJECTIVE INFORMATION AND OPINIONS

A great real estate agent can direct you through the home selling process helping you meet your goal, while staying within your budget. Agents are also a great source when you have questions about utilities, zoning rules, contractors repair specialists, and more.

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## IS ON YOUR SIDE DURING NEGOTIATIONS

There are many factors up for discussion during any real estate transaction—from the listing price, to repairs needed post-inspection, to which title company to use, to possession date. A real estate professional representing you will look at the transaction from your perspective and will offer guidance that will assist you at every step of the transaction.

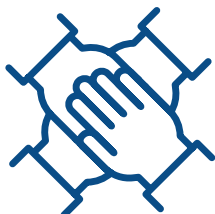
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## ENSURES A MODERN EXPERIENCE

A real estate professional is well-versed in the safety and security of your personal information and funds. They will educate you on wire fraud and other ways bad actors may try to access your data. Even if you've bought a home before, laws and regulations change. Real estate practitioners may handle hundreds or thousands of transactions over the course of their career and are likely well-versed in the latest knowledge.

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## PROVIDES SUPPORT

A home is the biggest purchase most people will ever make in their lifetime. A real estate professional can serve as a supportive - but objective - third party that helps you stay focused on the issues most important to you when emotions can rise to the surface.

# CHOOSING A TITLE COMPANY

## YOU HAVE A CHOICE

Real estate professionals and consumers have a choice when it comes to selecting a title and closing company. Because title and settlement services are a critical component of a real estate transaction, we encourage real estate professionals and their clients to engage in a conversation with the title and closing company in order to make a well-informed decision.

Selection of a title and closing company affects all aspects of the transaction, from the title search to the closing process, and from security of funds to the integrity of the policy itself. There are significant risks in working with a title and closing company that are not reputable and financially sound. The increased emphasis on oversight of third-party vendors makes the selection of a title and closing company more important than ever.

While there are hundreds of critical functions a title and closing company provides in every transaction, we believe all title and closing companies should be able to provide satisfactory answers to the following six questions - the absolute basic standards of service that any reputable title and closing company should meet.

We encourage real estate professionals and their clients to ask the questions below prior to engaging in services for their real estate purchase or refinance:

## QUESTIONS TO ASK A TITLE COMPANY

- Is my investment protected?
- Is my money safe?
- Is my title company a neutral third party?
- In addition to the premium you quoted me, what are your other fees and charges?
- Do you conduct thorough title searches and report all exceptions?
- Are you locally owned and operated?

## HERE IS HOW LAND TITLE STACKS UP:

### IS MY INVESTMENT PROTECTED?

Land Title works with only the most financially sound underwriters. Our underwriters, Land Title Insurance Corporation, Old Republic National Title Insurance Company, First American Title Insurance Company and Chicago Title Insurance Company all maintain Unsurpassed Financial Stability Ratings® from Demotech, Inc.

### IS MY MONEY SAFE?

Whether it is your earnest money deposit, the loan proceeds from your lender, or your sale proceeds, Land Title takes every precaution to protect your funds. At Land Title, all escrow accounts are reconciled daily, all wire transfers are subject to dual authorization and approval, and bank-issued electronic security tokens are utilized to generate unique passwords for every transfer.

In light of recent cybersecurity events, both within and outside of our industry, Land Title regularly takes proactive actions to safeguard against bad actors. The bottomline is that nothing is more important than the safety and security of customer data and funds. We regularly invest in strategic cyber safety and security protocols across training, tools and testing - among other critical activities.

# CHOOSING A TITLE COMPANY

Our financial strength is built on prudent and conservative funds management. We never share your personal information with outside companies. And we carry \$10,000,000 in fidelity coverage and \$5,000,000 in errors and omissions insurance.

## **IS MY TITLE COMPANY A NEUTRAL THIRD PARTY?**

At Land Title, we believe that all parties deserve an independent, unbiased title company that will close the real estate transaction according to the terms of the contract, free from any conflict of interest. Land Title does not have any affiliated business arrangements with any real estate, lending, or builder firms. We are an independent title company that believes in providing exceptional service for all parties to the transaction.

## **IN ADDITION TO THE PREMIUM YOU QUOTED ME, WHAT ARE YOUR OTHER FEES AND CHARGES?**

Land Title's rates and fees are filed with the Division of Insurance. Our rates are available 24/7 on [LTGC.com/rates](http://LTGC.com/rates) in an easy-to-use and accurate rate calculator. We disclose our rates up front and do not surprise you with additional junk fees.

## **DO YOU CONDUCT THOROUGH TITLE SEARCHES AND REPORT ALL EXCEPTIONS?**

Land Title employs the most experienced title examiners in the industry to ensure you receive the most accurate title commitment and policy. Land Title lists all exceptions by name and provides links to supporting documentation online through our exclusive Linked Commitment Delivery system. Land Title Guarantee Company is a member of the most notable Colorado property records company, so you can be assured all information in your search and examination is up to date and accurate. We build and maintain our own title plants in counties as needed.

## **ARE YOU LOCALLY OWNED AND OPERATED?**

At Land Title, we have been providing quality title and closing services to Colorado residents since 1967. We have more than 45 convenient locations across the state, and we know the local real estate laws and customs. As a locally-owned and operated title insurance agency, we have built our reputation on our commitment to our customers. We also contribute our time and resources to many local charities and community organizations; in fact, giving back to our communities is one of Land Title's core values.



# TITLE INSURANCE EXPLAINED



There are two types of title insurance policies: a loan policy and an owner's policy. The owner's policy protects the homebuyer whereas a loan policy protects the lender. Most lenders usually require a loan policy when they issue a loan secured by real estate. In this article we will cover details specific to an owner's policy.

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## HOW IS TITLE INSURANCE DIFFERENT FROM OTHER TYPES OF INSURANCE?

- Title insurance focuses on risk prevention, rather than risk assumption.
- It protects you against ownership claims against your property.
- Your title insurance policy is a one-time premium paid at closing.
- It provides protection to you and your heirs for as long as you own your house.

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## HOW IT WORKS

When a property is financed, bought or sold, a record of that transaction is generally filed in Public Records. Further, records of other events that may affect the ownership of a property, like liens or levies, are also archived in the Public Records.

So, when you buy title insurance for your property, a title company (like Land Title Guarantee Company) searches these records to find – and remedy, if possible – various ownership issues. First, your title company searches Public Records to determine the property's ownership status, whether it has been properly deeded, and what other parties may have an interest or claim in the property (lien holders or companies who may have an easement over your property, for example). After this search, the underwriter will determine the insurability of the title.

It's a common misconception that a title search will uncover every possible defect in title. Title searches only discover events and documents of public record, so anything done illegally or without proper documentation may not be known until sometime in the future.

Prior to closing, the title company will issue a title commitment that lists requirements that must be met to clear any defects in title. Once these requirements are met and the closing takes place, the title company records the documents and issues the final title policy, which the new homeowner should keep in a safe place with other legal documents. Should a covered title problem arise, your title company will swing into action. They'll resolve any issues and will stand behind the policy holder, both monetarily and with legal defense if necessary, to pay claims and defend the title to the property.

An owner's policy may protect you from the below occurrences:

- Unpaid mortgages.
- Unpaid property taxes.
- Child support liens.
- Undisclosed heirs who surface years or decades later.
- Forged deeds, releases, or wills.
- Mistakes in recording, or deeds recorded but improperly indexed and therefore not discoverable by a title search.
- Liens for unpaid estate, inheritance, income, or gift taxes.



## Big Company, Small Feel.

Land Title is a family-owned business with an unwavering focus on customer service, employee satisfaction, and dedication to Colorado and its communities. These commitments are woven into our daily work ethos and are reflected in everything we do. We combine the financial strength and flexibility of the strongest underwriters with the knowledge of Colorado real estate laws, customs and markets to deliver an unsurpassed transaction experience. Our team is dedicated to serving Coloradans. Let us put our 55+ years of industry experience to work for you.

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[www.ltgc.com](http://www.ltgc.com)

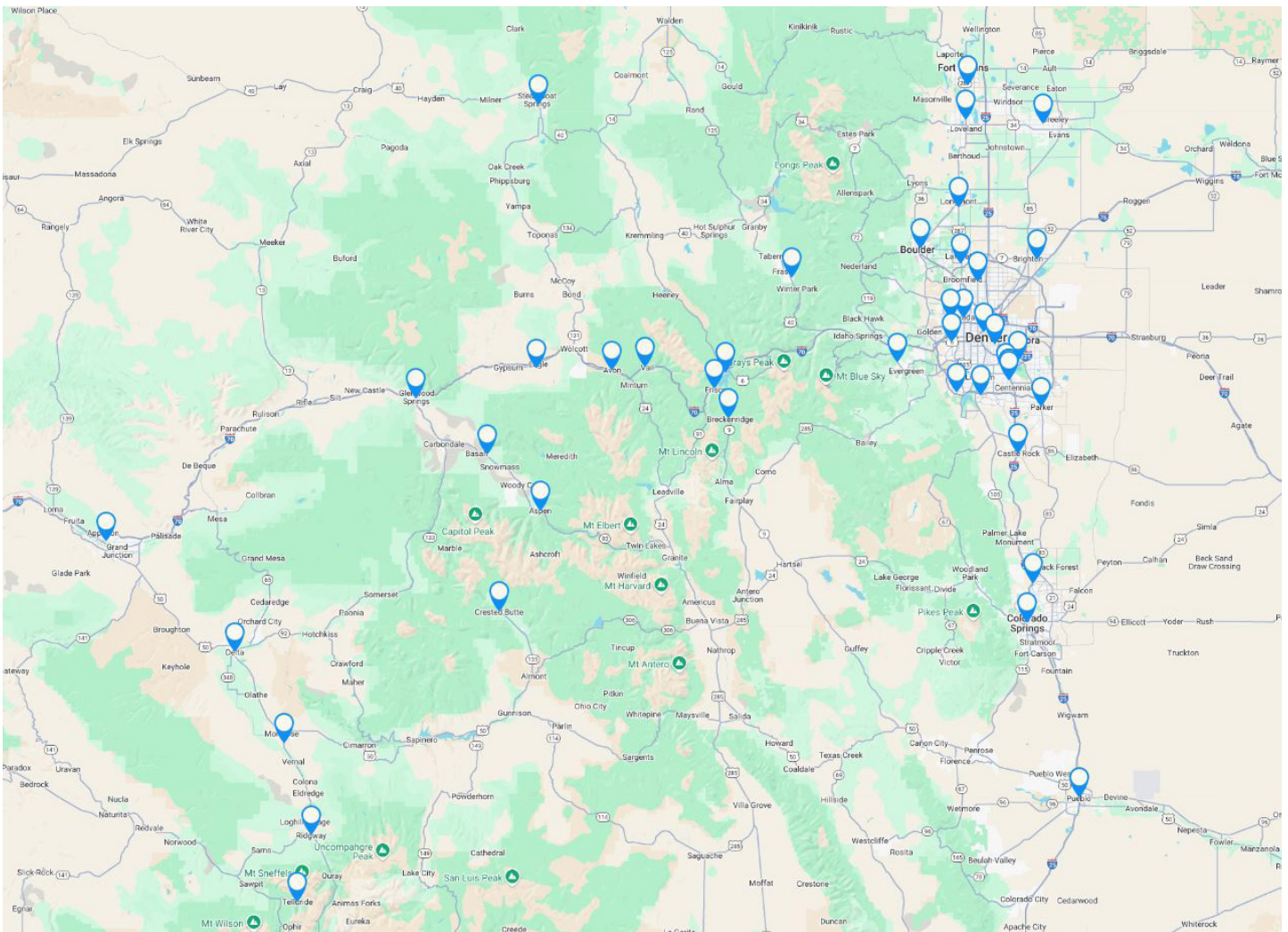
# LAND TITLE LOCATIONS

Since 1967, Land Title remains committed to thorough record searches and secure handling of funds and information. Customers receive accurate and timely processing of transactions by the best people in the industry. With more than 45 offices spanning the state, the teams know Colorado real estate, customs and markets inside and out.

Land Title is also committed to Colorado communities, supporting many local charities and events.



Find a location near you: [www.ltgc.com/offices](http://www.ltgc.com/offices)



# OUR UNDERWRITERS



**Land Title is Colorado's leader in title and closing services. Independent, locally owned title agency with the ability to choose among the top underwriters to ensure the best coverage and pricing for our customers.**

We combine the financial strength and flexibility of the strongest underwriters with the knowledge of Colorado real estate laws, customs and markets to deliver an unsurpassed transaction experience.



*First American Title™*

# THE IMPORTANCE OF PRICING



One of the most critical aspects of selling your home is getting the pricing right. Your real estate agent will help guide you through this process by providing you with comparable pricing in your neighborhood or community by reviewing recently sold properties, expired properties and current listings. For example, if a house near yours with the same square footage and number of bedrooms and bathrooms, and in similar condition, sold for \$550,000 within the past three months, you can safely assume your price will be in that range.

Your agent's knowledge and experience will help you identify the list price that puts your home in the best competitive position to sell for the highest price and in the least amount of time. Your real estate agent might also recommend that you add some "wiggle room" to your pricing to help during the negotiation process. This tactic can make the buyer feel like they "won" a bit of the negotiation if you slightly reduce your asking price during the typical back and forth.

Here are a few things to keep in mind:

- Most buyer activity occurs within the first few weeks of your home being on the market. Pricing it correctly out of the gate can increase the likelihood of a faster sale with fewer inconveniences.
- Overpricing a home may cause the property to sit on the market too long. Often, if agents and buyers see a home that is just sitting they might be hesitant to make an offer out of concern that there is something wrong with the home. Further, an extended timeframe can sometimes lead to owning two homes - the one you currently own and the one you are wanting to buy. This can be costly and add additional stress to the process.
- You will also want to consider that most buyers are fairly savvy about what the price "should be" given that they have access to ample online research and resources. While your agent is always the best guide for pricing, just being aware that many buyers will be doing their own research as you identify the best price for your home.

# THE SELLER NET SHEET



A net sheet is a simple tool that allows a seller to better understand the costs required to sell the property and shows approximately what the amount of the proceeds will be after all costs have been considered. Required costs include paying any existing mortgages/loans secured by the property, realtor commissions and administrative fees, Owners Title Policy, real estate taxes, HOA(s), closing fees, utilities and other miscellaneous fees. Fees not required to sell the home except as indicated by an accepted contract include buyer closing costs paid by seller, home warranty, and repairs, to name a few.

For your agent to be able to obtain the Net Sheet, they will need the following information:

- Last mortgage statement(s)
- Statements or coupons for any and all HOA dues
- Last billing statements for water, sewer, and/or wastewater as applicable

When utilizing a net sheet calculator such as Land Title's Residential Rate Quote and Seller's Estimated Net Sheet calculator, the following information is needed to provide the best estimate of costs and net proceeds:

1. Estimated purchase price as determined by you and the seller.
2. Who will pay for the Owner's Title Policy (Traditionally paid by seller).
3. Who will pay for Title Closing Fee? (Traditionally split between buyer and seller).
4. Who will pay for OEC (Owners Extended Coverage)? (\$95 additional and traditionally paid by seller).
5. Has the property had title insurance issued in the last five years? The property may qualify for a discounted rate on the above title policy fees.
6. Estimated closing date based on the average DOM (days on market) and an additional 30 to 45 days to close the deal.
7. Principal balance of existing loan(s)/mortgages secured by the property including HELOC's.
8. Will the Seller offer a home warranty? What is the cost?
9. Agent commissions and administrative fees.
10. Are water, sewer, and/or wastewater paid by the owner? A minimum \$500 escrow will be required for final bills as required by the title company.
11. Amount of previous year's taxes.
12. Status of previous year's taxes – Amount due or Paid in full.
13. Amount of any past due taxes due.
14. Estimate \$350 for each HOA transfer fee.
15. What are the total monthly HOA dues considering all sub and master associations?
16. You will want to consider that interest on a traditional mortgage is paid one month in arrears and interest for the current month of closing will be due and added to the payoff quote from the bank. Suggested to add one full month of interest and \$75 to cover fax/statement fees along with the principal balance amount.
17. If any loan/mortgage is a Home Equity Line of Credit, confirm any recent draws or large payments and adjust estimates entered accordingly.
18. Will the seller offer any concessions?
19. Are there any outstanding utility liens, tax liens, county liens, and/or seller judgments, etc. that will be paid at closing?

# WHAT IS AN APPRAISAL?

## WHAT IS AN APPRAISAL?

A residential property appraisal is a written assessment of a home's value that is prepared by a qualified appraiser. Typically, a buyer that is interested in purchasing your home is applying for a new loan in order to make the purchase. A lender will require a licensed appraiser to consider the home's interior and exterior condition, as well as similar homes in the area that have recently sold. Lenders use appraisals to determine the amount of the loan they can approve for a buyer, and to ensure that the sale price is fair and the buyer doesn't pay more than the home is worth.

In most instances, the appraisal is ordered by the lender and paid for by the buyer as part of the financing process.

The appraiser will measure your home, take photos and do an overall examination of the property. You may want to have a list ready of recent improvements and remodeling projects, including rough costs. While some appraisers won't ask for this detail, others might.

The appraisal report is sent directly to the lender who will share it with the buyer. If there are any repair requirements that must take place prior to the loan, the buyer will be notified as such by their real estate agent. After any additional repairs are completed, the appraiser will return for a follow up inspection.

If the home does not appraise for the asking price, the buyer may renegotiate or walk away from the deal.



# COMMON TYPES OF DEEDS



The standard forms of the Contract to Buy and Sell Real Estate contain an important choice in the type of deed by which the seller will convey the property to the buyer. In Colorado, four types of deeds are commonly used which are broadly divided into two groups that are available to the seller and buyer.

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## GENERAL AND SPECIAL WARRANTY DEEDS

The seller “sells and conveys” the property to the buyer and, at the same time, gives certain warranties of title to the buyer, namely that (1) the seller is the owner of the property and is able to convey it to the buyer, (2) the property is free and clear of all encumbrances, and (3) the buyer will enjoy quiet and peaceable possession.

The extent of the warranties distinguishes the General Warranty Deed from the Special Warranty Deed.

**General Warranty Deed:** The seller’s warranty extends to defending the title against all persons who may claim an interest in the title, even if the claim arose at a prior time when the seller was not in title to the property. Essentially, the seller is warranting the title of all prior owners. Deed will be conveyed after acquired title.

**Special Warranty Deed:** The extent of the warranties is much more limited. The seller warrants title only for the time that the seller was in title to the property, and not for any prior owner. If a person’s claim to an interest in the title arose before the seller was in title, this claim is not covered by the warranties given by the seller. Deed will be conveyed after acquired title.

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## BARGAIN & SALE AND QUITCLAIM DEEDS

**Bargain and Sale Deed:** The seller “sells and conveys” the property to the buyer, but without any warranties of title. Deed will be conveyed after acquired title.

**Quit claim Deed:** The seller “sells and quit claims” whatever present interest the seller may have in the property at the time without any warranties”. If the seller has no interest in the title to the property, the buyer will not receive any interest.

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## WHICH DEED TO CHOOSE?

The decision about which type of deed to choose is complex and it may create an inherent conflict between the seller and buyer. The seller may want to limit liability under any warranties or offer no warranties at all. However, the buyer may want the most extensive warranties without any limitations. This tension might be the subject of negotiation between the seller and buyer and their real estate agents.

The owner’s policy of title insurance plays an important role in choosing the type of deed. The policy continues for the warranties given by the insured when conveying the property by a General or Special Warranty Deed. If the buyer claims a breach of warranty by the seller, the seller’s policy of title insurance may provide the costs of defense and the claim always subject to the terms of this policy. Please contact your Land Title sales representative for more information on this important topic.

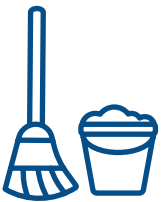
# HOME STAGING TIPS

Many people mistakenly assume staging is decorating or interior design, but staging is not about drawing attention to decor. Instead, it's about de-personalizing decor and using furniture groupings and strategic placement of minimal decor to draw attention to a house's best features, so buyers can envision themselves living there. Here are a few tips to help you get started:



## REPAIR, UPDATE, PAINT.

- Think improvements, not renovation. The goal is to be competitive with other homes in your price range.
- First impressions are everything. Curb appeal means exactly what it says: if your home doesn't appeal to people from the street, they'll keep driving and never set foot inside. For example, give your landscaping the critical eye.
- Make sure the front porch is spotless, the front door is freshly painted or stained, and light fixtures are sparkling and bug-free.
- Be sure to take care of even minor cosmetic repairs. Cracks in sidewalks, scuffed woodwork, and chipped lighting fixtures may seem minor, but they'll remind a buyer there is work to do when they move in.
- Paint neutral colors such as whites, tans, and creams for a warm and inviting look.
- Smaller rooms appear larger when the ceiling is painted the same color; limiting the number of paint colors throughout the house and using monochromatic color schemes are classy and can make rooms seem larger.



## THERE IS NO SUCH THING AS TOO CLEAN.

- The cleaner you can keep the house, the less time it will be on the market, and the sooner you can stop keeping it that way.
- Consider hiring a professional cleaning company to deep clean.
- Think about replacing carpet if it's several years old or especially worn. If you're not replacing it, carpet should be deep cleaned.
- Stainless steel and sinks should be spotless. If you can't get rid of the gunk on the shower and faucet heads, replace them — all fixtures should be sparkling.
- Clean all windows inside and out, including window tracks. Remove screens from all windows, wash them, and store them in the basement until after the home sells. You'll be amazed at the difference this makes!
- If you have pets, consider having them stay with a friend while your house is on the market.



## DE-CLUTTER, AND THEN DE-CLUTTER SOME MORE.

- Pack up and get rid of everything you won't have an immediate need for while your house is on the market.
- Storage areas should be clean and well-organized. Box up and store cleaners, extra towels, clothing and anything you don't use weekly.
- Make sure closets, drawers, and pantries are neatly organized with lots of open space; the goal is for buyers to feel there is more than enough storage.

# HOME STAGING TIPS



## DE-PERSONALIZE.

- Pack up and store anything that suggests your family lives there. Paperbacks, knickknacks, extra food in the pantry — go through each room one at a time and take away anything that you wouldn't find in a model home.
- In the kitchen, pack up all unused appliances and gadgets, and put appliances you need (even the toaster) in a cabinet. Some stagers say no more than one appliance is allowed on the counter, and only if it sparkles. Take all magnets off the fridge. Remove all other items off the counter except for a vase of flowers and/or a bowl of fruit.
- For the bathroom, open counter space gives the home a cleaner and more spacious feel. Put cosmetics, hair products, toothpaste and toothbrushes in a drawer after you use them each day.
- Pictures personalize your home more than anything else, so, as hard as it is, put those precious memories into storage while your house is on the market.



## GROUP AND PLACE ITEMS TO MAXIMIZE LIGHT AND SPACE.

- Move couches and chairs away from walls and into small, intimate groupings. If you have large furniture, consider getting rid of at least one piece of it (an overstuffed chair or love seat), and then group remaining items closer together.
- Remove wall clutter, if you have it. The size of wall art should play well with the size of the room; too busy, too high, too large or too small can all spoil the look.
- Don't neglect outdoor living areas; buyers will see them as additional space, and it's one more chance to imagine what it would be like living there.



## HIRE OUT OR DO IT YOURSELF?

Should I hire a professional stager or do it myself? That depends. If you can emotionally distance yourself from your home enough to see it objectively, and are committed to doing everything it takes to make it stand out, and you have an eye for style but more importantly a marketing mind, you might fare well. Many real estate agents will insist that you at least consult a professional staging company, then decide whether to hire them or take on the job yourself.

Benefits to using a professional stager include their knowledge of the market and what level of staging buyers expect to see in your price range; they have vendors on hand to do any suggested repairs or updates (painters, handymen, etc.); and they have access to furniture, potted plants, and other art pieces on hand to immediately fill in spaces where you need it.

Keep in mind that paying to have your home professionally staged will usually pay off in spades. Homes that are well staged usually command one to five percent higher prices than their unstaged counterparts and sell more quickly. Less time on the market means fewer loan payments for you. Plus, if you can sell quickly and avoid one or more price reductions, professional staging could be a worthwhile investment.



## **THE TRANSACTION PROCESS**

# GETTING AN OFFER

The moment you have waited for since putting your home on the market is here. Your real estate agent will present you with a contract that was prepared by the buyers' real estate agent. This agreement will include the buyers' terms of the purchase including what dollar amount they are offering for the home. It will also include details about contingencies, earnest money and a timeline for elements of the transaction process.

Next, you will either accept or counter the offer.

Once both parties come to an agreement and sign the contract, the closing process begins.

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## HERE ARE THE TYPICAL STEPS ONCE A PROPERTY GOES UNDER CONTRACT:

### 1. The first step!

A sales contract is signed by the buyer and seller and delivered to the closing agent, usually with an earnest money deposit. The escrow is accepted typically at a title company given the safety, security and neutrality offered. Next, a title order is opened and this involves researching the chain of title, and collecting tax information, loan payoffs, homeowner/maintenance fees, and other pertinent information.

### 2. Title Search and Examination

Records searched include public records, deeds, mortgages, paving assessments, liens and other documents affecting title to the property. A critical step, this is when verification of the legal owner is made and the debts owed against the property are determined. Upon completion, a title commitment/ preliminary report is prepared, reviewed and sent out to interested parties.

### 3. Document Processing

The closing agent will now review the lender's instructions and requirements, key instructions from other parties to the transaction, real estate and loan documents and charges. The closer will prepare all closing statements and schedule the closing.

### 4. Closing the Transaction

Almost there! The closing is overseen by the title company and entails that the seller, the buyer, real estate agents, and sometimes attorneys are present to sign critical documents. If requested, and in most instances, the closing can be conducted electronically via our e-signature platform or RON (see the RON article in our Blog).

### 5. Post-Closing Procedures

After the signing has been completed, the title company will follow the terms of the contract and the lender instructions to disburse all funds. The transaction documents are recorded in the county in which the property is located. Title insurance policies are prepared and sent to the lender and to the buyer.

# THE HOME INSPECTION PROCESS



## WHAT IS A HOME INSPECTION?

A home inspection is a thorough assessment of a property's condition, typically performed by a licensed professional, before the sale of a home. This evaluation aims to identify any existing or potential issues with the structure and systems of the house, ensuring that buyers are fully informed about the property's condition. During a home inspection, the inspector examines various components of the home, including the foundation, roof, plumbing, electrical systems, HVAC (heating, ventilation, and air conditioning), and interior and exterior features. The inspector documents their findings in a detailed report, highlighting any defects, safety concerns, and areas that may require maintenance or repairs.

Although a home inspection does not cover every possible issue or hidden problem, it provides a valuable overview of the property's condition, helping buyers make informed decisions and negotiate repairs or pricing adjustments with the seller. A thorough home inspection can ultimately provide peace of mind and prevent costly surprises down the line.

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## WHAT IS INCLUDED AND WHAT IS NOT?

The standard home inspector's report will review several hundred items, including the home's interior plumbing and electrical systems; central heating and cooling (weather permitting); foundation; basement or lower level; roof, attic, and visible insulation; interior and exterior; kitchen and kitchen appliances; bathrooms and laundry facilities; common safety devices; ventilation; chimneys; foundation; walls, ceilings, and floors; doors and windows; and visible structure.

An inspector cannot report on defects that are not visible, including defects hidden behind finished walls, beneath carpeting, behind storage items and in inaccessible areas, and even those that have been intentionally concealed. Systems that are seasonally inoperable (swamp coolers, air conditioning, furnaces) will not be turned on during the inspection.

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# WIRE FRAUD

**Wire fraud and cybercrimes are on the rise and fraudsters are increasingly savvy. Here are a few ways you can protect your funds:**

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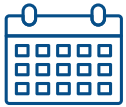
## TIP #1



### PICK UP THE PHONE

- Email is quick and easy, but when it comes to guarding your money, take an extra few moments and use the phone.
- And, when wiring funds, ask your bank to confirm the account number, the name, as well as the location of the account.
- Land Title's closing teams will inform you when we send wire instructions, and will be in communication with all parties involved with the transaction from the beginning to the end of the closing.

## TIP #2



### BE SUSPICIOUS OF A CHANGE IN PLANS

- Colorado is a table-funding state, meaning that we do not require buyer funds to be wired in advance.
- Land Title will never send you revised wiring instructions. If you are wiring closing funds, be sure it matches our bank account name listed on the wiring instructions.

## TIP #3



### READ EMAILS AND WIRE INSTRUCTIONS CAREFULLY

- Typically, fraudulent emails contain poor grammar and misspelled words.
- Land Title wire instructions will ALWAYS show the beneficiary as Land Title Guarantee Company and will only show First Bank, Alpine or Community Banks as our banking institutions.

## TIP #4



### CHECK THE DOMAIN NAME

- Domain spoofing is when fraudsters use a fake website name or email domain to try to fool users. Typically, the domain name is very similar to the legitimate domain name. If you hover your mouse over the domain without clicking on it you can view the sender.
- Land Title will only send emails from our ltgc.com domain.

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## WHAT STEPS DO I TAKE IF I AM A VICTIM OF FRAUD?

- Notify your banking institution immediately.
  - Alert your closing team and real estate agent.
  - Report the fraudulent activity to the FBI: [www.fbi.gov/scams-safety/e-scams](http://www.fbi.gov/scams-safety/e-scams)
  - Also report any fraudulent activity to the state and local REALTOR associations so they can spread the word.
-

# THE SETTLEMENT STATEMENT

A settlement statement summarizes all the fees and charges that both the home-buyer and seller face during the settlement process of a housing transaction. The table below gives further explanation as to what these fees and charges are for both buyer and seller.

ITEM	EXPLANATION
Contract Sales Price	Credited to the seller.
Mortgage Payoff	Interest on a traditional mortgage is paid one month in arrears and interest for the current month of closing will be due and added to the payoff quote from the bank. Suggested to add one full month of interest and \$75 to cover fax/statement fees along with the principal balance amount.
Title Insurance (Owner's Policy)	Typically paid for by the seller, however the contract gives the option for either buyer or seller to pay. Provides a policy to the new owner to insure free and clear title to the property subject to any existing "exceptions" such as Covenants, Conditions, Easements and Restrictions on the property.
Release Tracking Fee	Title company will "track" the release from the payoff lenders to ensure the Release of Deeds of Trust are sent to the county for recording.
Taxes Due for Previous Year	Prior year taxes are not due and payable until the next calendar year. Amounts due for any prior year taxes will be collected from the seller. Typically, any closings after June 15th should already have their taxes for the prior year paid.
Taxes for Current Year	Seller is charged their portion of the current year taxes from January 1st to the closing date. Based on either prior year taxes or most recent mill levy and assessed value. This is determined pursuant to the contract.
Brokerage Compensation	Real Estate Compensation outlined in the Listing Agreement.
Real Estate Closing Fee	Fee charged for title company to act as settlement agent for the closing. Typically split 50/50 between seller and buyer pursuant to the contract.
Water/Sewer Escrow	Escrowed from seller to cover the final water/sewer bill on the property. Excess amounts typically refunded within 30 days of closing.
HOA Transfer and Status Letter	Can be paid by seller, buyer or split pursuant to the contract. Fee charged by the management company to transfer names and/or to acquire the status letter.
HOA Dues	Any dues up to the day of closing are pursuant to the terms of the contract. Any prepaid dues will be credited back to seller.
Seller Concessions	Closing costs the sellers have agreed to pay on the buyer's behalf. New lender might limit the amount the buyer can receive. Debit to seller and credit to buyer.

# WHAT TO EXPECT



## BEFORE THE CLOSING

- Bring your IDs. This includes either a valid driver's license, a state-issued picture ID, or a valid passport. Lenders typically require buyers to have a second form of ID as well, such as a membership card or your Social Security card. Also, alert your closer prior to the closing if there has been a change in your name, marital status, or in the event of a deceased party.
- Welcome! You will be greeted and welcomed by a Land Title team member. You'll be taken to one of our spacious closing rooms. Depending on the office, you'll be offered water and/or a snack.
- The closing staff will make copies of both the buyer's and the seller's required identification so they can notarize all signatures.



## DURING THE CLOSING

- Your closing attendees may include the buyer, both real estate professionals, and a Land Title closer. Sometimes the lender will send a representative as well. Often sellers and buyers prefer to close separately and that can be accommodated.
- Your closer will provide you with pens and will walk through the documents with you one-by-one. Please don't hesitate to ask questions throughout the closing.
- First, the closer reviews the real estate and loan documents with you and you will sign the appropriate documents. This process usually takes about 40 minutes.
- Any funding conditions are sent to the lender and the closing may pause for a moment while we wait for approval/authorization number (this may add additional time).
- Real estate, settlement, and disclosure documents are reviewed for accuracy and signed. These documents will include the Conveyance Deed which officially transfers title from the seller to the buyer (real estate side of the transaction).
- The buyer and lender provide good funds to the title company. Good funds can be a wire or cashier's check made payable to Land Title Guarantee Company.
- The closer distributes funds to the appropriate parties per the closing instructions from all parties.
- The closer offers two choices to all parties for how they would like to receive copies of their signed closing documents:
  - Paperless documents via email
  - Paper copies of all documents before leaving the closing
- The house keys are transferred or can be left at the home for the buyers. Note that other items pertaining to the house are typically left in the house for the future buyer.



## AFTER THE CLOSING

- After the closing, the closing agent will record the Warranty Deed, the Deed of Trust and any other pertinent documents with the county Clerk and Recorder's office.
- The title policy is generally issued within 30 days of the closing.

# CLOSING TOOLS AND SERVICES

Land Title is committed to delivering a seamless and secure transaction experience for customers - either in-person or remotely. Today, there are a variety of digital closing services and solutions available, including digital signatures, which allow parties to sign closing documents from anywhere by replacing wet ink with pixels and bytes. They are legally binding, making them as valid as their ink counterparts.

Below is an overview of the digital services and solutions offered by Land Title:



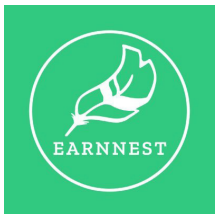
## **eSIGNATURE**

The Statute of Frauds is a law that requires all contracts relating to real estate (and various other matters) to be in writing and signed in order to be valid. The primary impetus behind requiring written and signed contracts was to avoid fraud. Colorado's 2002 Uniform Electronic Transaction Act (UETA) allows parties to enter into contracts by signing their names electronically, without the hassle of printing the document and obtaining a wet signature that needs to be circulated among the parties.

Buying and selling a home can be a hectic process and sometimes parties are unable to attend the closing in-person. Land Title Guarantee Company has its own proprietary e-signature platform that is secure and encrypted, ensuring that the transaction is completed safely, conveniently and efficiently.

The Land Title eSignature platform is used by customers daily to facilitate their real estate transactions. Here are some examples of the types of non-lender documents that can be signed electronically through Land Title:

- Closing Instructions
- All documents required for the Buyer's side of a cash-only transaction
- Last-minute changes to figures on the Settlement Statement
- Post-closing corrections on non-notarized documents if a signature was missed
- Mail out closing documents signed by the Seller, excluding notarized documents
- Escrow Agreements



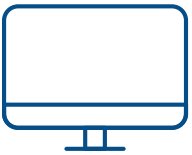
## **EARNNEST.COM**

Earnnest is a transparent, flexible, secure and convenient digital payment platform that allows for a complete digital transfer of earnest money during a real estate transaction. Every individual involved in the transaction is verified through the National Automated Clearing House Association (NACHA) standards and no sensitive customer information is collected.

The benefits are many; this technology enables buyers to securely send EMDs directly to Land Title from the buyers' financial institution through a proprietary electronic payment tool, mitigating the risk of wire fraud, eliminating the inconvenient use of paper checks and removing the need for any in-person interaction. Land Title with Earnnest connects digitally with every bank nationwide, and has banking-level security and encryption. Additionally, automated emails send updates on money movement to agents, buyers and escrow holders throughout the length of the transaction.

Earnnest was built by real estate agents, escrow attorneys and tech developers to create the best system for fast and secure earnest money transfers.

# CLOSING TOOLS AND SERVICES



## REMOTE ONLINE NOTARIZATION (RON)

Notarization is an essential fraud-deterrent process that ensures the authenticity of signers and documents by utilizing a system of vetting, certifying and record-keeping. With RON, signers and notaries are able to get documents signed and notarized without the need for a physical meeting. Through live video chat on a secure technology platform, the notary will verify signer identities using authentication ID technology. Key documents are signed and stamped digitally, and the process is recorded using a secure audio video platform. The notary's journal of remote online notarization is also 100% digital.

Only currently commissioned, active Colorado Notary Publics who have been approved by the Colorado Real Estate Commission can perform these notarizations. Also, the signer must verify their identity by taking certain steps and answering a series of questions ("soft credit pull").

Land Title currently offers RON to customers through trusted third-party providers for non-lender documentation notarization. Also employed is a trained notary team who are fully credentialed for RON. Land Title continues to invest and implement our RON-hosted technology platform with current standards and requirements.



## **ADDITIONAL RESOURCES**

# MOVING CHECKLIST

## TWO MONTHS BEFORE

- ☐ Create a timeline of tasks to do in preparation for the move.
- ☐ Sort through all of your belongings room-by-room, discarding, giving away or selling anything you won't be taking with you.
- ☐ Make a budget for moving expenses.
- ☐ Research moving companies and set appointments for them to visit and provide estimates.
- ☐ If you will be moving yourself, reserve a truck and dollies and purchase boxes and tape.
- ☐ Create a moving binder: Use this binder to keep track of everything – all your estimates, your receipts and an inventory of all the items you are moving.
- ☐ Organize school records: Go to your children's school and arrange for their records to be transferred to their new school district.
- ☐ Speak to your insurance agent in case you need to transfer or cancel your insurance coverage (medical, property, fire, auto). Find a new insurance agent if necessary.

## ONE MONTH BEFORE

- ☐ Start using up perishable food.
- ☐ Pack items that you don't use all the time, clearly labeling each box.
- ☐ Number each box and keep a separate written inventory of the contents of each one.
- ☐ File an official change of address with the post office.
- ☐ Ask your physician for copies of all medical records to give to your new health care provider.
- ☐ Ask your veterinarian to forward your pet's records to your new veterinarian or ask for copies to take with you.
- ☐ Call your current utility companies to have the services shut off the day after you move and

turned on the day before you arrive at your new destination.

- ☐ Contact cable company, newspaper delivery, gardener, pool person, home security company, banks, employer's human resources, credit cards and any other important contacts.
- ☐ Choose your mover and confirm arrangements.
- ☐ Separate valuables when packing. Add items such as jewelry and important files to a safe box that you will personally transport to your new home. Put your mover's estimate in this box as well.
- ☐ If you are moving your pet, investigate pet relocation services.
- ☐ Make plans for moving special items like a piano, grandfather clock, plants, etc.
- ☐ When packing, make sure to separate cleaning materials, tools and garbage bags so they are handy on moving day.

## TWO WEEKS BEFORE

- ☐ Ensure your pet is ready to travel. Will it need a crate? Gather up a leash, collar, food and water dishes if traveling by car.
- ☐ Arrange to be off from work on moving day.
- ☐ Find storage options for items you cannot move immediately or may need to store temporarily.
- ☐ Find out if you will need to convert your driver's license or get a new one.
- ☐ Make backup copies of important files on your computer before packing everything away. Scan paper documents so you have backup electronic versions.
- ☐ If you have any hazardous material you aren't taking with you, dispose of it properly (batteries, computer equipment, paint, chemicals, etc.)
- ☐ If you are transporting a lawn mower or power tools, be safe and empty the oil and gasoline.
- ☐ Find a cleaning service to do a final clean of your home.

# MOVING CHECKLIST

## ONE WEEK BEFORE

- ☐ Refill prescriptions: stock up on prescriptions you will need during the next couple weeks.
- ☐ Pack your suitcases: Pack enough clothing for everyone in the family to have enough clothes to wear for a few days.
- ☐ Make arrangements for someone to take care of your pet during the move.
- ☐ Make arrangements for payment for your moving company.

## TWO DAYS BEFORE

- ☐ Assemble all tools you will need to take apart furniture.
- ☐ Empty, defrost and clean your fridge and freezer.
- ☐ Double-check details: reconfirm the moving company's arrival time and any other specifics. Make sure they have the correct directions and contact information.

## DAY BEFORE

- ☐ Unplug electronics so they are ready to pack. Tape each component's cords to the component so they aren't lost in the move.
- ☐ Disassemble furniture.
- ☐ Pack any remaining items.
- ☐ Purchase bottles of water for the movers, yourself and family members.

## MOVING DAY

- ☐ Verify that the moving company that shows up is the company you hired. The USDOT number painted on the side of the truck should match the number on the estimate you were given.
- ☐ Take inventory before the movers leave, sign the bill of lading/ inventory list and keep a copy.
- ☐ Do a final check both inside and outside of the house. Do not leave your old house until after the movers have gone.
- ☐ Turn off all lights, heating, air conditioning and water. Lock all doors and windows.

## AFTER THE MOVE

- ☐ Upon moving in, change all locks and get a security/alarm system.
- ☐ Find inspiration from magazines, websites, etc for ideas on how to personalize your home.
- ☐ Once you are settled, have a housewarming party!



# ADDRESS CHANGE CHECKLIST

## POSTAL SERVICE

- ☐ Visit [www.usps.com](http://www.usps.com) to request a change of address or visit your local post office.

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## FINANCIAL INSTITUTIONS

- ☐ Banks or credit unions
- ☐ Credit card companies
- ☐ Lenders (car, mortgage, student loan, etc.)
- ☐ Insurance companies (health, home, medical, dental, etc.)
- ☐ Retirement funds
- ☐ Investments

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## UTILITIES

- ☐ Phone (cell and/or land line)
- ☐ Electric
- ☐ Heating
- ☐ Water
- ☐ Sewer
- ☐ Waste Disposal
- ☐ Internet
- ☐ Television (cable or satellite)

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## GOVERNMENT OFFICES (IF APPLICABLE)

- ☐ DMV
- ☐ IRS
- ☐ Passport Office
- ☐ Veteran Affairs
- ☐ Unemployment Office

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## JOBS (IF APPLICABLE)

- ☐ Notify your human resources department
- ☐ Update your personal marketing materials (resume, websites, etc.)
- ☐ Employment agencies
- ☐ Professional Memberships

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## HEALTH

- ☐ Physicians (doctors, dentists, optometrists, etc.)
- ☐ Pharmacies
- ☐ Health insurers

## SERVICE PROVIDERS

- ☐ Cable company
- ☐ Phone company
- ☐ Housecleaning services
- ☐ Delivery services
- ☐ Accountants
- ☐ Childcare
- ☐ Lawn care
- ☐ Veterinarian
- ☐ Pool services.

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## AUTOMOBILE

- ☐ Auto insurers
- ☐ Auto lenders
- ☐ DMV
- ☐ Membership clubs
- ☐ Parking permits
- ☐ Warranty (if car warranty is in place)
- ☐ Toll pass

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## MEMBERSHIPS

- ☐ House of worship
- ☐ Health clubs
- ☐ Community groups (PTA, neighborhood associations, civic clubs)
- ☐ Children's extracurricular activities
- ☐ Social clubs, community centers

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## SUBSCRIPTIONS

- ☐ Newspapers
- ☐ Magazines
- ☐ Movie subscriptions
- ☐ Book and music clubs
- ☐ Mail order houses

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## OTHER

- ☐ Register to vote
- ☐ Any other personal websites that you use
- ☐ Reward programs

# UTILITIES GUIDE

## DENVER METRO

### UTILITIES

#### Cable / Internet / Phone:

Century Link	800.491.0118	<a href="http://www.centurylink.com">www.centurylink.com</a>
Xfinity	800.934.6489	<a href="http://www.xfinity.com">www.xfinity.com</a>
DIRECTV	800.531.5000	<a href="http://www.directv.com">www.directv.com</a>
Dish Network	800.333.3474	<a href="http://www.dish.com">www.dish.com</a>

#### Gas & Electric:

Xcel Energy	800.895.4999	<a href="http://www.excelenergy.com">www.excelenergy.com</a>
IREA (Rural Areas)	800.332.9540	<a href="http://core.coop">core.coop</a>
United Power	303.637.1300	<a href="http://www.unitedpower.com">www.unitedpower.com</a>

#### Trash Services:

Waste Management	866.749.6476	<a href="http://www.wm.com">www.wm.com</a>
Waste Connections	866.708.8359	<a href="http://www.wasteconnections.com">www.wasteconnections.com</a>
Alpine Waste	303.744.9881	<a href="http://www.alpinewaste.com">www.alpinewaste.com</a>
EDS Solutions	303.278.8600	
Packman Disposal	303.288.5279	<a href="http://pacmandisposal.com">pacmandisposal.com</a>

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## DMV

**Colorado DMV website** [dmv.colorado.gov](http://dmv.colorado.gov)

#### Locations

Aurora	303.344.8400	Lakewood	303.205.5609
Boulder	303.442.3006	Littleton	303.795.5954
Broomfield	720.887.8396	Northglenn	720.929.8636
Castle Rock	303.627.0985	Parker	303.627.0985
Centennial	303.795.5954	Westminster	303.205.5600
Denver Central	303.937.9507		
Denver N. East	303.373.0161		
Evergreen	303.271.8100		
Golden	720.497.1182		

# UTILITIES GUIDE

## WATER & SANITATION

Arvada Water & Waste Dept.	720.898.7760	<a href="http://arvadaco.gov/785/Utilities">arvadaco.gov/785/Utilities</a>
Aurora Water	303.739.7370	<a href="http://auroragov.org/residents/water">auroragov.org/residents/water</a>
Boulder Water & Sewer	303.441.3260	<a href="http://bouldercolorado.gov/services/water-utilities">bouldercolorado.gov/services/water-utilities</a>
Broomfield	303.443.6319	<a href="http://broomfield.org/257/Utility-Billing-Services">broomfield.org/257/Utility-Billing-Services</a>
Castle Pines	303.688.8550	<a href="http://cpnmd.org">cpnmd.org</a>
Castle Rock	720.733.6000	<a href="http://crgov.com/3455/Castle-Rock-Water">crgov.com/3455/Castle-Rock-Water</a>
Centennial	303.791.0430	<a href="http://centennialwater.org">centennialwater.org</a>
Cherry Creek Valley Water District	303.755.4474	<a href="http://ccvwater.org">ccvwater.org</a>
Commerce City	303.288.2646	<a href="http://southadamswaterco.gov">southadamswaterco.gov</a>
Denver Water Department	303.893.2444	<a href="http://denverwater.org">denverwater.org</a>
Englewood Water & Sewer	303.762.2635	<a href="http://englewoodco.gov/government/city-departments">englewoodco.gov/government/city-departments</a>
Federal Heights	303.428.3526	<a href="http://fedheights.org/utilities">fedheights.org/utilities</a>
Highlands Ranch	303.791.0430	<a href="http://highlandsranch.org/government/water-sanitation">highlandsranch.org/government/water-sanitation</a>
Lakewood	303.238.0451	<a href="http://lakewood.org/Home303.795.3751">lakewood.org/Home303.795.3751</a>
Littleton	303.795.3751	<a href="http://littletonco.gov/Government/City-Services/Utilities">littletonco.gov/Government/City-Services/Utilities</a>
Longmont	303.651.8664	<a href="http://longmontcolorado.gov/departments">longmontcolorado.gov/departments</a>
Morrison	303.985.7895	<a href="http://morrisonco.us/187/Utilities">morrisonco.us/187/Utilities</a>
Northglenn	303.450.8770	<a href="http://northglenn.org/residents/water/303.424.2844">northglenn.org/residents/water/303.424.2844</a>
Parker	303.841.4627	<a href="http://pwsd.org">pwsd.org</a>
Thornton	303.538.7370	<a href="http://thorntonco.gov/city-services/utility-billing">thorntonco.gov/city-services/utility-billing</a>
Westminster	303.658.2405	<a href="http://westminsterco.gov/water">westminsterco.gov/water</a>
Wheat Ridge	303.424.2844	<a href="http://wrwdistrict.com">wrwdistrict.com</a>
Alameda Water & Sanitation	303.936.5313	<a href="http://alamedawsd.colorado.gov">alamedawsd.colorado.gov</a>
Bancroft-Clover Water District	303.922.1113	<a href="http://bancroftclover.com">bancroftclover.com</a>
Bonvue Water & Sanitation District	303.238.2851	<a href="http://bonvuewater-sanitation.com303.287.1624">bonvuewater-sanitation.com303.287.1624</a>
Crestview Water & Sanitation	303.429.1881	<a href="http://crestviewwater.com">crestviewwater.com</a>
Greatrock North Water & Sanitation	303.987.0835	<a href="http://greatrocknorthwsd.colorado.gov">greatrocknorthwsd.colorado.gov</a>
Green Mountain Water District	303.985.1581	<a href="http://greenmountainwater.org">greenmountainwater.org</a>
High View Water District	303.233.2182	<a href="http://highviewdaniels.org">highviewdaniels.org</a>
Industrial Park Water District	303.287.1624	<a href="http://industrialparksd.org/Home.html">industrialparksd.org/Home.html</a>
Left Hand Water District	303.530.4200	<a href="http://lefthandwater.gov">lefthandwater.gov</a>
North Lincoln Water District	303.969.9394	<a href="http://northlincolnwsd.colorado.gov">northlincolnwsd.colorado.gov</a>
North Pecos Water Department	303.429.5770	<a href="http://northpecoswater.org">northpecoswater.org</a>
North Washington Street District	303.288.6664	<a href="http://nwashwater.com">nwashwater.com</a>
Valley Water District	303.424.9661	<a href="http://arvadaco.gov/443/Special-Water-Sewer-Districts">arvadaco.gov/443/Special-Water-Sewer-Districts</a>
Willowbrook Water & Sanitation	303.986.2275	<a href="http://willowbrookwater.org">willowbrookwater.org</a>

# GLOSSARY OF TERMS

## **APPRAISAL**

An objective evaluation of a property's market value, conducted by a licensed appraiser.

## **BREAK IN THE CHAIN**

A disruption of the logical order of recorded instruments affecting title to land.

## **CLOSING**

The consummation of a transaction, whether it be a conveyance, encumbrance, or both, usually associated with the process of executing and delivering legal instruments and documents, exchanging and/or disbursing moneys, etc.

## **COMMITMENT (ALSO CALLED "COMMITMENT TO INSURE")**

A list of requirements of what must be done before a title company can insure a title as marketable or a loan as having a certain priority. By this document, a title company is committing to issue a policy if all requirements are fulfilled.

## **CONDOMINIUM**

The concept of ownership of a single unit of air space within a multiple dwelling complex, together with joint ownership of the amenities (pool, greenbelts, etc.) and common areas of the structures and land among all unit owners.

## **CONVENTIONAL LOAN**

A type of mortgage that is not insured or guaranteed by the government, typically offered by private lenders such as banks, credit unions, and mortgage companies.

## **CONVEYANCE**

Transfer of Ownership.

## **DEED OF TRUST**

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

## **EARNEST MONEY**

Money given to a neutral third party as a "good faith deposit."

## **ESCROW**

The act of placing something in the care of a third party until certain conditions are met, or placing trust in a third or disinterested party.

## **FHA LOAN**

Insured by the Federal Housing Administration, are accessible to borrowers with lower credit scores and smaller down payments, often as low as 3.5%.

# GLOSSARY OF TERMS

## GOVERNMENT LOANS

Mortgage options backed by federal agencies, designed to assist specific groups of borrowers who might struggle to qualify for conventional loans. The most common types are FHA loans, VA loans, and USDA loans.

## LIEN

A claim against property.

## MORTGAGE

A pledging of property to a creditor as security for the payment of a debt or loan.

## OWNER'S TITLE INSURANCE POLICY

A written statement of facts guaranteeing and disclosing the owner of the property and the current status of all other interests in the property.

## PROBATE

The process of submitting and approving the will of a decedent and administering the decedent's estate.

## VA LOAN

Guaranteed by the Department of Veterans Affairs, are available to eligible veterans, active-duty service members, and certain military spouses, offering benefits like no down payment and no private mortgage insurance (PMI).

## QUIT CLAIM DEED

A deed that conveys whatever present right, title, or interest the grantor may have.

## WARRANTY DEED

A legal document that conveys property from one party to another, by which the grantor warrants or guarantees the title to real property.





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Materials produced by Land Title.