



**Residential Real Estate Closings:
Essentials of Practice and An Overview of the New Rules**

April 26, 2016

9:00 a.m. - 3:30 p.m.

Grassy Hill Country Club

Orange, CT

CT Bar Institute, Inc.

CLE Credit 6.5 Hours

Lawyers' Principles of Professionalism

As a lawyer I must strive to make our system of justice work fairly and efficiently. In order to carry out that responsibility, not only will I comply with the letter and spirit of the disciplinary standards applicable to all lawyers, but I will also conduct myself in accordance with the following Principles of Professionalism when dealing with my client, opposing parties, their counsel, the courts and the general public.

Civility and courtesy are the hallmarks of professionalism and should not be equated with weakness;

I will endeavor to be courteous and civil, both in oral and in written communications;

I will not knowingly make statements of fact or of law that are untrue;

I will agree to reasonable requests for extensions of time or for waiver of procedural formalities when the legitimate interests of my client will not be adversely affected;

I will refrain from causing unreasonable delays;

I will endeavor to consult with opposing counsel before scheduling depositions and meetings and before rescheduling hearings, and I will cooperate with opposing counsel when scheduling changes are requested;

When scheduled hearings or depositions have to be canceled, I will notify opposing counsel, and if appropriate, the court (or other tribunal) as early as possible;

Before dates for hearings or trials are set, or if that is not feasible, immediately after such dates have been set, I will attempt to verify the availability of key participants and witnesses so that I can promptly notify the court (or other tribunal) and opposing counsel of any likely problem in that regard;

I will refrain from utilizing litigation or any other course of conduct to harass the opposing party;

I will refrain from engaging in excessive and abusive discovery, and I will comply with all reasonable discovery requests;

In depositions and other proceedings, and in negotiations, I will conduct myself with dignity, avoid making groundless objections and refrain from engaging in acts of rudeness or disrespect;

I will not serve motions and pleadings on the other party or counsel at such time or in such manner as will unfairly limit the other party's opportunity to respond;

In business transactions I will not quarrel over matters of form or style, but will concentrate on matters of substance and content;

I will be a vigorous and zealous advocate on behalf of my client, while recognizing, as an officer of the court, that excessive zeal may be detrimental to my client's interests as well as to the proper functioning of our system of justice;

While I must consider my client's decision concerning the objectives of the representation, I nevertheless will counsel my client that a willingness to initiate or engage in settlement discussions is consistent with zealous and effective representation;

Where consistent with my client's interests, I will communicate with opposing counsel in an effort to avoid litigation and to resolve litigation that has actually commenced;

I will withdraw voluntarily claims or defense when it becomes apparent that they do not have merit or are superfluous;

I will not file frivolous motions;

I will make every effort to agree with other counsel, as early as possible, on a voluntary exchange of information and on a plan for discovery;

I will attempt to resolve, by agreement, my objections to matters contained in my opponent's pleadings and discovery requests;

In civil matters, I will stipulate to facts as to which there is no genuine dispute;

I will endeavor to be punctual in attending court hearings, conferences, meetings and depositions;

I will at all times be candid with the court and its personnel;

I will remember that, in addition to commitment to my client's cause, my responsibilities as a lawyer include a devotion to the public good;

I will endeavor to keep myself current in the areas in which I practice and when necessary, will associate with, or refer my client to, counsel knowledgeable in another field of practice;

I will be mindful of the fact that, as a member of a self-regulating profession, it is incumbent on me to report violations by fellow lawyers as required by the Rules of Professional Conduct;

I will be mindful of the need to protect the image of the legal profession in the eyes of the public and will be so guided when considering methods and content of advertising;

I will be mindful that the law is a learned profession and that among its desirable goals are devotion to public service, improvement of administration of justice, and the contribution of uncompensated time and civic influence on behalf of those persons who cannot afford adequate legal assistance;

I will endeavor to ensure that all persons, regardless of race, age, gender, disability, national origin, religion, sexual orientation, color, or creed receive fair and equal treatment under the law, and will always conduct myself in such a way as to promote equality and justice for all.

It is understood that nothing in these Principles shall be deemed to supersede, supplement or in any way amend the Rules of Professional Conduct, alter existing standards of conduct against which lawyer conduct might be judged or become a basis for the imposition of civil liability of any kind.

--Adopted by the Connecticut Bar Association House of Delegates on June 6, 1994

**THE ESSENTIALS OF RESIDENTIAL
REAL ESTATE CLOSINGS**

TABLE OF CONTENTS

Bios	4
Loan Estimate	7
Closing Disclosure Form	10
Sellers Disclosure Form.....	15
ALTA Calendar.....	17
CFPB Rider.....	18
Closing Checklist (Purchase).....	22
Closing Checklist (Refinance)	25
Closing Checklist (Sale)	28
Form Engagement Letter	31
Form Retained Occupancy Agreement.....	32
Form Termination Letter.....	35
Revised Smoke Detector Affidavit.....	36
Sample Commitment	37
Sample Policy	44
Lien Priority Examples	49
PowerPoint Slides	50

Faculty Biographies

LISA LUGAUSKAS is the vice president and branch counsel of Commonwealth Land Title Insurance Company and Chicago Title Insurance Company. Ms. Lugauskas is responsible for providing contract negotiation support to attorneys and business clients; drafting standard agreements; providing training programs for attorneys, paralegals, clients and business professional on various legal matters; and developing real estate form notebooks for attorneys, paralegals, and other legal staff. She is also responsible for development and investigation of claims; review of instruments pertinent to claims; review of claims database by updating system and monitoring correspondence; and determined and preformed actions to ensure compliance with industry standards. Ms. Lugauskas has a post university award for excellence in teaching. She is admitted to the Connecticut Bar and the U.S. District Court, New Haven Connecticut. She is a member of the Connecticut Title Land Association, National Land Title Association, chairperson of the Advisory Board of Legal Assistants for Naugatuck Valley Community Technical College, officer and director of the Waterbury Bar Association, Commissioner of Board of Assessment Appeals, and Small Claims Commissioner in the state of Connecticut. Ms. Lugauskas has previous speaking experience. She earned her B.S. degree, magna cum laude, from the University of Connecticut and her J.D. degree from Brigham Young University.

Edward M. Rosenblatt

Edward M. Rosenblatt serves as Vice President and Counsel with Fidelity National Title Insurance Company in East Hartford, Connecticut. His responsibilities include title insurance underwriting, claims, release tracking management and attention to all aspects of title-related legal issues for both commercial and residential matters.

Ed's twelve years in the title insurance industry follow 23 years of private practice in all aspects of real estate law and related litigation. Private practice experience was at major firms in Hartford, Waterbury and Southington.

He is Past Chair of the Executive Committee of the Real Property Section of the Connecticut Bar Association and an Executive Committee member since 1987.

Ed is currently chair of the Real Property Section's special committee on the residential real estate certification and co-Chair of the Section's legislative committee.

Loan Estimate

DATE ISSUED 2/15/2013
APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE Conventional FHA VA _____
LOAN ID # 123456789
RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

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

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
		In escrow? YES YES

Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
Estimated Cash to Close	\$16,054 Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

Additional Information About This Loan

LENDER Ficus Bank
NMLS/___ LICENSE ID
LOAN OFFICER Joe Smith
NMLS/___ LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/___ LICENSE ID
LOAN OFFICER
NMLS/___ LICENSE ID
EMAIL
PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations	
Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Confirm Receipt

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

Applicant Signature	Date	Co-Applicant Signature	Date
---------------------	------	------------------------	------

Closing Disclosure

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

Closing Information

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

Transaction Information

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

Loan Information

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

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

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

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

Closing Cost Details

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

Calculating Cash to Close

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

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

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION

K. Due from Borrower at Closing **\$189,762.30**

01 Sale Price of Property \$180,000.00

02 Sale Price of Any Personal Property Included in Sale

03 Closing Costs Paid at Closing (J) \$9,682.30

04

Adjustments

05

06

07

Adjustments for Items Paid by Seller in Advance

08 City/Town Taxes to

09 County Taxes to

10 Assessments to

11 HOA Dues 4/15/13 to 4/30/13 \$80.00

12

13

14

15

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

01 Deposit \$10,000.00

02 Loan Amount \$162,000.00

03 Existing Loan(s) Assumed or Taken Subject to

04

05 Seller Credit \$2,500.00

Other Credits

06 Rebate from Epsilon Title Co. \$750.00

07

Adjustments

08

09

10

11

Adjustments for Items Unpaid by Seller

12 City/Town Taxes 1/1/13 to 4/14/13 \$365.04

13 County Taxes to

14 Assessments to

15

16

17

CALCULATION

Total Due from Borrower at Closing (K) \$189,762.30

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

Cash to Close **From** **To Borrower** **\$14,147.26**

SELLER'S TRANSACTION

M. Due to Seller at Closing **\$180,080.00**

01 Sale Price of Property \$180,000.00

02 Sale Price of Any Personal Property Included in Sale

03

04

05

06

07

08

Adjustments for Items Paid by Seller in Advance

09 City/Town Taxes to

10 County Taxes to

11 Assessments to

12 HOA Dues 4/15/13 to 4/30/13 \$80.00

13

14

15

16

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

01 Excess Deposit

02 Closing Costs Paid at Closing (J) \$12,800.00

03 Existing Loan(s) Assumed or Taken Subject to

04 Payoff of First Mortgage Loan \$100,000.00

05 Payoff of Second Mortgage Loan

06

07

08 Seller Credit \$2,500.00

09

10

11

12

13

Adjustments for Items Unpaid by Seller

14 City/Town Taxes 1/1/13 to 4/14/13 \$365.04

15 County Taxes to

16 Assessments to

17

18

19

CALCULATION

Total Due to Seller at Closing (M) \$180,080.00

Total Due from Seller at Closing (N) – \$115,665.04

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

Additional Information About This Loan

Loan Disclosures

Assumption

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

Demand Feature

Your loan

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

Late Payment

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

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

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

Partial Payments

Your lender

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

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

Security Interest

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

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

Escrow Account

For now, your loan

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

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

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

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

In the future,

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

Loan Calculations

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



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

Other Disclosures

Appraisal

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

Contract Details

See your note and security instrument for information about

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

Liability after Foreclosure

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

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

Refinance

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

Tax Deductions

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

Contact Information

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

Confirm Receipt

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

Applicant Signature

Date

Co-Applicant Signature

Date

Closing Disclosure

Closing Information

Date Issued
Closing Date
Disbursement Date
Settlement Agent
File #
Property

Sale Price

Transaction Information

Borrower

Seller

Summaries of Transactions

SELLER'S TRANSACTION

Due to Seller at Closing

01 Sale Price of Property
 02 Sale Price of Any Personal Property Included in Sale
 03
 04
 05
 06
 07
 08

Adjustments for Items Paid by Seller in Advance

09 City/Town Taxes to
 10 County Taxes to
 11 Assessments to
 12
 13
 14
 15
 16

Due from Seller at Closing

01 Excess Deposit
 02 Closing Costs Paid at Closing (J)
 03 Existing Loan(s) Assumed or Taken Subject to
 04 Payoff of First Mortgage Loan
 05 Payoff of Second Mortgage Loan
 06
 07
 08 Seller Credit
 09
 10
 11
 12
 13

Adjustments for Items Unpaid by Seller

14 City/Town Taxes to
 15 County Taxes to
 16 Assessments to
 17
 18
 19

CALCULATION

Total Due to Seller at Closing
 Total Due from Seller at Closing

Cash **From** **To Seller**

Contact Information

REAL ESTATE BROKER (B)

Name

Address

__ License ID

Contact

Contact __ License ID

Email

Phone

REAL ESTATE BROKER (S)

Name

Address

__ License ID

Contact

Contact __ License ID

Email

Phone

SETTLEMENT AGENT

Name

Address

__ License ID

Contact

Contact __ License ID

Email

Phone



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

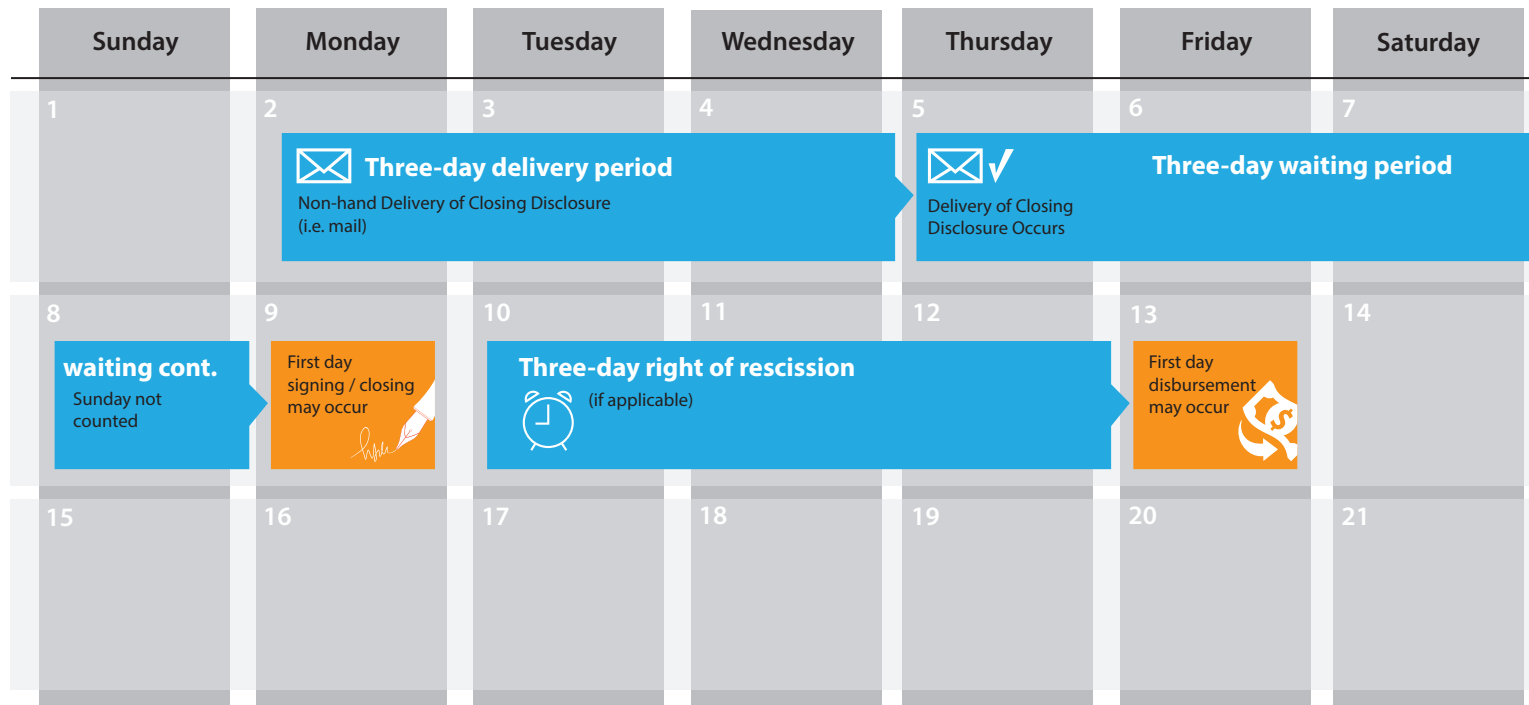
Closing Cost Details

Loan Costs	Seller-Paid	
	At Closing	Before Closing
A. Origination Charges		
01 % of Loan Amount (Points)		
02		
03		
04		
05		
06		
07		
08		
B. Services Borrower Did Not Shop For		
01		
02		
03		
04		
05		
06		
07		
08		
C. Services Borrower Did Shop For		
01		
02		
03		
04		
05		
06		
07		
08		

Other Costs		
E. Taxes and Other Government Fees		
01 Recording Fees	Deed:	Mortgage:
02		
F. Prepays		
01 Homeowner's Insurance Premium (mo.)		
02 Mortgage Insurance Premium (mo.)		
03 Prepaid Interest (per day from to)		
04 Property Taxes (mo.)		
05		
G. Initial Escrow Payment at Closing		
01 Homeowner's Insurance	per month for	mo.
02 Mortgage Insurance	per month for	mo.
03 Property Taxes	per month for	mo.
04		
05		
06		
07		
08 Aggregate Adjustment		
H. Other		
01		
02		
03		
04		
05		
06		
07		
08		
09		
10		
11		
12		
13		

J. TOTAL CLOSING COSTS		
-------------------------------	--	--

Closing Disclosure Timing Example



Important facts about changes to the Closing Disclosure.

- What if there are changes to the Closing Disclosure after it has been delivered?**
 All changes to the Closing Disclosure require a new disclosure to be prepared and delivered at or before consummation.
- What changes to the Closing Disclosure will require another 3-day waiting period?**
 - Change in the loan program (i.e. moving from a fixed rate to an adjustable rate loan).
 - Changes to Annual Percentage Rate (APR) greater than 1/8%. This applies only to increases in APR items, other increases do not trigger a new disclosure with waiting period requirement.
 - The addition of a prepayment penalty fee after the initial disclosure.

CFPB CLOSING DISCLOSURE ADDENDUM TO CONTRACT

This CFPB Closing Disclosure Addendum to Contract is made and entered into as of _____, and is hereby made part of and incorporated into that certain Connecticut Residential Purchase and Sale Agreement dated _____ (the "Contract") by and between _____ (therein and hereinafter referred to as "Buyer"), and _____ (therein and hereinafter referred to as the "Seller") pertaining to the real property commonly known as _____, Connecticut ("Property");

1. This Addendum shall apply if the Buyer is obtaining a mortgage loan subject to the jurisdiction of the Federal Consumer Finance Protection Bureau ("CFPB").
2. Federal regulation requires timely and accurate disclosure of closing costs in residential mortgage transactions and Lender policies and practices pertaining to the mandated CFPB Closing Disclosure may result in the Lender both 1) preparing the Closing Disclosure containing all final closing costs for both Seller and Buyer and 2) providing the Closing Disclosure to the Buyer within three (3) business days prior to closing. These procedures may result in a delay in the consummation of the transaction if final and accurate closing cost information is not supplied to the Lender in a timely manner.
3. Seller and Buyer recognize that these potential delays may cause material financial hardship to one or both parties in the event the Buyer's Lender does not receive and disclose timely and accurate information pertaining to a) all components of Seller and Buyer closing costs, b) items such as fuel oil, propane gas or other utility charges or adjustments in favor of the Seller (all such costs, adjustments and additions are referred to herein as "utility " or "utilities" costs) and/or c) the cost of pre-closing inspection property damage or the cost to deliver the property in the condition contracted for.

4. The intent of this Addendum is 1) to set forth the respective responsibilities of the Seller and Buyer to transmit to each other in a timely manner all closing costs required to be included in the Closing Disclosure and 2) to specify financial consequences for failure to do so. The parties agree that the responsibilities set forth in this Addendum shall be carried out by their respective attorneys from information obtained by such attorneys with the cooperation of the parties or other designated agents.

5. Therefore, the parties agree as follows:
 - a. To the extent the contract stipulates that time shall be of the essence regarding the closing date, the parties hereby waive that stipulation. The parties shall agree as soon as possible on a preliminary date of closing which may be subject to change. The preliminary date of closing shall be referred to for purposes of this Addendum as the "closing date". The closing date may be identical to the closing date set forth in the contract.
 - b. The Seller shall transmit to the Buyer's attorney at least 10 days prior to the closing date or revised closing date (the 10-day period prior to the closing date shall be referred to as the Blocked Out Period) all mortgage and lien payoffs, Seller attorney fees, commission amounts and breakdowns, State and Town conveyance taxes, the number of pages of the conveyancing deed and any other expenses required to be disclosed on the Closing Disclosure. Unless specifically permitted by the Buyer's lender, there shall be no Paid Outside of Closing ("POC") items.
 - c. The Seller shall be obligated to obtain and transmit to the Buyer, prior to the Blocked Out Period, information sufficient to calculate usual and customary utility adjustments to be paid by the Buyer to the Seller and final utility charges to be paid by the Seller at closing.
 - d. The Seller and Buyer shall collaborate to arrive at an appropriate real estate tax adjustment prior to the Blocked Out Period.
 - e. A utility charge shall not be adjusted unless the following information is transmitted by fax, mail or email to the Buyer's attorney prior to the Blocked Out Period: 1) in the case of

fuel (whether oil, propane or other fuel), an accurate reading of the fuel remaining in the tank and the price of such fuel calculated in accordance with the contract or 2) in the case of other applicable utilities, statements from the appropriate authority (ies) for water, sewer or other utility. If the cost of fuel is to be an adjustment in favor of the Seller, the resultant adjustment shall be reduced by the cost of 4 gallons of oil per day (and/or a proportionate amount if propane) from the day of transmittal of the information to the day of closing if the day of transmittal occurs during the months of December, January, February or March. Furthermore, the Seller agrees not to add fuel to the tank prior to the closing without the express permission of the Buyer.

- f. If the Seller fails to transmit to the Buyer all utility adjustments in favor of the Seller prior to the Blocked Out Period, the Buyer may perform the calculations using all reasonable and obtainable information. Such calculation shall be final and binding upon the parties.
- g. If the Seller and Buyer do not agree on a real estate tax adjustment prior to the Blocked Out Period, the Buyer shall make the adjustment which shall be final and binding, provided the Buyer's adjustment is based on current real estate tax data for the property and the adjustment is based upon the Uniform Fiscal Year method or such other method provided for in the contract of purchase and sale.
- h. In the event the parties discover at a pre-closing inspection that the property or dwelling sustained damage after the initial physical inspection or that the Seller failed to deliver the property or dwelling to the Buyer in the condition agreed to in the contract of sale and purchase or any amendments thereto, the Seller agrees, at their own cost and expense, to restore the property or dwelling to its condition prior to the damage, or, to deliver the property or dwelling to the Buyer at their own cost and expense in the condition agreed to in the contract or any amendments thereto. The parties may agree on a method of fulfilling the intent of the previous sentence.
- i. Notwithstanding anything to the contrary in the contract or this Addendum, in the event the Buyer's lender requires a redisclosure of the Closing Disclosure resulting in a delay of the closing, such event shall not cause the Buyer to pay the Seller any sums of money for

such delay unless 1) the contract contains a liquidated damage clause or a per diem charge for failure to close on or by a specific date and 2) the need for the redisclosure was caused by the failure of the Buyer to provide the Lender with information known to the Buyer or transmitted by the Seller to Buyer prior to the Blocked Out Period.

- j. Nothing contained in this Addendum shall be construed to make the closing date in the Contract to be of the essence.

IN WITNESS WHEREOF, Seller and Buyers have entered into this Addendum as of the Effective Date specified above.

SELLER: Date Signed

BUYER: Date Signed

SELLER: Date Signed

BUYER: Date Signed

REAL ESTATE TRANSACTION CHECKLIST

PRELIMINARY MATTERS:

- Send engagement letter to Client
- Received and reviewed copy of Purchase Agreement
- Confirm property condition disclosure report and lead paint disclosure are attached to Purchase Agreement and signed
- Enter Closing Date on calendar
- Enter Inspection Contingency Date on calendar
- Enter Mortgage Contingency Date on calendar
- Enter Commitment Expiration Date on calendar
- Received and reviewed Mortgage Commitment
 - Conditions to be satisfied and any special instructions:
 - _____
 - _____
 - _____
 - _____
- Property APPRAISED
- Received Title Request from Lender
 - Prepared Preliminary HUD-1 (RESPA) Settlement Statement
 - Prepared CPL (Closing Protection Letter)
 - Title Search/Commitment
 - Wiring Instructions
 - E&O Insurance
 - Homeowners Insurance Binder with updated mortgagee clause and paid receipt
 - SENT ALL OF THE ABOVE TO LENDER
- Order Title Search
 - Order Date _____
 - Title/Confirmation # _____
 - Due Date _____
- Received and Reviewed Title Search
- If property is a Condo/PUD, order certificate regarding payment of common charges from Management Company
 - Order Date _____
 - Received
 - Reviewed
- Inform client to arrange for homeowners insurance and obtain binder/policy and paid receipt (**note: mortgagee clause**)
- Homeowners insurance binder/policy and paid receipt received
- If client cannot attend closing, prepare power of attorney
 - POA executed by client
 - *POA APPROVED BY LENDER***

FIVE DAYS to TWO MINUTES PRIOR TO CLOSING:

- Obtained ***Clear to Close*** from Lender
- Confirm with Lender as to status and delivery of closing package and funds
- Contact Water Company for water adjustment
- Contact Town Clerk to confirm taxes are current (annual amount? last paid date? last amount paid?)
 - Fire District taxes?

- Sewer Use taxes?
 - Waste Removal taxes?
- Confirm closing adjustments with seller's counsel
- Confirm with seller's counsel who will prepare checks
- Confirm seller will be attending closing, if not, obtain executed copy of POA or Signature Authorization
- Request and review seller documents – deed, payoff, undertaking and indemnity, etc
- LOAN DOCUMENTS RECEIVED FROM LENDER
 - Prepare HUD-1 (RESPA) Settlement Statement
 - Sent HUD-1 (RESPA) Settlement Statement to Lender for approval
 - **APPROVED BY LENDER**
 - Call client to advise amount of funds to bring to closing via bank check (wire if significant funds)
- Remind Client to arrange time for a walk-through prior to closing
- Prepare Title Insurance Policies (if Lender requires policies at closing – check Lender instructions)
- If Owner's Policy is declined, prepare Waiver
- Prepare 1099 or Certificate of No Reporting
- Prepare Title Affidavit (in case seller's counsel neglects to bring one)
- Prepare checks for closing (determine who will be issuing checks and whether certified checks are required for payoffs, etc.)
- Confirm closing date, time and place with all parties, agents and brokers

AT CLOSING:

- Confirm receipt of wire from Lender
- Execute Loan Documents
 - Other Lender Special Requirements:
 - _____
 - _____
- Have HUD-1 (RESPA) Settlement Statement signed by seller
- Received from seller/seller's counsel:
 - Executed 1099 or Certificate of No Reporting
 - Executed FIRPTA (Foreign Person Affidavit)
 - Executed (original) Deed
 - Executed Undertaking and Indemnity (with mortgage payoffs attached)
 - Executed (original) Owner's Title Affidavit
 - Payoff Statements and Payoff Letters with Payoff Checks
 - Completed Conveyance Tax Form
 - Certificate of Occupancy (if applicable)
 - Other necessary releases (if applicable): _____
 - All keys (incl. mailbox if condo) and all garage door openers
 - Lien Waivers or paid receipts for any repairs or work done (if applicable)
- Distribute checks

IMMEDIATELY AFTER CLOSING:

- Deposit Checks in IOLTA
- Record Documents in Town Hall
- Complete Title Insurance Policy (if not required at closing by Lender)
- Make a copy of all executed Loan Documents and return executed originals and necessary certified copies to Lender via OVERNIGHT MAIL

- ❑ Send copy of Title Insurance Policy, Owner's Title Affidavit and check for title search and title insurance premium to Title Company
- ❑ Send original Owner's Title Policy to Client
- ❑ Send Mortgage Payoff Disclosure Notice (if applicable)

THIRTY DAYS AFTER CLOSING

- ❑ Confirm with seller's counsel that all releases have been received and recorded
- ❑ Send termination letter
- ❑ Close file

NOTES: _____

CLOSING CHECKLIST
REFINANCE

File Name/Number _____

Client(s) Name _____

Address of Property to be Mortgaged: _____

PRELIMINARY MATTERS:

- Send engagement letter to Client
- Enter Closing Date on calendar
- Enter Commitment Expiration Date on calendar
- Review Mortgage Commitment
 - Conditions to be satisfied and any special instructions:
 - _____
 - _____
 - _____
 - _____
- Property APPRAISED
- Received Title Request from Lender
 - Prepared Preliminary HUD-1 (RESPA) Settlement Statement
 - Prepared CPL (Closing Protection Letter)
 - Title Search/Commitment
 - Wiring Instructions
 - E&O Insurance
 - Homeowners Insurance Binder with updated mortgagee clause and paid receipt
 - SENT ALL OF THE ABOVE TO LENDER
- Order Title Search
 - Order Date _____
 - Title/Confirmation # _____
 - Due Date _____
- Received and Reviewed Title Search
- If property is a Condo/PUD, order certificate regarding payment of common charges from Management Company to ensure Client is current
 - Order Date _____
 - Received Reviewed
- Request homeowners insurance information from Client and obtain binder/policy and paid receipt (**note: mortgagee clause**) from insurance agent/company
- Homeowners insurance binder/policy and paid receipt received
- If client cannot attend closing, prepare power of attorney
 - POA executed by client
 - *POA APPROVED BY LENDER***

TEN DAYS to THREE DAYS PRIOR TO CLOSING:

- If Lender is represented by separate counsel, confirm proposed closing schedule with Lender's counsel
 - Date_____
 - Time_____
 - Place_____
- Confirm proposed closing schedule with Client
- Order payoff statements for all mortgages held by Client
 - Payoff Statement(s) received

TWO DAYS to TWO MINUTES PRIOR TO CLOSING:

- Obtained *Clear to Close* from Lender
- Confirm with Lender as to status and delivery of closing package and funds
- Contact Water Company to ensure account is current
- Contact Town Clerk to confirm taxes are current
 - Fire District taxes current?
 - Sewer Use taxes current?
 - Waste Removal taxes current?
- LOAN DOCUMENTS RECEIVED FROM LENDER
 - Prepare HUD-1 (RESPA) Settlement Statement
 - Sent HUD-1 (RESPA) Settlement Statement to Lender for approval
 - **APPROVED BY LENDER**
 - Call client to advise amount of funds to bring to closing via bank check (wire if significant funds) OR advise Client of amount of funds they are getting back from refinancing
- Prepare Owner's Title Affidavit
- Prepare Payoff Letter(s) to Mortgagee(s)
- Prepare checks for closing (confirm whether certified checks are required for payoffs)
- Confirm closing date, time and place with Client and Lender/Broker

AT CLOSING

- Execute Loan Documents
 - Other Lender Special Requirements:
 - _____
 - _____
 - _____
- Execute Owner's Title Affidavit
- Execute HUD-1 (RESPA) Settlement Statement
- Execute Release Tracking "Borrower/Seller Authorization"
- DO NOT DISBURSE CHECKS UNTIL LENDER AUTHORIZED DISBURSEMENT DATE

IMMEDIATELY AFTER CLOSING

- Wire Received
 - DISBURSEMENT DATE:** _____
- Deposit Checks in IOLTA (if applicable)
- Record Documents in Town Hall **ONLY AFTER DISBURSEMENT DATE**
- Send Payoffs to Mortgagees **ONLY AFTER DISBURSEMENT DATE**
- Complete Lender Title Insurance Policy

- ❑ Make a copy of all executed Loan Documents and return executed originals and necessary certified copies to Lender via OVERNIGHT MAIL
- ❑ Send copy of Title Insurance Policy, Owner’s Title Affidavit and check for title search and title insurance premium to Title Company **ONLY AFTER DISBURSEMENT DATE**
- ❑ Send copy of payoff statement, payoff letter, payoff check or wire confirmation, borrower authorization, and check for release tracking to release tracking company **ONLY AFTER DISBURSEMENT DATE**

THIRTY DAYS AFTER CLOSING

- ❑ Confirm with release tracking company that all releases have been received and recorded
- ❑ Send termination letter
- ❑ Close file

NOTES: _____

CLOSING CHECKLIST
SALE

File Name/Number _____

Client(s) Name _____

Address of Property to be Sold: _____

PRELIMINARY MATTERS:

- Send engagement letter to Client
- Received and reviewed copy of Purchase Agreement
- Confirm property condition disclosure report and lead paint disclosure are attached to Purchase Agreement and signed
- Enter Closing Date on calendar
- Make note of Buyers Inspection Contingency and Mortgage Contingency Dates
- Request copy of title search and title commitment from Buyer's counsel
 - Received Reviewed
- If property is a Condo/PUD, order Resale Certificate and Certificate of Insurance
 - Order Date _____
 - Contact Person/Number _____
 - Received Reviewed Sent to Buyer's Counsel
- If client cannot attend closing, prepare power of attorney or signature authorization
 - Power of Attorney executed by Client
 - Deed executed by Client (if not, POA will have to be recorded)

TEN DAYS to THREE DAYS PRIOR TO CLOSING:

- Confirm proposed closing schedule with Buyer's counsel
 - Date _____
 - Time _____
 - Place _____
- Confirm name(s) in which Buyer's will take title:
 - _____
 - Joint Tenants (Survivorship) Tenants in Common
- Confirm proposed closing schedule with Client (if not attending, attempt to have Client pre-sign)
- Confirm status of deposits
 - \$ _____ held by us OR
 - \$ _____ held by agent: _____
- If deposit is held by agent, arrange for check to be delivered and to be made payable to correct party
- Order Payoff Statement of mortgage held by _____
 - Order Date _____
- Payoff Statement Received
- Other payoff statements or releases required as follows:
 - _____
 - _____

- ❑ If new construction or repair work is done, give client lien waivers to be signed or obtain paid receipts from contractors
- ❑ If client is a business entity, order Certificate of Authority or Certificate of Good Standing

TWO DAYS to TWO MINUTES PRIOR TO CLOSING:

- ❑ Contact Oil Company or Propane Company for fuel adjustment (if applicable)
- ❑ Contact Water Company for water adjustment
- ❑ Confirm closing adjustments with Buyer's counsel
- ❑ Confirm with Buyer's counsel who will prepare checks
- ❑ Prepare Conveyance Tax Return
- ❑ Prepare Owner's Title Affidavit
- ❑ Prepare FIRPTA (Foreign Person Affidavit)
- ❑ Prepare Payoff Letter(s) to Mortgagee(s)
- ❑ Prepare Undertaking and Indemnity for release of mortgage(s)
- ❑ If client is a business entity, obtain Certificate of Authority/Corporate Resolution
- ❑ Call client and remind to bring to closing – all keys, garage door openers, any warranties, proof of payment or lien waiver for any work done, certificate of occupancy for any work done (if applicable)
- ❑ Remind client to make arrangements for TRANSFER of utilities and termination of homeowners insurance (suggest that utilities be transferred the day AFTER closing, NOT the day of or before, same with insurance in case closing is delayed)
- ❑ Prepare checks for closing if that was the arrangement with Buyer's counsel (determine who will be issuing checks and whether any certified checks are required)

AT CLOSING:

- ❑ Deliver to Buyer's attorney:
 - ❑ Executed (original) Deed
 - ❑ Completed Conveyance Tax Return
 - ❑ Executed Undertaking and Indemnity of Mortgage
 - ❑ Executed (original) Owner's Title Affidavit
 - ❑ Executed FIRPTA (Foreign Person Affidavit)
 - ❑ Lien Waivers or paid receipts (if applicable)
 - ❑ Certificate of Occupancy (if applicable)
 - ❑ Keys and garage door openers
 - ❑ Copy of power of attorney or signature authorization (if seller cannot attend closing)
- ❑ Deliver commission check to real estate agents
- ❑ Obtain two signed originals of HUD-1 (RESPA) Settlement Statement from Buyer's counsel
- ❑ Collect and confirm accuracy of checks for all seller fees

IMMEDIATELY AFTER CLOSING

- ❑ Deposit sale proceeds in IOLTA
- ❑ Send Payoff(s) and Mortgagee(s)
- ❑ Disburse balance to client
- ❑ Send copy of payoff statement, payoff letter, payoff check or wire confirmation, seller's authorization, and check for release tracking to release tracking company

THIRTY DAYS AFTER CLOSING

- Confirm with release tracking company that all releases have been received and recorded (send a copy to Buyer's attorney)
- Send termination letter
- Close file

NOTES: _____

May 8, 2015

John Smith
1234 Main Street
Smallville, CT 12345

RE: Purchase of [Property Address]

Dear John,

Thank you for selecting _____ (the "Firm") to represent you in connection with the purchase of property located at _____, Connecticut.

This letter is written to acquaint you with the scope of the Firm's representation. As your counsel the Firm will:

1. Negotiate sale terms with the Seller's attorney;
2. Order and review the title search;
3. **Obtain a title policy for you and your lender;**
4. Prepare Buyer's closing documents; review Seller's closing documents;
5. Attend the closing;
6. Provide an accounting of funds; and
7. Record documents and handle post-closing matters.

Should you require any additional services, I will be happy to discuss those services with you.

The legal fee for representing you in your purchase transaction will be \$_____.00, plus any and all disbursements; disbursements include title search fees, recording fees, photocopy, facsimile and long-distance telephone charges, delivery charges, and wiring fees. Should unforeseen circumstances arise this fee will be re-evaluated.

This fee is a portion of line 1107 on your Good Faith Estimate. Please note that since the Firm incurs certain costs and makes certain disbursements on your behalf prior to closing, **you will be responsible for reimbursing the Firm for those disbursements (such as a title search fee) even if this transaction does not close.** Additionally, as an agent of a title insurance company, the Firm receives a portion of the premium charged for title insurance policies as payment for drafting those policies. Both the title insurance premium and the amount the Firm retains are regulated by statute in the State of Connecticut.

Please sign below as confirmation of receipt of this letter and acceptance of the aforementioned terms, and return the signed original in the enclosed pre-paid, self-addressed envelope. If at any time you have any questions regarding this transaction, please do not hesitate to call me. I look forward to working with you.

Very truly yours,

Competent Counsel

AGREED:

John Smith

RETAINED OCCUPANCY AGREEMENT

SELLER:
BUYER:
PROPERTY:
DATE:

WHEREAS, Seller and Buyer entered into a Real Estate Purchase Contract dated April ____, 2014 (the “Contract”) whereby Seller shall convey the Property to Buyer;

WHEREAS, Paragraph 7 of the Contract calls for the closing to take place on May, 30 2014, as may be amended from time to time (the “Closing Date”);

WHEREAS, Seller desires to remain in possession of said Property until no later than July 31, 2014; and Buyer desires to acquire title to said Property prior to vacating by Seller.

NOW THEREFORE, in consideration of the mutual covenants herein, Buyer and Seller hereby agree as follows:

1. Seller may continue in occupancy of the Property for a period of not more than sixty (60) days, up to and including no later than 5:00 p.m. on July 31, 2014, at which time Seller shall have vacated the Property leaving it in broom clean condition.

2. Seller shall pay in advance to Buyer the full amount of \$73.33 per day (per diem of principal and interest and taxes) for the use and occupancy of said Property from the Closing Date for a total of \$2,200.00 per month. Seller acknowledges that the total of \$4,400.00 shall be remitted in full by Seller at closing via bank check, attorney trust account check or other certified funds made payable to Buyer. In the event Seller vacates said Property prior to July 31, 2014, Seller shall be entitled to reimbursement by Buyer in the amount of the overpayment and such reimbursement shall be remitted immediately following the completion of a walk through according to Paragraph 8 of this agreement. In the event Seller vacates said Property any later than July 31, 2014 at 5:00 p.m., Buyer shall be entitled to recover from Seller a “penalty sum” of \$200.00 per day for each day said Property remains in the possession of Seller beyond July 31, 2014, in addition to any other costs, expenses or damages Buyer shall suffer due to Buyer’s delay in obtaining possession of the Property from Seller.

3. Seller agrees to maintain liability insurance on said Property during the period of use and occupancy.

4. Seller agrees to take reasonable care of the Property during the period of use and occupancy and further agrees to commit no waste to said Property and shall be liable to Buyer for any damages caused by Seller as a result of the use and occupancy. Seller shall hold Buyer harmless from any property damage and injury or death at the Property arising from or during Seller’s use and occupancy thereof. Seller further agrees to indemnify and hold Buyer harmless from any claims, lawsuits, or damages by and to Seller or by or to any third persons occurring during such occupancy by Seller. All personal property of Seller remaining on the Property after

the expiration of the occupancy period shall be at the sole risk and expense of Seller and Seller shall hold Buyer harmless for any damages caused thereto.

5. This agreement shall in no way be considered nor is it intended as a lease of said Property and shall not create between Buyer and Seller a relationship of landlord and tenant, but is limited expressly to the use of said Property from day to day and Seller agrees to vacate said Property immediately upon default of any of the terms hereof and expressly waive any claims by way of notice or other rights under summary process and any related statutes.

6. Seller shall be responsible to pay for utilities and services to the Property during the use and occupancy period including electricity, cable television, and the like. While property tax adjustments shall be made as of the Closing Date, all other customary adjustments such as propane, oil and water, shall be paid-outside-of-closing (POC). Upon Seller vacating the Property, Seller or Seller's counsel shall contact all necessary utility companies to obtain final readings, and if necessary, recent prices paid per unit, and Buyer shall reimburse Seller for quantities remaining at the Property upon Seller vacating.

7. Seller shall deposit the sum of \$2,200.00 to be held in escrow by [Seller's Counsel] ("Escrow Agent") to secure the faithful performance of this agreement by Seller. Upon Seller vacating, Buyer shall perform a walk-through within forty-eight (48) hours of receiving notice of such to confirm that the Property has been left in the same condition as it was on May 30, 2014. Upon confirmation of a satisfactory walk-through, the escrowed sum and any overpayments for the use and occupancy shall immediately be remitted to Seller. In the event that Seller vacates the Property prior to July 31, 2014 at 5:00 p.m., Buyer shall make all reasonable efforts to perform the walk-through immediately after Seller vacates. In the event of a breach of this agreement by Seller, the escrowed sum shall be turned over to Buyer to be applied by Buyer toward damages incurred by Buyer on account of said breach, and the excess, if any, shall be remitted by Buyer to Seller.

8. Said Escrow Agent shall not be responsible for any claims of either party on account of the payment of the escrow funds to the party it determines in its judgment is entitled thereto under this agreement.

9. This Retained Occupancy Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original and all of which taken together shall constitute one and the same agreement. The signature of any party by telecopier, facsimile or other electronic means is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. No party may raise the use of a telecopier, facsimile or other electronic means, or the fact that any signature was transmitted through the use of a telecopier, facsimile or other electronic means, as a defense to the enforcement of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Retained Occupancy Agreement as of the date first written above.

BUYER:

SELLER:

I hereby acknowledge receipt of the amount set forth in paragraph 7 herein.

[Buyer's Counsel Name]

By:

Its: Duly Authorized Signatory

May 8, 2015

John Smith
1234 Main Street
Smallville, CT 12345

RE: Refinance/Purchase/Sale of [Property Address]

Dear John,

Thank you for selecting me to represent you in connection with the refinance/purchase/sale of your home.

My representation of you concerning this transaction has now concluded. I will be closing my file. It is my firm's policy to retain closed files for a period of ten years, at which time the files are destroyed unless you instruct me to the contrary in writing. If you have any questions or concerns, please let me know.

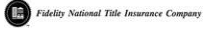
I have enjoyed working with you and I wish you and your family the very best moving forward. If I can ever be of any help in the future, please do not hesitate to let me know!

Very truly yours,

Competent Counsel

AMERICAN LAND TITLE ASSOCIATION COMMITMENT

ALTA Standard Form (2006)



Fidelity National Title Insurance Company ALTA COMMITMENT FOR TITLE INSURANCE

Fidelity National Title Insurance Company, herein call the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

IN WITNESS WHEREOF, Fidelity National Title Insurance Company has caused this Commitment to be signed and sealed as of the Effective Date shown in Schedule A, this Commitment to become valid when countersigned by an authorized signatory.

Issued By:

Authorized Signatory/Legal Title, LLC

Commitment No.: 5129528



Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)

**AMERICAN LAND TITLE ASSOCIATION
COMMITMENT**

ALTA Standard Form (2006)

Conditions

1. The term "mortgage," when used herein, shall include charge, mortgage, hypothec, deed of trust, trust deed, or other security instrument.
2. If the Proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the Proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named Proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions, the Exclusions from Coverage and the Conditions and Stipulations of the form of policy or policies committed for in favor of the Proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the Proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.



Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)

Fidelity National Title Insurance Company
1300 Dove Street Suite 310
Newport Beach, CA 92660
Phone: 949-622-4962
Fax: 949-477-6813

SCHEDULE A

Effective Date and Time: 02/04/2015 at 8:00 AM

1. Policy or Policies to be Issued:

Policy to be Issued:
ALTA Loan 2006
Proposed Insured: Sample Big Bankd
Amount of Insurance: \$250,000.00

2. The estate or interest in the land described or referred to in this Commitment is: **Fee Simple**

3. Title to the estate or interest in the land at the Effective Date vested in:

Johnny and Janey Sample

The land referred to in this Commitment is described as follows.
See attached Exhibit "A"

For Information Purposes Only:

1 Main Street
Avon, CT

This Commitment is invalid unless a signed Commitment Jacket and Schedules A and B are attached.

Copyright American Land Title Association. All rights reserved.

The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment (6-17-06)





Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)

SCHEDULE B I

REQUIREMENTS

This Title Insurance Commitment (the "Commitment") is issued pursuant to the Agreement to Issue Policy contained on the American Land Title Insurance Commitment (2006) front cover form (the "Form") and is subject to the Conditions stated therein.

PLEASE BE ADVISED THAT A CONTINUATION SEARCH WILL BE MADE AT THE TIME OF CLOSING TO UPDATE THE EFFECTIVE DATE OF THE COMMITMENT AND THAT THE EARLIER EFFECTIVE DATE SHOWN AT THE BEGINNING OF THIS COMMITMENT WILL NOT AFFECT THE DATE OF COVERAGE OF THE POLICY.

The following requirements must be complied with prior to the policy or policies being issued:

- 1. Payment of the full consideration to, or for the account of, the grantors or mortgagors of the full consideration for the estate or interest to be insured.
2. Payment of all premiums and charges for the policy.
3. The Company's receipt of written notification of anyone not referred to in this Report who will obtain an estate or interest in the land or make a mortgage thereon.
4. Instrument(s) creating the estate or interest to be insured must be approved, executed and duly recorded.
5. All outstanding real estate taxes, water, sewer and other municipal assessments and charges to be paid at or prior to closing.
6. The actual value of the estate or interest to be insured must be disclosed to the Company, and subject to approval by the Company, entered as the Amount of Insurance in said policy.
7. Duly executed Title/Owner's Affidavit.
8. Entity Documentation:
A. If title is held by an LLC, the Company requires for its review a satisfactory copy of the "Articles of Organization", the Operating Agreement and the regulations of the limited liability company, any amendments thereof, a certificate of good standing, and satisfactory evidence of authority of the officers, managers, or members to execute the documents.
B. If title is held by a corporation, the Company requires satisfactory evidence of the authority of the corporation to sell/mortgage the land, including:
1) A properly authenticated Certificate of Incorporation, along with a Resolution of the managing directors authorizing the conveyance/mortgage to be insured and authorizing a managing director to execute the deed/mortgage, is required;
2) If the deed/mortgage is to be executed by an attorney-in-fact, then a duly executed Power of Attorney in form for recording must be produced and recorded with proof from the managing directors stating the said Power of Attorney is valid and binding and duly authorized and
3) Certificate of Good Standing.
C. If title is held by a trustee, the Company requires proof of power to sell satisfactory to Company.

This Commitment is invalid unless a signed Commitment Jacket and Schedules A and B are attached.

Copyright American Land Title Association. All rights reserved.

The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.





Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)

SCHEDULE B I (Continued)

- D. If title is held by an executor or administrator, the Company requires proof of power to sell satisfactory to Company and a certificate from Probate or the IRS that no succession taxes are due.
9. If the land is a Common Interest Community:
- a) All common interest community fees should be current;
 - b) A statement from the organization of unit owners setting forth the amount of unpaid common expenses and any other sums which have been assessed against a unit owner;
 - c) A waiver of any right of first refusal must be duly recorded.
10. Note: Notwithstanding anything to the contrary in this Report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, then all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.
11. If a Zoning Endorsement with or without parking is required, any of the following must be submitted to the Company prior to closing:
- a) a Zoning Compliance Letter signed by the Town of the Zoning Officer; or
 - b) a Zoning Opinion Letter from an attorney; or
 - c) a Zoning and Site Requirements Summary prepared by the Planning & Zoning Resource Corporation or any other similar company acceptable to the Company.
 - d) a current survey depicting the number of parking spaces on the premises must be submitted prior to closing.
- Either of Items a), b) or c) above must state:
- 1) The zone in which the property is located;
 - 2) The current use, and that that use is permitted in that zone (either by itself or by virtue of a special use permit, etc.);
 - 3) That there are no violations.



This Commitment is invalid unless a signed Commitment Jacket and Schedules A and B are attached.

Copyright 2006-2009 American Land Title Association. All rights reserved.



Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)

SCHEDULE B II

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless they are disposed of to the Company's satisfaction:

- 1. Defects, liens, encumbrances, adverse claims or other matters, if any, created first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date of the Proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Report.
2. Rights of the present tenants, lessees or parties in possession not shown by the public records.
3. Any lien, or right to a lien, for services, labor or material, heretofore or hereafter furnished, imposed by law and not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. Paragraph 2 (c) of the Covered Risks is hereby deleted in its entirety.
6. Real Estate Taxes on the Grand List of October 1, 2014, not yet due and payable.
7. Mortgage in the amount of \$235,000.00 in favor of Old Lender Bank dated May 15, 2003, and recorded in Volume 212, at Page 546 of the Avon land records.
9. Easement to the Connecticut Light and Power Company dated April 1, 1948 and recorded in Volume 101, at Page 235 of the Avon land records.

NOTES:

Any covenant, condition or restriction based on race, religion, color, sex, handicap, familial status or national origin is omitted unless, and only to the extent that, the restriction is not in violation of a state or federal law or relates to a handicap but does not discriminate against handicapped people.

The Company assumes no liability hereunder or under any policy issued pursuant hereto, any closing instructions or insured closing service for compliance with the requirements of any consumer credit protection or truth in lending law.

Governmental regulations, including, but not limited to, wetlands, subdivision, building and zoning regulations, are excluded from policy coverage.

The coverage provided by this Commitment and any policy issued pursuant hereto shall not commence prior to the date on which all charges billed by the Company in connection with this Commitment and/or such policy have been fully paid.

The Company may have additional requirements or make additional exceptions as maybe appropriate after additional disclosures are made.

This Commitment is invalid unless a signed Commitment Jacket and Schedules A and B are attached.

Copyright American Land Title Association. All rights reserved.

The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment (6-17-06)





**Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)**

EXHIBIT "A"

The land referred to in this Commitment is described as follows:

A certain piece or parcel of land, with all of the improvements located thereon, located in the Town of Avon and designated as Lot No. 4 on a certain map entitled, "There is No Such Map As This" and filed with the Town Clerk of Avon as Map No. 14598.

This Commitment is invalid unless a signed Commitment Jacket and Schedules A and B are attached.

Copyright American Land Title Association. All rights reserved.

The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

ALTA Commitment (6-17-06)



Fidelity National Title Insurance Company

SCHEDULE A LOAN FORM

Office File No.: **SAMPLE**

Policy Number	Date of Policy : .m.	Amount of Insurance \$ 250,000.00
---------------	-------------------------	--------------------------------------

1. Name of Insured:

Sample Big Bank, its successors and assigns, as their interest may appear.

2. The estate or interest referred to herein is at Date of Policy vested in:

Johnny Sample and Janey Sample

3. The estate or interest in the land described in this Schedule and which is encumbered by the insured mortgage is:
Fee Simple

4. The mortgage, herein referred to as the insured mortgage, and the assignments thereof, if any, are described as follows:

Mortgage from Johnny Sample and Janey Sample to Sample Big Bank in the original principal amount of \$250,000.00, dated December 25th, 2006 and recorded _____ at _____ in the Avon Land Records

5. The land referred to in this Policy is located at:

Address: **100 Main Street**

Lot or Unit #:

Subdivision or Condominium Name:

City/Town: **Avon**

State: **CT**

and is described as set forth in "Exhibit A" attached hereto and made a part hereof.

COUNTERSIGNED:

BY _____

Authorized Signatory

FORM 5/22-SIMO(A)

Fidelity National Title Insurance Company

SCHEDULE B

LOAN FORM

Loan Policy No.:

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
2. Rights or claims of parties in possession not shown by the public records.
3. Any encroachments, easements, measurements, variations in area or content, party walls or other facts which a correct survey of the premises would show.
4. Liens for taxes and assessments which become due and payable subsequent to the date of this policy.
5. IF APPLICABLE:
 - (a) Riparian and littoral rights of others.
 - (b) No title is insured to any filled-in land or land lying below the present or any former mean high water line of any navigable water.
6. IF THE INSURED PREMISES IS A CONDOMINIUM UNIT:
Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title, created by the laws of the State of the insured premises or set forth in the Master Deed or Declaration of Condominium in the related By-laws, or in the Declaration of Trust, as duly recorded in the appropriate Land Records Office and as the same may have been lawfully amended, and in any instrument creating the estate or interest insured by this policy.

For Additional Exceptions, See Schedule B Addendum Attached hereto

Exceptions numbered **are hereby omitted from the Loan Policy.**

The following coverage, as checked, is hereby given with respect to this **Loan Policy** to the same extent as if the endorsement checked was attached to said policy:

- ALTA 4.1 Condominium Endorsement
- ALTA 5 Planned Unit Development Endorsement
- ALTA 6 Variable Rate Mortgage Endorsement
- ALTA 6.2 Variable Rate Mortgage - Negative Amortization Endorsement
- ALTA 7 Manufactured Housing Endorsement
- ALTA 8.1 Environmental Protection Lien Endorsement [This endorsement is hereby completed by adding to the end of paragraph (b) thereof: (CT, MA, RI, VT)-"NONE"; (NH)-"RSA 147B"; (ME)-"MRSA TITLE 38, CHAPTER 13B, SECTION 1361, ET SEQ."
- FNMA Balloon Mortgage Endorsement
- Variable Rate/Convertible Mortgage Endorsement
- Secondary Mortgage Market Endorsement (Rev. 9/96)
- CTA 001.1 Residential Mortgage Endorsement [CT Only]
- Native American Endorsement [CT Only]
- Residential Survey Endorsement [CT Only]

Fidelity National Title Insurance Company

CONTINUATION SHEET

Loan Policy No.:

7. Easement to Connecticut Light and Power Company dated April 1, 1948 and recorded in Volume 101, at Page 235 of the Avon Land Records.

Fidelity National Title Insurance Company

SCHEDULE B - PART II

Loan Policy No.:

In addition to the matters set forth in Part 1 of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

1. Mortgage from Johnny and Janey Sample to Big Bum Bank in the amount of \$25,000 dated May , 2006 and recorded May , 2006 at .m. on the Avon Land Records.



Fidelity National Title Insurance Company

Order Number: CT5129528F-HT

**Fidelity National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE (6/17/06)**

EXHIBIT "A"

The land referred to in this Commitment is described as follows:

A certain piece or parcel of land, with all of the improvements located thereon, located in the Town of Avon and designated as Lot No. 4 on a certain map entitled, "There is No Such Map As This" and filed with the Town Clerk of Avon as Map No. 14598.

Lien Priority Examples

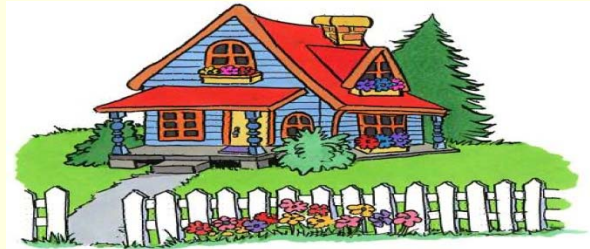
<u>Document</u>	<u>Recordation Info</u>	<u>Priority</u>
1. Deed into owner -	1/15/06 3:00 pm	_____
2. Mortgage -	1/15/06 3:03 pm	_____
3. Mortgage -	1/15/06 3:05 pm	_____
4. Mechanic's lien -	recorded 3/20/06; work commenced 12/15/2005, completed 2/15/2006	_____
5. Tax Lien, list of '05 -	recorded 2/25/06	_____
6. Tax Lien, list of '04 -	recorded 2/28/06	_____
7. Mechanic's lien -	recorded 3/19/06; work commenced 5/10/2005, completed 6/15/2005	_____
8. Release of mortgage-	3/15/2006; Releases Item 2	_____
9. Mortgage -	3/15/2006 2:35 pm	_____
10. Subordination -	3/15/2006 2:37 pm Subordinates Item 3 to Item 9	_____



THE ESSENTIALS OF RESIDENTIAL REAL ESTATE CLOSINGS

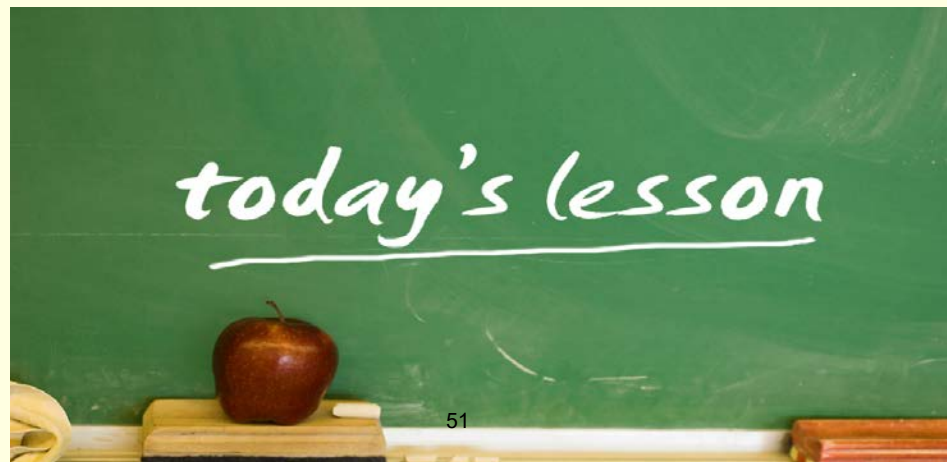
April 26, 2016

Edward Rosenblatt, Esq.
Lisa Lugauskas, Esq.



TOPICS COVERED

BEST PRACTICES
NEW DISCLOSURES/TRID
PRE-CLOSING MATTERS
CLOSING MATTERS
POST-CLOSING MATTERS



What is the CFPB?



Established under **Dodd-Frank Act** in 2011
CONSUMER watchdog organization

STATED GOAL

Consumer Protection

<http://www.consumerfinance.gov/regulations>

PILLARS

7 ALTA Best Practices

Best Practices



Best Practice 1

Licensing

Establish and maintain current licenses as required



State Of New Hampshire
Insurance Department

LICENSE TYPE	LINES OF AUTHORITY	LICENSE EFFECTIVE DATE	LICENSE EXPIRATION DATE
Producer	Title	01/22/2013	09/30/2014

License Number:
National Producer Number:


Commissioner of Insurance

Best Practice 2

Escrow Account

Controls:

**Written procedures &
Controls for trust accounts**



Best Practice 3

Information and Data Privacy

Physical & Network security
Protect \$ & Confidential
consumer info



Best Practice 4

Settlement Policies & Procedures

Ensure Consistent pricing & refund overpayments & record in a timely manner



Best Practice 5

Title Production

Deliver Title Policies & remit premium in a timely manner



Best Practice 6

Errors & Omissions

Fidelity Coverage

Professional liability insurance & bonding



Best Practice 7

Consumer Complaints

Respond to consumer complaints in a timely manner

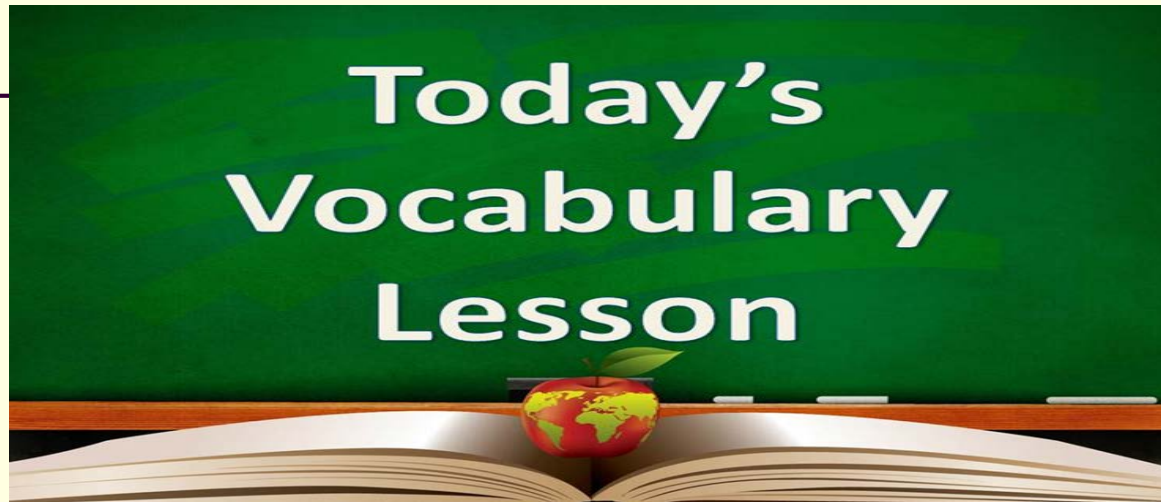


COMBINED (INTEGRATED) DISCLOSURES

GOOD RIDDANCE TO THE HUD!



NEW VOCABULARY LESSON



THEN:

GFE

HUD

TOLERANCE

LENDER

BORROWER

CLOSING

NOW:

LOAN ESTIMATE

CLOSING DISCLOSURE

VARIANCE

CREDITOR

CONSUMER

CONSUMMATION

AFFECTED TRANSACTIONS

The new rules apply to **consumer credit transactions** secured by real property including:

Purchase money
Refinance
(Land) 25 acres or <

Vacant land
Construction
Timeshare
Assumptions



EXEMPTED TRANSACTIONS

Reverse Mortgages

Home Equity Lines of Credit (HELOCs) (21.5%)

Mobile Home Loans

Creditors who originate 5 or < 5 loans/year

DAP LOANS

Energy Efficiency Loans



HELOCs + Reverse Mortgages

are **not** being replaced. For these loans:

Creditors **must issue** a **TILA + GFE**

Settlement agents **must** use a **2010 HUD-1**



LOAN ESTIMATE

FICUS BANK

4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 2/15/2013
 APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
 PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
 SALE PRICE \$180,000

LOAN TERM 30 years
 PURPOSE Purchase
 PRODUCT Fixed Rate
 LOAN TYPE Conventional FHA VA _____
 LOAN ID # 123456789
 RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

Loan Terms

Can this amount increase after closing?

Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest	\$761.78	NO
See Projected Payments below for your Estimated Total Monthly Payment		

The 3 page Loan Estimate replaces the GFE + TILA.

Guarde esta Estimación de Préstamo para compararla con su Declaración de Cierre.

Estimación de Préstamo

FECHA DE EMISIÓN
 SOLICITANTES

PLAZO DEL PRÉSTAMO
 FINALIDAD
 PRODUCTO
 TIPO DE PRÉSTAMO Conventional FHA VA _____
 N.º DEL PRÉSTAMO
 BLOQUEO DE TASA NO SI, hasta el _____ a las _____

INMUEBLE

Antes del cierre, la tasa de interés, los puntos y los créditos del préstamo podrían cambiar, o menos que usted bloquee la tasa de interés. Todos los demás costos de cierre estimados estarán vigentes hasta el _____

PRECIO DE VENTA

Términos del préstamo

¿Puede aumentar este monto después del cierre?

Monto del préstamo

Tasa de interés

Pago mensual de intereses y capital

Consulte la sección de pagos proyectados para saber el total estimado de su pago mensual

LOAN ESTIMATE - 1ST PAGE

FICUS BANK

4321 Random Boulevard - Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 2/15/2013
APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE Conventional FHA VA _____
LOAN ID # 123456789
RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

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

Projected Payments			
Payment Calculation	Years 1-7		Years 8-30
Principal & Interest	\$761.78		\$761.78
Mortgage Insurance	+	82	+ —
Estimated Escrow <i>Amount can increase over time</i>	+	206	+ 206
Estimated Total Monthly Payment	\$1,050		\$968
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	
		In escrow? YES YES	

Costs at Closing		
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

LOAN ESTIMATE - 2ND PAGE

Closing Cost Details

Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097
<hr/>	
B. Services You Cannot Shop For	\$672
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110
<hr/>	
C. Services You Can Shop For	\$3,198
Pest Inspection Fee	\$135
Survey Fee	\$65
Title - Insurance Binder	\$700
Title - Lender's Title Policy	\$535
Title - Settlement Agent Fee	\$502
Title - Title Search	\$1,261
<hr/>	
D. TOTAL LOAN COSTS (A + B + C)	\$5,672

Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	
<hr/>	
F. Prepays	\$867
Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	
<hr/>	
G. Initial Escrow Payment at Closing	\$413
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211
<hr/>	
H. Other	\$1,017
Title - Owner's Title Policy (optional)	
<hr/>	
I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
<hr/>	
J. TOTAL CLOSING COSTS	\$8,054
D + I	\$8,054
Lender Credits	
<hr/>	
Calculating Cash to Close	
Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	- \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054



LOAN ESTIMATE - 3RD PAGE

Additional Information About This Loan

LENDER Ficus Bank
NMLS/___ LICENSE ID
LOAN OFFICER Joe Smith
NMLS/___ LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/___ LICENSE ID
LOAN OFFICER
NMLS/___ LICENSE ID
EMAIL
PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582 \$15,773	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

- Appraisal** We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
- Assumption** If you sell or transfer this property to another person, we will allow, under certain conditions, this person to assume this loan on the original terms. will not allow assumption of this loan on the original terms.
- Homeowner's Insurance** This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
- Late Payment** If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
- Refinance** Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
- Servicing** We intend to service your loan. If so, you will make your payments to us. to transfer servicing of your loan.

Confirm Receipt

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

Applicant Signature _____ Date _____ 68 Co-Applicant Signature _____ Date _____

CLOSING DISCLOSURE



Closing Disclosure merges and replaces the **TILA + HUD-1**

The *5-page* form has itemized charges; no more rollups!

WHO PREPARES THE CLOSING DISCLOSURE?



Lenders Lender will need figures from settlement agent in *advance* to meet the **3 BUSINESS DAYS** disclosure prior to consummation.

CLOSING DISCLOSURE - PAGE 1

Closing Disclosure

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

Closing Information

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

Transaction Information

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

Loan Information

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

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


Projected Payments	Years 1-7		Years 8-30	
Payment Calculation				
Principal & Interest	\$761.78		\$761.78	
Mortgage Insurance	+	82.35	+	—
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+	206.13
Estimated Total Monthly Payment	\$1,050.26		\$967.91	

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	In escrow? YES YES NO
--	---------------------	---	---------------------------------------

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

CLOSING DISCLOSURE - PAGE 2

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				\$405.00
01 Appraisal Fee to John Smith Appraisers Inc.					
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05 Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title - Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00				
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00	\$750.00	
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title - Owner's Title Insurance (optional) to Epsilon Title Co. 	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$1,200.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE - PAGE 3

Calculating Cash to Close

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

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

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION			
K. Due from Borrower at Closing \$189,762.30			
01	Sale Price of Property		\$180,000.00
02	Sale Price of Any Personal Property Included in Sale		
03	Closing Costs Paid at Closing (J)	\$9,682.30	
04			
Adjustments			
05			
06			
07			
Adjustments for Items Paid by Seller in Advance			
08	City/Town Taxes	to	
09	County Taxes	to	
10	Assessments	to	
11	HOA Dues	4/15/13 to 4/30/13	\$80.00
12			
13			
14			
15			
L. Paid Already by or on Behalf of Borrower at Closing \$175,615.04			
01	Deposit		\$10,000.00
02	Loan Amount		\$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to		
04			
05	Seller Credit		\$2,500.00
Other Credits			
06	Rebate from Epsilon Title Co.		\$750.00
07			
Adjustments			
08			
09			
10			
11			
Adjustments for Items Unpaid by Seller			
12	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
13	County Taxes	to	
14	Assessments	to	
15			
16			
17			

CALCULATION			
Total Due from Borrower at Closing (K)		\$189,762.30	
Total Paid Already by or on Behalf of Borrower at Closing (L)		-\$175,615.04	
Cash to Close	<input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		\$14,147.26

SELLER'S TRANSACTION			
M. Due to Seller at Closing \$180,080.00			
01	Sale Price of Property		\$180,000.00
02	Sale Price of Any Personal Property Included in Sale		
03			
04			
05			
06			
07			
08			
Adjustments for Items Paid by Seller in Advance			
09	City/Town Taxes	to	
10	County Taxes	to	
11	Assessments	to	
12	HOA Dues	4/15/13 to 4/30/13	\$80.00
13			
14			
15			
16			
N. Due from Seller at Closing \$115,665.04			
01	Excess Deposit		
02	Closing Costs Paid at Closing (J)		\$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to		
04	Payoff of First Mortgage Loan		\$100,000.00
05	Payoff of Second Mortgage Loan		
06			
07			
08	Seller Credit		\$2,500.00
09			
10			
11			
12			
13			
Adjustments for Items Unpaid by Seller			
14	City/Town Taxes	1/1/13 to 4/14/13	\$365.04
15	County Taxes	to	
16	Assessments	to	
17			
18			
19			

CALCULATION			
Total Due to Seller at Closing (M)		\$180,080.00	
Total Due from Seller at Closing (N)		-\$115,665.04	
Cash	<input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		\$64,414.96

CLOSING DISCLOSURE - PAGE 4

Additional Information About This Loan

Loan Disclosures

Assumption

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

Demand Feature

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

Late Payment

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

Negative Amortization (Increase in Loan Amount)

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

Partial Payments

- Your lender
- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
 - may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
 - does not accept any partial payments.
- If this loan is sold, your new lender may have a different policy.

Security Interest

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

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

Escrow Account

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

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

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

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

In the future,

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

CLOSING DISCLOSURE - PAGE 5

Loan Calculations

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



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

Other Disclosures

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

Contract Details
See your note and security instrument for information about

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

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

state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

state law does not protect you from liability for the unpaid balance.

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

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

Contact Information

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

Confirm Receipt

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

NOTICE OF AVAILABILITY

_____ TITLE INSURANCE COMPANY

NOTICE OF AVAILABILITY OF OWNER'S TITLE INSURANCE

Date: _____

To:

Buying property identified as: _____, Connecticut

A Mortgagee's Policy of title insurance insuring the title to the property you are buying is being issued to your mortgage lender, but that policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of title insurance which provides title insurance coverage to you. The additional cost to you for an Owner's Policy depends upon whether you purchase a standard policy or an enhanced policy. The additional cost for the standard Owner's Policy of title insurance in the amount of _____, if you request it at this time. The additional cost for a Homeowner's Policy (Enhanced) of title insurance in the same amount is _____.

If you are uncertain as to whether you should obtain an Owner's Policy of title insurance, or whether you should obtain a standard Owner's Policy or a Homeowner's Policy (Enhanced), you are urged to seek independent advice.

Authorized Agent or Issuing Office

- I/We do request a standard Owner's Policy of title insurance.
- I/We do request a Homeowner's Policy (Enhanced) of title insurance.
- I/We do not request an Owners Policy of title insurance.

Date: _____

Buyer: _____

Buyer's _____

CLOSING DISCLOSURE FOR A SELLER

Closing Disclosure

Closing Information
 Date Issued
 Closing Date
 Disbursement Date
 Settlement Agent
 File #
 Property
 Sale Price

Transaction Information
 Borrower
 Seller

Summaries of Transactions

SELLER'S TRANSACTION

Due to Seller at Closing
 01 Sale Price of Property
 02 Sale Price of Any Personal Property Included in Sale
 03
 04
 05
 06
 07
 08

Adjustments for Items Paid by Seller in Advance
 09 City/Town Taxes to
 10 County Taxes to
 11 Assessments to
 12
 13
 14
 15
 16

Due from Seller at Closing
 01 Excess Deposit
 02 Closing Costs Paid at Closing (J)
 03 Existing Loan(s) Assumed or Taken Subject to
 04 Payoff of First Mortgage Loan
 05 Payoff of Second Mortgage Loan
 06
 07
 08 Seller Credit
 09
 10
 11
 12
 13

Adjustments for Items Unpaid by Seller
 14 City/Town Taxes to
 15 County Taxes to
 16 Assessments to
 17
 18
 19

CALCULATION

Total Due to Seller at Closing
 Total Due from Seller at Closing
 Cash From To Seller

Contact Information

REAL ESTATE BROKER (B)
 Name
 Address
 License ID
 Contact
 Contact License ID
 Email
 Phone

REAL ESTATE BROKER (S)
 Name
 Address
 License ID
 Contact
 Contact License ID
 Email
 Phone

SETTLEMENT AGENT
 Name
 Address
 License ID
 Contact
 Contact License ID
 Email
 Phone

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

CLOSING DISCLOSURE FOR A SELLER

Closing Cost Details

Loan Costs	Seller-Paid	
	At Closing	Before Closing
A. Origination Charges		
01 % of Loan Amount (Points)		
02		
03		
04		
05		
06		
07		
08		
B. Services Borrower Did Not Shop For		
01		
02		
03		
04		
05		
06		
07		
08		
C. Services Borrower Did Shop For		
01		
02		
03		
04		
05		
06		
07		
08		

Other Costs		
E. Taxes and Other Government Fees		
01 Recording Fees	Deed	Mortgage
02		
F. Prepays		
01 Homeowner's Insurance Premiums (mo.)		
02 Mortgage Insurance Premiums (mo.)		
03 Prepaid Interest (per day from to)		
04 Property Taxes (mo.)		
05		
G. Initial Escrow Payment at Closing		
01 Homeowner's Insurance	per month for	mo.
02 Mortgage Insurance	per month for	mo.
03 Property Taxes	per month for	mo.
04		
05		
06		
07		
08 Aggregate Adjustment		
H. Other		
01		
02		
03		
04		
05		
06		
07		
08		
09		
10		
11		
12		
13		

J. TOTAL CLOSING COSTS

CDF

DELIVERY V. WAITING PERIODS



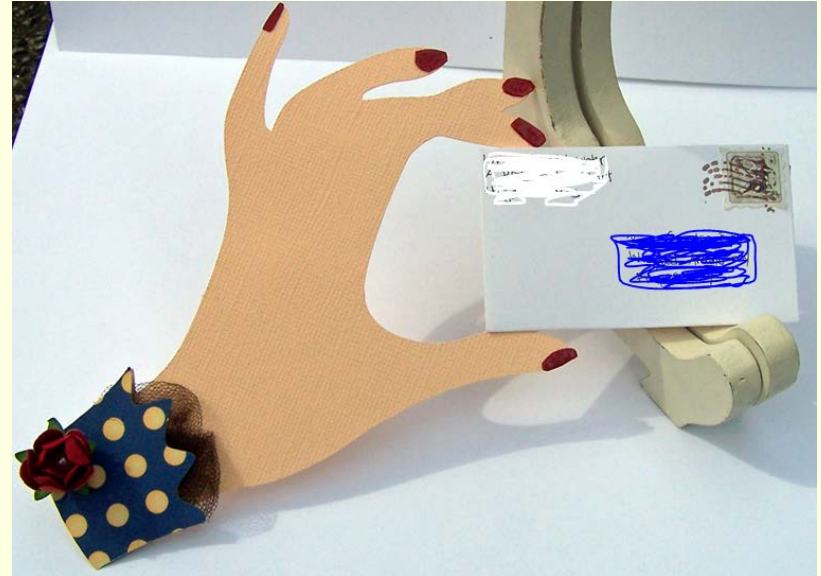
waiting
waiting
waiting
waiting

CDF DELIVERY PERIOD

PROOF OF DELIVERY



or




DELIVERY PERIOD


If the delivery is by any means other **“hand delivery,”** a 3 day **DELIVERY** period must be added.



Closing Disclosure Timing Examples

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Non-Hand Delivery of Closing Disc.	3	4	5 “Delivery” of Closing Disc. Occurs	6	7
		← 3-day delivery →			← 3-day waiting →	
8 3-day waiting (Sunday not counted)	9 First Date Closing May Occur	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

 The 3 day **delivery** period expires on **third day** or upon receipt of **signed confirmation** by borrowers.

 Then the 3 day **waiting** period starts.

WAITING PERIOD HAND DELIVERY



The waiting period is based on **business days** of Monday - Saturday, not Sunday and federal holidays.

Closing Disclosure Timing Examples						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Hand-Delivery of Closing Disc. ←	3 3-day waiting	4	5 First Date Closing May Occur →	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



If the settlement agent or lender **HAND DELIVERS** the Closing Disclosure on a **Monday**, the **soonest** the transaction can close is **Thursday**.

WAITING PERIOD HAND DELIVERY

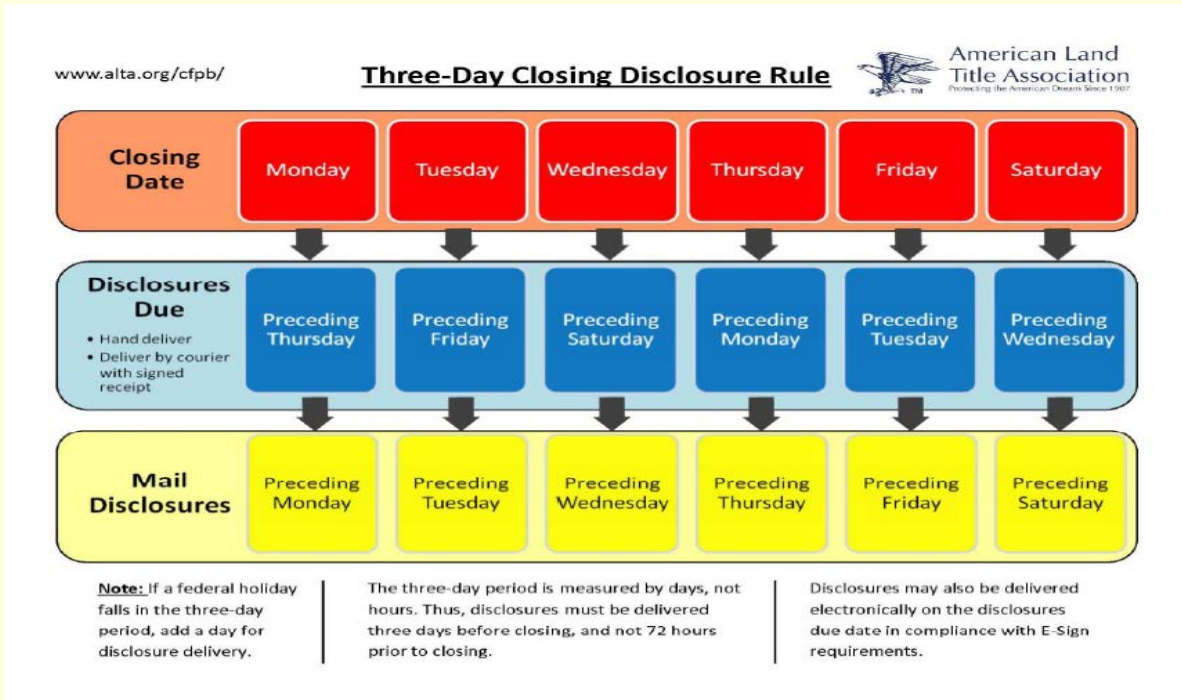


CONSUMERS CAN **WAIVE THEIR RIGHT TO VIEW THE CLOSING DISCLOSURE ONLY IF THEY HAVE A **BONA-FIDE PERSONAL FINANCIAL EMERGENCY** - SOMETHING **RARE AND FACT INTENSIVE**.**



BUT WHAT ABOUT YOU?

When must **YOU** provide the figures to the lender?



1 2 3 4 5 6 7 8 9 1015
(CALENDAR DAYS - CONSUMMATION)

RE-DISCLOSURE REQUIREMENTS

If the creditor makes any of the following changes between the time the Closing Disclosure form is given and the closing, a **new Closing Disclosure** must be **delivered** to the borrower and a **new waiting period** must commence:

1. Changes to the **APR** above 1/8 of 1 % for most loans (and 1/4 % for loans with irregular payments or period)
2. Changes to the **loan product**
3. Addition of a **prepayment penalty**

**RE-
DISCLOSURES
WILL OCCUR
RARELY**

CFPB ADDENDUM

CFPB CLOSING DISCLOSURE ADDENDUM TO CONTRACT

This CFPB Closing Disclosure Addendum to Contract is made and entered into as of _____, and is hereby made part of and incorporated into that certain Connecticut Residential Purchase and Sale Agreement dated _____ (the "Contract") by and between _____ (therein and hereinafter referred to as "Buyer"), and _____ (therein and hereinafter referred to as the "Seller") pertaining to the real property commonly known as _____, Connecticut ("Property");

1. This Addendum shall apply if the Buyer is obtaining a mortgage loan subject to the jurisdiction of the Federal Consumer Finance Protection Bureau ("CFPB").
2. Federal regulation requires timely and accurate disclosure of closing costs in residential mortgage transactions and Lender policies and practices pertaining to the mandated CFPB Closing Disclosure may result in the Lender both 1) preparing the Closing Disclosure containing all final closing costs for both Seller and Buyer and 2) providing the Closing Disclosure to the Buyer within three (3) business days prior to closing. These procedures may result in a delay in the consummation of the transaction if final and accurate closing cost information is not supplied to the Lender in a timely manner.

CFPB ADDENDUM

3. Seller and Buyer recognize that these potential delays may cause material financial hardship to one or both parties in the event the Buyer's Lender does not receive and disclose timely and accurate information pertaining to a) all components of Seller and Buyer closing costs, b) items such as fuel oil, propane gas or other utility charges or adjustments in favor of the Seller (all such costs, adjustments and additions are referred to herein as "utility " or "utilities" costs) and/or c) the cost of pre-closing inspection property damage or the cost to deliver the property in the condition contracted for.

4. The intent of this Addendum is 1) to set forth the respective responsibilities of the Seller and Buyer to transmit to each other in a timely manner all closing costs required to be included in the Closing Disclosure and 2) to specify financial consequences for failure to do so. The parties agree that the responsibilities set forth in this Addendum shall be carried out by their respective attorneys from information obtained by such attorneys with the cooperation of the parties or other designated agents.

5. Therefore, the parties agree as follows:

- a. To the extent the contract stipulates that time shall be of the essence regarding the closing date, the parties hereby waive that stipulation. The parties shall agree as soon as possible on a preliminary date of closing which may be subject to change. The preliminary date of closing shall be referred to for purposes of this Addendum as the "closing date". The closing date may be identical to the closing date set forth in the contract.
- b. The Seller shall transmit to the Buyer's attorney at least 10 days prior to the closing date or revised closing date (the 10-day period prior to the closing date shall be referred to as the Blocked Out Period) all mortgage and lien payoffs, Seller attorney fees, commission amounts and breakdowns, State and Town conveyance taxes, the number of pages of the conveyancing deed and any other expenses required to be disclosed on the Closing Disclosure. Unless specifically permitted by the Buyer's lender, there shall be no Paid Outside of Closing ("POC") items.
- c. The Seller shall be obligated to obtain and transmit to the Buyer, prior to the Blocked Out Period, information sufficient to calculate usual and customary utility adjustments to be paid by the Buyer to the Seller and final utility charges to be paid by the Seller at closing.
- d. The Seller and Buyer shall collaborate to arrive at an appropriate real estate tax adjustment prior to the Blocked Out Period.
- e. A utility charge shall not be adjusted unless the following information is transmitted by fax, mail or email to the Buyer's attorney prior to the Blocked Out Period: 1) in the case of

CFPB ADDENDUM

fuel (whether oil, propane or other fuel), an accurate reading of the fuel remaining in the tank and the price of such fuel calculated in accordance with the contract or 2) in the case of other applicable utilities, statements from the appropriate authority (ies) for water, sewer or other utility. If the cost of fuel is to be an adjustment in favor of the Seller, the resultant adjustment shall be reduced by the cost of 4 gallons of oil per day (and/or a proportionate amount if propane) from the day of transmittal of the information to the day of closing if the day of transmittal occurs during the months of December, January, February or March. Furthermore, the Seller agrees not to add fuel to the tank prior to the closing without the express permission of the Buyer.

- f. If the Seller fails to transmit to the Buyer all utility adjustments in favor of the Seller prior to the Blocked Out Period, the Buyer may perform the calculations using all reasonable and obtainable information. Such calculation shall be final and binding upon the parties.
- g. If the Seller and Buyer do not agree on a real estate tax adjustment prior to the Blocked Out Period, the Buyer shall make the adjustment which shall be final and binding, provided the Buyer's adjustment is based on current real estate tax data for the property and the adjustment is based upon the Uniform Fiscal Year method or such other method provided for in the contract of purchase and sale.

CFPB ADDENDUM

- h. In the event the parties discover at a pre-closing inspection that the property or dwelling sustained damage after the initial physical inspection or that the Seller failed to deliver the property or dwelling to the Buyer in the condition agreed to in the contract of sale and purchase or any amendments thereto, the Seller agrees, at their own cost and expense, to restore the property or dwelling to its condition prior to the damage, or, to deliver the property or dwelling to the Buyer at their own cost and expense in the condition agreed to in the contract or any amendments thereto. The parties may agree on a method of fulfilling the intent of the previous sentence.
- i. Notwithstanding anything to the contrary in the contract or this Addendum, in the event the Buyer's lender requires a redisclosure of the Closing Disclosure resulting in a delay of the closing, such event shall not cause the Buyer to pay the Seller any sums of money for such delay unless 1) the contract contains a liquidated damage clause or a per diem charge for failure to close on or by a specific date and 2) the need for the redisclosure was caused by the failure of the Buyer to provide the Lender with information known to the Buyer or transmitted by the Seller to Buyer prior to the Blocked Out Period.
- j. Nothing contained in this Addendum⁸⁹ shall be construed to make the closing date in the Contract to be of the essence.

CFPB ADDENDUM

IN WITNESS WHEREOF, Seller and Buyers have entered into this Addendum as of the Effective Date specified above.

SELLER: Date Signed

BUYER: Date Signed

SELLER: Date Signed

BUYER: Date Signed

Lender – Agent Collaboration

WHAT DO WE KNOW SO FAR?

ENTITY

DELIVERY/PREP

PORTAL

Bank of America

Lender

Closing Insight

JPMorgan/Chase

Lender

Closing Insight

Wells Fargo

Lender

Closing Insight

Union Bank

Lender

Closing Insight



PRE-CLOSINGS

LET'S BEGIN!

ENGAGEMENT LETTERS

Synonyms?

Used for?

When?

Signed by whom?

Special form?

Exceptions?

Authority?



John Hancock

**CODE OF
PROFESSIONAL
CONDUCT**

THE CONTRACT!



REVIEW OF CONTRACT

- **Diary dates**
- **Watch contingencies**
- **The importance of the proper legal description v. property address**
- **The importance of names of buyer/seller**
- **Adding a 3-day attorney review period**
- **Add the CFPB Rider**

BOARD OF REALTORS CONTRACT



REAL ESTATE PURCHASE CONTRACT Greater Hartford Association of REALTORS®, Inc.



When signed by Buyer and Seller this is intended to be a legally binding contract. If either party has any questions about any aspect of this transaction, he/she should consult with an attorney before signing this Contract.

1. Parties

Buyer

Name(s) _____

Address _____

Seller

Name(s) _____

Address _____

2. Property. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, certain real property, known as

_____ CT _____ ("Property")
Number Street Town Zip Code

3. Fixtures and Personal Property. Except as stated below, all fixtures located on the Property are included in this sale and all personal property located on the Property is excluded from this sale.

See Property Inclusions/Exclusions Rider attached. (CHECK IF APPLICABLE)

The following personal property is INCLUDED (NOT APPLICABLE UNLESS FILLED IN): _____

The following fixtures are EXCLUDED (NOT APPLICABLE UNLESS FILLED IN): _____

4 (a), (b), (c), (d) and (e) BELOW ARE NOT APPLICABLE UNLESS FILLED IN

- 4. Price.** The total purchase price is \$ _____
- (a) Buyer has made the following deposit with this Contract, to be applied to the total purchase price, subject to collection: _____
 - (b) Buyer will make the following additional deposit by cashier's or certified check on or before _____ calendar days after the date that this Real Estate Contract is fully executed, to be applied to the purchase price or closing costs, subject to collection: _____
 - (c) Seller will take back a purchase money note and mortgage as described in the attached rider: _____
 - (d) Buyer will assume the existing mortgage on the Property which, at the closing, will not be in default and will have a principal balance of approximately: _____
 - (e) Buyer will pay the following amount at the closing by cashier's or certified check by obtaining a Bank or institutional Mortgage as described in paragraph 5: _____
 - (f) Buyer will pay the following balance at the closing by cashier's or certified check: _____
 - (g) **TOTAL** (if the total shown in 4(g) exceeds the total purchase price, the excess shall be returned to Buyer at closing.) **\$** _____

5. **Mortgage Contingency.** Buyer will make prompt and diligent efforts to obtain a written commitment for a mortgage loan ("Mortgage") from a bank or other institutional lender on or before _____ ("Mortgage Contingency Date"). Buyer will provide Seller and Broker, not later than the Mortgage Contingency Date, with a copy of any written commitment for a Mortgage obtained by Buyer. Buyer will pay all application fees, points (not to exceed _____), and other charges in accordance with the policies established by the applicable lender. The Mortgage must be on the following terms:

(a) Amount \$ _____ (b) Maximum initial interest rate: _____ % per annum (c) Minimum term: _____ years

(d) Types of mortgage: CHECK THE FOLLOWING AS APPLICABLE:

- Conventional Fixed Rate CHFA FHA Other: _____
 Conventional Variable Rate VA (Seller will pay termite inspection charges if required by the applicable lender.)

Buyer Initial _____ Date _____ Seller Initial _____ Date _____

Copyright ©1995 Greater Hartford Association of REALTORS®, Inc. All rights reserved. Revised 12/13.

(GHAR Form #A-1)

Property Address _____ Real Estate Purchase Contract Page 2 of _____

CHECK ONE OF THE FOLLOWING, AS APPLICABLE:

- Buyer represents that upon obtaining Mortgage, Buyer will have sufficient funds to close without the necessity of selling any real estate.
 Buyer's ability to close is contingent upon the sale of Buyer's property. See attached Rider.

If Buyer cannot obtain a written commitment for the Mortgage, Buyer may terminate this Contract by providing Seller and Broker, not later than the Mortgage Contingency Date, with written notice of Buyer's inability to obtain such commitment.

If Buyer obtains a written commitment but such commitment contains any of the following conditions and such condition(s) has/have not been satisfied on or before the Mortgage Contingency Date: appraisal, lender verification of employment, lender verification that Buyer has sufficient funds to close, lender approval of Buyer's creditworthiness, or if applicable, lender approval of common interest community; then Buyer may terminate this Contract by providing Seller and Broker, not later than the Mortgage Contingency Date, with written notice of Buyer's inability to obtain such commitment.

If the reason for Buyer's termination of this Contract is that the lender to which Buyer applied for the Mortgage denied such application, then Seller shall be entitled to request from and receive from Buyer a copy of the adverse action notice which is required to be delivered to the Buyer by such bank or institutional lender under the Fair Credit Reporting Act. If the reason for Buyer's termination of this Contract is that the commitment received by Buyer did not meet the requirements set forth in this paragraph 5, then Buyer shall provide Seller with a copy of such commitment not later than the Mortgage Contingency Date.

If Buyer does not elect to so terminate, then this Contract will remain in full force and effect free of this mortgage contingency, unless Seller, within seven (7) days from the Mortgage Contingency Date, gives written notice to Buyer and Broker that Seller has elected to terminate this Contract as a result of Buyer's inability to obtain such commitment. If either party so terminates this Contract, then all deposits will be returned to Buyer, and, except as provided in paragraph 17, the obligations of the parties under this Contract shall end.

6. **Deposit and Escrow of Deposits.** The deposit(s) payable under this Contract shall be made at the stated time(s) and shall be made by check (cashier's or certified check, if applicable) payable to the listing Broker. Time is of the essence with respect to payment of such deposit(s), and if any deposit payable under this Contract is not so paid by Buyer at the stated time, and if such failure shall continue for a period of three (3) calendar days thereafter, then until such time as Buyer makes such deposit(s) Seller shall have the right to (a) declare Buyer to be in default and (b) terminate this Contract by written notice to Buyer, and Seller shall thereafter be relieved of all obligations hereunder. All deposits will be held in escrow by listing Broker in accordance with Connecticut law until: CHECK ONE.

- The earlier of (a) the date on which the Buyer obtains the mortgage commitment described in Section 5, or (b) the eighth (8th) day following the Mortgage Contingency Date.
- Transfer of title

In case of a dispute, listing Broker shall continue to hold all deposits until the parties' rights to the deposits are finally adjudicated or agreed upon. If listing Broker initiates or is made a party in any action arising out of a dispute between the parties over deposits, then any and all costs incurred by listing Broker (including, without limitation, attorneys' fees and court costs) shall be paid by the nonprevailing party.

7. **Closing.** The closing will take place on _____ (date) or sooner as mutually agreed by the parties. The closing will be held at the offices of the Buyer's attorney or at such other place as Buyer's mortgage lender may reasonably require.

8. **Possession at Closing; Condition of Property; Risk of Loss.** At the time of closing, possession and occupancy of the improvements and personal property on the Property included in this Contract shall be delivered to Buyer in the condition they were in on the date of this Contract, subject to ordinary wear and use and, except as otherwise agreed by the parties, free of all tenants and occupants. Seller agrees to deliver the Property to Buyer in broom clean condition. Seller agrees (unless the Property is a common interest community and Seller is not responsible for the grounds) to continue to maintain the grounds until closing. Buyer shall have the right to inspect the Property for compliance with this Contract before the closing, upon reasonable notice to Seller. Risk of loss or damage to the Property shall be upon the Seller until the closing.

9. **Other Conditions.** _____

10. **Title.** Seller will transfer fee simple title to the Property to Buyer by a Connecticut form of Warranty Deed, (or Connecticut Form of Fiduciary Deed if Seller is an Executor, Administrator, Conservator or Trustee), subject to (a) any and all provisions of any ordinance, municipal regulation, or public or private law; declarations, restrictions, covenants, and easements of record; any state of facts an accurate survey or personal inspection of the Property might reveal; provided that none of the above interfere with the present location of any building now located on the Property, prevent the use of the Property as a residence, or render title to the Property unmarketable; (b) current taxes and municipal assessments; (c) any mortgage which

Buyer has agreed to assume under this Contract; and (d) the following additional liens and encumbrances which shall be assumed and paid by Buyer in addition to the purchase price (*NOT APPLICABLE UNLESS FILLED IN*): (sewer and water liens will not be assumed by buyer unless specifically stated below)

Buyer Initial _____ Date _____ Seller Initial _____ Date _____
Copyright ©1995 Greater Hartford Association of REALTORS®, Inc. All rights reserved. Revised 6/10. (GHAR Form #A-2)
Property Address _____ Real Estate Purchase Contract Page 3 of ____

11. Adjustments. Adjustments for taxes, association fees, rents, water, fire taxes, sewer, interest, fuel, condominium fees, municipal assessments, and other charges will be made as of the date of closing in accordance with the custom of the Bar Association for the county where the Property is located.

12. Default; Liquidated Damages; Remedies. If Buyer defaults under this Contract and Seller is not in default, Buyer's deposits shall be paid over to and retained by Seller as liquidated damages and both parties shall be relieved of further liability under this Contract, except to the extent of Buyer's obligations under paragraph 17.

If Seller defaults under this Contract and Buyer is not in default, Buyer shall be entitled to any and all remedies provided by law and equity including, but not limited to, specific performance and recovery of amounts spent for mortgage application, appraisal, title search, and tests or inspections. If a legal action is brought to enforce any provision of the Contract, the prevailing party, including a broker who is made party to such action and who has not significantly contributed to the default, shall be entitled to court costs and attorneys' fees.

13. Complete Agreement. This Contract contains the entire agreement between Buyer and Seller concerning this transaction, and supersedes any and all previous written or oral agreements concerning the Property.

14. Non-assignability. Buyer shall not assign its rights under this Contract without the written consent of the Seller.

15. Survival. This Contract shall be binding upon and inure to the benefit of the respective personal representatives, heirs, successors and assigns of Buyer and Seller.

16. Equal Housing Rights. Buyer acknowledges that he/she is aware of his/her right to be shown any home within his/her price range in any area specified by Buyer and which is available to the undersigned REALTOR®.

17. Home, Pest and Environmental Inspection/Tests. Buyer acknowledges that Buyer has had the opportunity to make a full and complete inspection of the Property and other improvements, to the extent desired by Buyer. If Buyer has elected to make a less than thorough inspection, Buyer waives any right to object to any defects in the Property and other improvements that would have been disclosed by a full and complete inspection. Buyer has the right to have the lead inspection or risk assessment described below (unless waived) and the other inspections checked below performed on the Property. Buyer must arrange and pay for all inspections including any additional inspections recommended by the inspector (except if the mortgage described in paragraph 5 is VA, Seller will pay termite inspection charges to the extent required by the applicable lender). Buyer must give Seller written notice of any inspection that does not meet the standards set forth below together with a copy of the relevant pages of the inspection report, on or before _____ calendar days after the date that this Contract is fully executed (Inspection Contingency Date). If Buyer does not give Seller such notice, Seller shall have no responsibility or obligation concerning any condition to which this paragraph 17 applies. At Buyer's sole cost and expense, Buyer shall restore the Property to substantially the same condition it was in immediately before any inspections.

If an inspection report given by Buyer to Seller on or before the Inspection Contingency Date reveals that the Property or other improvements do not meet the terms set forth below and Seller and Buyer cannot reach a mutually satisfactory written agreement regarding these matters, then Buyer may terminate this Contract by giving Seller written notice of termination no later than 3 days after the Inspection Contingency Date. Failure by Buyer to so terminate relieves Seller from all responsibility and obligation concerning any condition to which this paragraph 17 applies. If Buyer terminates this Contract pursuant to Buyer's rights under this paragraph 17, Buyer shall receive all deposited sums and the obligations of the parties under this Contract shall end, except with respect to the obligations under this paragraph 17.

In consideration of the rights of inspection, and whether Buyer exercises such rights or not, Buyer hereby releases Seller, Broker and Co-Broker (if any) from any and all liability related to any defects in the Property or the cost of addressing any environmental condition in the Property of which Seller, Broker or Co-Broker, as the case may be, had no actual knowledge before the execution of this Contract. This release and the obligations and agreements of Buyer contained in this paragraph 17 shall survive the deed and the termination of this Contract.

In completing paragraph 17, Buyer and Seller understand that: If the Property is "target housing" under federal law (meaning with some exceptions, housing built before 1978), Seller must permit Buyer a 10-day period (unless the parties mutually agree in writing to a different time period) to conduct a risk assessment or inspection of the Property for the presence of lead-based paint and lead-based paint hazards before Buyer is obligated under this Contract. Buyer may waive this right of inspection in writing.

BUYER MAY CONDUCT AN INSPECTION OR RISK ASSESSMENT (as defined by federal law) by a licensed environmental inspector or recognized inspection service for lead-based paint and lead based paint hazards in the Property (as those terms are defined by federal regulation) within the time period stated in paragraph 17, with the results being satisfactory to Buyer, provided that Buyer's determination is reasonable in view of the written report of any such inspection. Buyer may waive this right by completing the WAIVER below (if applicable, Buyer executed HUD notice on lead-based substances, attached.

WAIVER. By initialing here: _____, Buyer waives the right to conduct a risk assessment or inspection for the presence of lead-based paint and lead-based paint hazards in the Property. Seller acknowledges such waiver by initialing here: _____

[Applicable Only If Checked]

A HOME INSPECTION performed by an engineer licensed by the State of Connecticut or a home inspection service licensed by the State of Connecticut indicating that the buildings and other improvements located on the Property are structurally sound and that the mechanical, electrical and plumbing systems of any of the buildings are in good repair.

Buyer Initial _____ Date _____ Seller Initial _____ Date _____

Copyright ©1995 Greater Hartford Association of REALTORS®, Inc. All rights reserved. Revised ~~4/4/03~~/14.

(GHAR Form #A-3)

Property Address _____ Real Estate Purchase Contract Page 4 of _____

A TERMITE OR WOOD DESTROYING INSECT INSPECTION performed by a licensed exterminator or inspection service licensed by the State of Connecticut and indicating that the buildings on the Property are not infested by termites or wood-boring insects and that the buildings on the Property are not damaged as a result of such infestation.

OTHER ENVIRONMENTAL INSPECTIONS/TESTS of the buildings located on the Property for asbestos; radon; mold; and _____ (other), performed by a licensed environmental inspector or inspection service licensed by the State of Connecticut, the results of which are satisfactory to Buyer, provided that Buyer's determination is reasonable in view of the written report of any inspection and/or test.

18. **Riders.** The riders which are checked below and which are attached to the Contract are made part of this Contract.

APPLICABLE ONLY IF CHECKED

Attorney Approval Condominium/PUD Insulation (New Homes only) Purchase Money Note and Mortgage
 Perc/Pit Test Sale of Buyer's Residence Contingency (AKA Hubbard) Sale of Buyer's Residence Contingency (Under Contract)
 As Is Appraisal Short Sale Septic/Well Other _____

19. **(a) Property Condition Disclosure Report.** To the extent required by P.A. 95-311, Seller shall furnish Buyer with a Residential Property Condition Disclosure Report before Buyer's execution of this Contract or credit Buyer with \$500 toward the purchase price at closing.

(b) Smoke and Carbon Monoxide Detectors. In the event the Property is a one or two family residence and Seller fails to provide Buyer at closing with an affidavit concerning smoke and carbon monoxide detectors required by P.A. 13-272, Seller shall credit Buyer with the sum of \$250 at closing unless the transaction is otherwise exempted under subsection (e) of such Act.

20. **Notices to Buyer. (a) Lists of Hazardous Waste Sites.** Buyer is notified that the Department of Energy and Environmental Protection is required pursuant to Section 22a-134f of the Connecticut General Statutes to furnish lists of hazardous waste facilities located within the town to the Town Clerk's office. Buyer should refer to these lists and the Department of Environmental Protection for information on environmental questions concerning the Property and the lands surrounding the Property. This paragraph constitutes Seller's notice to Buyer of the availability of such lists, as provided in Section 20-327f of the Connecticut General Statutes.

(b) Lists of Properties where Shooting Sports Conducted. Buyer is notified that a list of local properties upon which hunting or shooting sports regularly take place may be available at the Town Clerk's office. This paragraph constitutes Seller's notice to Buyer of the availability of such lists, as provided in Section 20-327g of the Connecticut General Statutes.

(c) Information Concerning Environmental Matters. Buyer is notified that information concerning environmental matters on the Property and surrounding properties is available from the federal Environmental Protection Agency, the National Response Center, the Department of Defense and third-party providers.

20. Notices to Buyer. (a) Lists of Hazardous Waste Sites. Buyer is notified that the Department of Energy and Environmental Protection is required pursuant to Section 22a-134f of the Connecticut General Statutes to furnish lists of hazardous waste facilities located within the town to the Town Clerk's office. Buyer should refer to these lists and the Department of Environmental Protection for information on environmental questions concerning the Property and the lands surrounding the Property. This paragraph constitutes Seller's notice to Buyer of the availability of such lists, as provided in Section 20-327f of the Connecticut General Statutes.

(b) Lists of Properties where Shooting Sports Conducted. Buyer is notified that a list of local properties upon which hunting or shooting sports regularly take place may be available at the Town Clerk's office. This paragraph constitutes Seller's notice to Buyer of the availability of such lists, as provided in Section 20-327g of the Connecticut General Statutes.

(c) Information Concerning Environmental Matters. Buyer is notified that information concerning environmental matters on the Property and surrounding properties is available from the federal Environmental Protection Agency, the National Response Center, the Department of Defense and third-party providers.

(d) Educational Material Concerning Well Water Testing. If the Property is served by a private well, Buyer is notified that important educational material concerning private well testing is available on the Department of Public Health's web site.

21. Execution by Electronic Methods. The parties agree that they may enter into this Contract (including any amendments and riders hereto) via facsimile (fax) machine and/or email. This consent applies only to this transaction, and either party may withdraw such consent by fax or email or in writing, but such withdrawal will not affect the validity or enforceability of this Contract (or any amendments or riders hereto) after it has been entered into. Faxing, and retention of and access to fax records, requires a fax machine or other appropriate fax technology. Email, and retention of and access to email records, requires a computer, internet account and email software.

Buyer elects to use:

Fax: Fax number is: _____

Email: Email address is: _____

Seller elects to use:

Fax: Fax number is: _____

Email: Email address is: _____

If any party changes its email address or fax number it will promptly notify the other party of the new email address and/or fax number.

22. Broker(s). Buyer and Seller recognize _____ (firm name) and _____ (firm name) as the sole broker(s) in this transaction.

When signed by Buyer and Seller this is intended to be a legally binding contract. If either party has any questions about an aspect of this transaction, he/she should consult with an attorney before signing this Contract.

BUYER

Date: _____

SELLER

Date: _____

EXTENSION AGREEMENTS, if needed



EXTENSION AMENDMENT TO REAL ESTATE PURCHASE CONTRACT Greater Hartford Association of REALTORS®, Inc.



This Amendment is with respect to the Real Estate Purchase Contract (the "Contract") dated _____ between _____ (Buyer(s)) and _____ (Seller(s)) concerning the Property located at _____

[CHECK APPLICABLE ITEM(S)]

1. **Additional Deposit Date.** The date for making the additional deposit (set forth in paragraph 4(b) of the Contract) is extended from _____ to _____

2. **Inspection Contingency Date.** The Inspection Contingency Date (which is _____ (date) under paragraph 17 of the Contract) is extended to _____ with respect to the following inspections ONLY [check one or more]:

- Home Inspection
- Lead Inspection
- Termite or Wood Destroying Insect Inspection
- Asbestos Inspection
- Radon Inspection
- Urea Formaldehyde Foam Insulation Inspection
- Other _____

The period of 3 days for mutually satisfactory agreement and/or Buyer's right to terminate the Contract, as provided in paragraph 17, shall, with respect to the item(s) checked above ONLY, run from the new Inspection Contingency Date stated above.

3. **Septic System and/or Well Inspection Completion Date.** The Completion Date set forth in the Rider to the Contract is extended to _____ with respect to the following inspections ONLY [check one or more]:

- Septic System
- Well System

The period of 3 days for mutually satisfactory agreement and/or Buyer's right to terminate the Contract, as provided in the Rider, shall, with respect to the item(s) checked above ONLY, run from the new Completion Date stated above.

4. **Extension of Inspection Negotiation Period.** The period of 3 days for mutually satisfactory agreement and/or Buyer's right to terminate the Contract, with respect to the following inspections ONLY is extended an additional _____ number of days to _____ (date):

- Home Inspection
- Lead Inspection
- Termite or Wood Destroying Insect Inspection
- Asbestos Inspection
- Radon Inspection
- Urea Formaldehyde Foam Insulation Inspection
- Septic System
- Well System
- Other _____

5. **Mortgage Contingency.** The Mortgage Contingency Date (set forth in paragraph 5 of the Contract) is extended from _____ to _____

6. **Closing Date.** The closing date (set forth in paragraph 7 of the Contract) is changed from _____ to _____

7. **Other.** _____

Except as modified by this Amendment, all other terms and conditions of the Contract shall remain in full force and effect.

BUYER _____

SELLER _____

Date: _____

Date: _____

SELLER'S PROPERTY DISCLOSURE FORM

- **CGS §20-327b**
- **Due upon execution of contract**
- **\$500.00 credit for failure to provide**
- **Residential Real Estate**
 - **4 dwelling units or fewer**
 - **PLUS lead paid Abatement if child < 6**

SELLER'S PROPERTY DISCLOSURE FORM

STATE OF CONNECTICUT
 DEPARTMENT OF CONSUMER PROTECTION
 165 Capitol Avenue ♦ Hartford, CT 06106



RESIDENTIAL PROPERTY CONDITION DISCLOSURE REPORT

Name of Seller(s):
 Property Street Address:
 Property Municipality:

Zip Code:

The Uniform Property Condition Disclosure Act (Connecticut General Statutes Section 20-327b) requires the seller of residential property to provide this disclosure to the prospective purchaser prior to the prospective purchaser's execution of any binder, contract to purchase, option or lease containing a purchase option. These provisions apply to the transfer of residential real property of four dwelling units or less made with or without the assistance of a licensed broker or salesperson. The seller will be required to credit the purchaser with the sum of \$500 or the amount set forth in section 20-327c of the Connecticut General Statutes if said section prescribes a different amount, at closing if the seller fails to furnish this report as required by said act.

Connecticut law requires the owner of any dwelling in which children under the age of 6 reside to abate or manage materials containing toxic levels of lead.

Pursuant to the Uniform Property Condition Disclosure Act, the seller is obligated to answer the following questions and to disclose herein any knowledge of any problem regarding the following:

YES	NO	UNKN	I. GENERAL INFORMATION
			1. How long have you occupied the property? _____ Age of Structure: _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Does anyone other than yourself have any right to use any part of your property, or does anyone else claim to own any part of your property? If yes, explain: _____ _____ _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Is the property in a flood hazard area or an inland wetlands area? If yes, explain: _____ _____ _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Do you have any reason to believe that the municipality in which the subject property is located may impose any assessment for purposes such as sewer installation, sewer improvements, water main installation, water main improvements, sidewalks or other improvements? If yes, explain: _____ _____ _____

6. Heating system problems? If yes, explain and list fuel types. _____

- a. Is there an underground fuel tank? If yes, give age of tank and location. _____

- b. Are you aware of any problems with the fuel tank? If yes explain: _____
- c. (1) During the time you have owned the property, has there ever been an underground storage located on the property? (2) If yes, has it been removed? Yes ___ No ___ (3) If yes, what was the date of such removal and what was the name and address of the person or business who removed such underground storage tank? Provide any and all written documentation of such removal within your control or possession. _____

7. Hot water problems? If yes, explain: _____
Type of hot water heater _____ Age _____
8. Plumbing system problems? If yes, explain: _____
9. Sewage system problems? If yes, explain: _____
Type of sewage disposal system (central sewer, septic, cesspool, etc.) _____
- a. If private: (a) Name of service company _____
(b) Date last pumped _____ Frequency _____
- b. If public:
(1) Is there a separate charge made for sewer use? Yes _____ No _____
(2) If separate charge, is it a flat amount or metered? _____
(3) If flat amount, please state amount and due dates: _____
(4) Are there any unpaid sewer charges? Yes _____ No _____
If yes, state the amount: _____
10. Air conditioning problems? If yes, explain: _____
Air Conditioning type: Central _____ Window _____ Other _____
11. Electrical System problems? If yes, explain: _____

12. Are you aware of any problem with the well or domestic water quality, quantity, recovery, and/or pressure? If yes, explain: _____

- a. Was well water tested for contaminants/volatile organic compounds? If yes, attach a copy of the report.
- b. Are there any unpaid water charges? If yes, state the amount: _____

14. Are there carbon monoxide or smoke detectors located in a dwelling on the property? If yes, state the number of such detectors and whether there have been any problems with such detectors.

15. Fire sprinkler system problems? If yes, explain: _____

YES NO UNKN

III. BUILDING/STRUCTURE/IMPROVEMENTS

16. Foundation/slab problems/settling? If yes, explain: _____

17. Basement Water/Seepage/Dampness? If yes, explain amount, frequency and location.

18. Sump pump problems? If yes, explain: _____

19. Roof leaks? If yes, explain: _____
Roof type: _____ Age: _____
20. Interior walls/ceiling problems? If yes, explain: _____

21. Exterior siding problems? If yes, explain: _____

22. Floor problems? If yes, explain: _____

23. Chimney/fireplace/wood or coal stove problems? If yes, explain: _____

24. Fire/smoke damage? If yes, explain: _____

25. Patio/deck problems? If yes, explain: _____

- If made of wood, is wood treated or untreated? _____
26. Driveway problems? If yes, explain: _____

27. Termite/insect/rodent/pest infestation problems? If yes, explain: _____

SELLER'S PROPERTY DISCLOSURE FORM

EXEMPTIONS:

- (1) Any transfer from 1 > 1 co-owners solely to 1 > 1 co-owners;
- (2) transfers made to the spouse, mother, father, brother, sister, child, grandparent or grandchild of the transferor where \$0 consideration
- (3) transfers pursuant to an order of the court;
- (4) transfers by the Fed Govt or any political subdivision thereof;
- (5) transfers by deed in lieu of foreclosure;
- (6) any transfer of title incident to a refinance
- (7) transfers by mortgage deed or other instrument to secure a debt when the transferor's title to the real property being transferred is subject to a preexisting debt secured by a mortgage; and
- (8) transfers made by executors, administrators, trustees or conservator

TIME TO ORDER THE TITLE SEARCH



EARLY SEARCH

- **ORDER THE TITLE SEARCH AT CONTRACT STAGE**
- **CONSIDER ADDING A FEE IN YOUR ENGAGEMENT LETTER FOR SEARCH NOT RESULTING IN CLOSING**
- **TITLE CLEARANCE ISSUES CAN BE DEALT WITH EARLY**
- **WILL NOT CAUSE ADDITIONAL DELAY WITH LENDER**

ACCEPTABLE TITLE SEARCH

- **Attorney's own search**
 - **Full Search – 40 year**
 - **2 owner**
 - **Present owner**

- **Liability if performing search yourself**
- **Use title insurance company**

- **ORDER THE SEARCH EARLY**
- **PROVIDE SELLER A COPY EARLY**

WHAT DOES THE "TITLE REQUEST" CONSIST OF?

Lender requires:

- Closing protection letter
- Title commitment
- Tax information
- Hazard binder + paid receipt
- Closing figures (preliminary HUD/CD)
- Wire instructions
- Errors & Omissions Dec page



TITLE SEARCH REVIEW

- Review the Examination. It should contain:
 - Owner of record
 - Outstanding mortgages
 - Encumbrances
 - Recorded liens and attachments
 - Every name in the chain of title
 - Tax information
 - Field Card from Assessor's Office
- Issues for closing – which mortgages, liens, attachments, etc. need to be paid, which are clearance issues (missing discharges). Any organizational documents needed (if seller is an entity not individual).
- Review legal description.

UNRELEASED PRIOR MORTGAGES

Possibility of:

Statutory Affidavit

Standards of Title

Other Statutory Affidavits

Letter of Indemnity to other title companies

Procuring Release

Consider Release Tracking

****Call your underwriter****

Title Insurance Commitment

A conditional commitment to issue a title insurance policy.

Required by lender prior to clear to close.

Here are the parts:

Title Insurance Commitment

1. **The Cover Page – it contains the language “committing” to issue a policy. Six month expiration.**
2. **List of Conditions**
3. **Schedule A – Identifying Info**
4. **Schedule BI - Requirements**
5. **Schedule BII – Exceptions to Title**
6. **Exhibit A – Legal Description**

LET'S TALK ABOUT:

THE SELLER'S DUTIES



SELLER'S ATTORNEY: PREPARING FOR THE CLOSING

A. Obtain:

Copy of Buyer's Commitment

Receipts for work done/Waivers

If short sale, obtain short sale letter

Obtain Probate Court approval, if necessary

Clear Title Issues

Mortgage payoff(s) – Watch for FHA payoffs

Adjustments/figures

Deposit

Money if under water

Keys



SELLER'S ATTORNEY: PREPARING FOR THE CLOSING

Responsible for preparation of:

Deed

Conveyance Tax forms

POA

Owner's Affidavit

1099 or Certification

FIRPTA

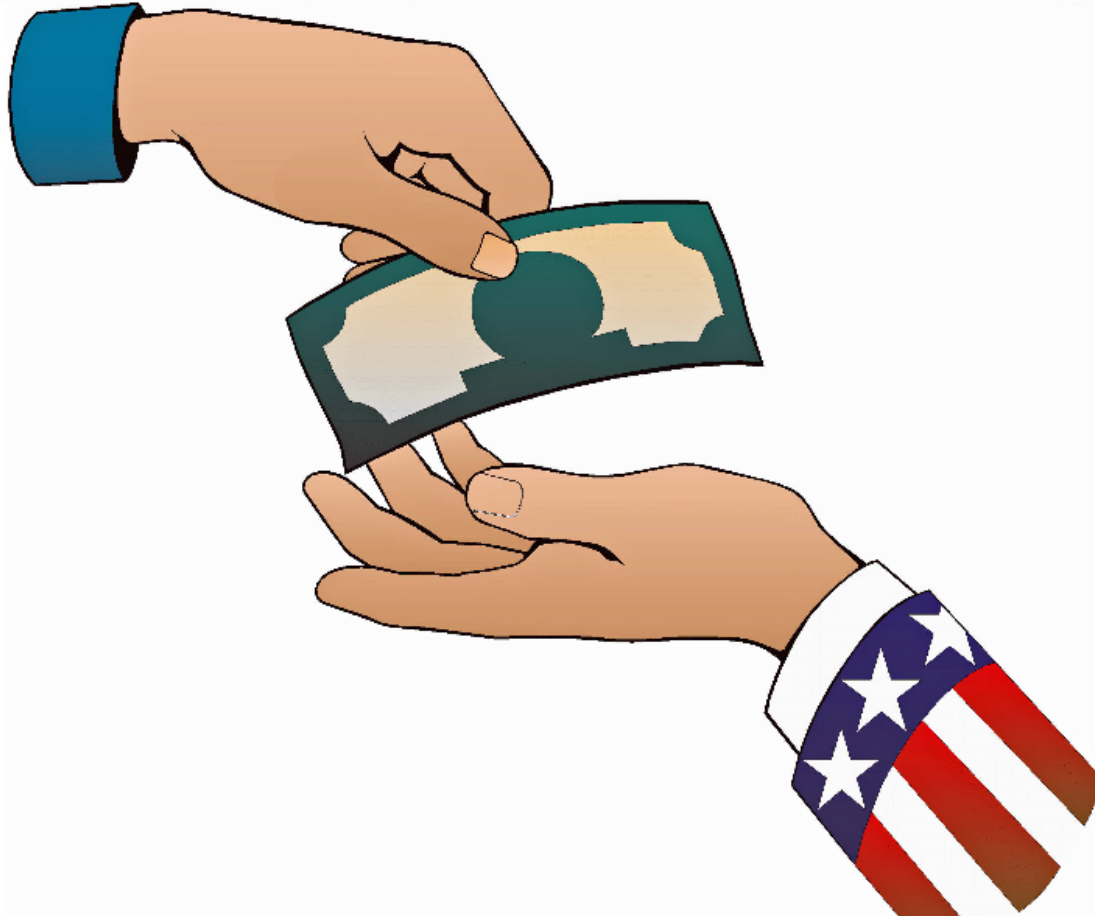
Mortgage Payoff Transmittal Letter

Water Letter

Undertaking & Indem letter



CONVEYANCE TAXES



OP-236

122

Real Estate Conveyance Tax Return

LOCAL CONVEYANCE TAXES

DISTRESSED TOWNS

	<u>RATE</u>
BLOOMFIELD	.50%
BRIDGEPORT	.50%
BRISTOL	.50%
EAST HARTFORD	.50%
GROTON	.50%
HAMDEN	.50%
HARTFORD	.50%
MERIDEN	.50%
MIDDLETOWN	.50%
NEW BRITAIN	.50%
NEW HAVEN	.50%
NEW LONDON	.50%
NORWALK	.50%
NORWICH	.50%
SOUTHINGTON	.50%
<u>STAMFORD</u> (GRADUATED TAX)	<u>.35%</u>
WATERBURY	.50%
WINDHAM	.50%

EXEMPTIONS FROM CONVEYANCE TAXES

AFTER OCTOBER 1, 2010:

- **STRICT FORECLOSURE: Sale by REO – no exemption**
- **FORECLOSURE BY SALE:**
Committee Deeds are again *exempt* from State & Local Conveyance Tax
(June Special Session 2010 – Public Act 10-1)
- **DEEDS IN LIEU:**
Exempt from State & Local Conveyance Tax IF primary residence
(June Special Session 2010 – Public Act 10-1)
- **SHORT SALES:**
Exempt from State & Local Conveyance Tax IF primary residence
(June Special Session 2010 – Public Act 10-1)

FIRPTA

What is FIRPTA?

FIRPTA

- FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980
- TAX IMPOSING income tax on foreign persons disposing of United States real property interests.
- Tax is imposed on the amount of **gain** seller recognized.

FIRPTA

Purchasers of real property interests are required to **withhold tax (10%)** of sales price.

Withholding may be **reduced** from the standard 10% to an amount that will cover the tax liability, upon **application** in advance of sale to the Internal Revenue Service.

FIRPTA

GET AN AFFIDAVIT:

**NON-FOREIGN CERTIFICATION
INDIVIDUAL
ENTITY**

**FOREIGN CITIZEN AFFIDAVIT
STATUTORY EXCEPTIONS**

FIRPTA W/HOLDING EXCEPTIONS

Withholding is **not** required if:

- By a purchaser for use as a residence for a < **\$300,000**, OR
- Where the purchaser receives a statement from the seller that the seller is not a foreign person (**FIRPTA AFFIDAVIT**)
- Upon acquisition of an interest in a nonpublicly traded domestic corporation where the corporation provides the required affidavit. (**FIRPTA AFFIDAVIT**)
- Upon acquisition of shares of a **publicly traded corporation**.
- You receive a **withholding certificate** from the IRS excusing withholding.
- **The amount the transferor realizes on the transfer of a U.S. real property interest is zero.**
- The property is acquired by the **United States**,

PATRIOT ACT



PATRIOT ACT NAME SEARCH

- **OFAC** (Office of Foreign Assets Control)

What is it?

- Executive Order (13224) signed by Bush and Federal Law (Pub. L. No. 107-56, 115 Stat. 272 (2001)).

When was it enacted?

- 10/26/01

PATRIOT ACT NAME SEARCH

What is it designed to do?

(Money laundering abuses)

Strengthen and widen the scope of existing federal anti-money laundering laws in an effort to **reduce** a possible source of **funding to terrorist groups**.

Verify the identity of any person opening an account to determine if that person's name appears on the list of known or suspected terrorists or terrorist organizations.

Eg – Cat Stevens, Barak Obama

PATRIOT ACT NAME SEARCH

Who is obligated to conduct a Patriot's Act name search?

Financial institutions

Attorneys representing financial institutions

Transactional attorney – attorney conducting a closing.

What do you do if a name pops up on the list?

- Call the Treasury Hotline

1099



1099

- <http://www.irs.gov/pub/irs-pdf/i1099s.pdf>
- **What is it?**
- **Who prepares it?**
- **Exceptions?**
- **Exemptions**

1099

- What is it?
- IRS form for **reporting the proceeds** from real estate sales.

- When must it be used?
 - Sale of improved or unimproved Land
 - Residential, commercial or industrial building
 - Stock in a cooperative housing corporation

1099

Who prepares it?

- Settlement Agent
- Borrower's Attorney
- Seller's Attorney
- Mortgage lender
- Broker

Where does it get filed?

- IRS

When must it be filed?

- February 28th

1099 EXCEPTIONS

- Sale of principal residence for \$250,000 (single person) or \$500,000 (married couple) – Use Certification Form for non-filing
 - Burial plot or vault
 - Transaction for < \$600.00 (de minimus transfer)
 - Gifts
 - Foreclosure, transfer in lieu of foreclosure
 - Unaffixed, manufactured structure (mobile home)
 - Volume transferors - > 25 transfers to > 25 transferees
 - Crops or natural resources
-
- ESTATES ARE NOT EXEMPT
 - 1031 exchanges are NOT exempt
 - Easements for > 30 years ARE reportable

1099 EXEMPT SELLERS

- **Corporations**
- **Government unit**
- **International organization**
- **REO (possibly – if they are a corporation, they're exempt. But if title is held in an LLC or a Trust, they are not automatically exempt).**
- **Trust is a disregarded entity**

SELLER DOCS



Deeds

Statutory v. Non-Statutory

“WITH _____ COVENANTS”

CGS §47-36C *et seq.*

TENANCIES

TENANTS IN COMMON

JOINT TENANCY

or

BY THE ENTIRETY



TITLE TO DECEDENT'S ESTATES

TESTATE ESTATES

Dying with a **VALID** Will



FIDUCIARY'S POWERS ACT

REVIEW WILL:

§45a-233 *et seq.*:

- Retain original property
- **Sell or mortgage property**
- Invest, Pay taxes and expenses
- Litigate, Distribute
- **Manage real property**
- Deal with trusts, Continue Business
- Sue or be sued, Disclaim Property ...

INTESTATE ESTATES

Sale of Estate Property

MUST OBTAIN PROBATE COURT APPROVAL TO MORTGAGE OR SELL

APPLICATION:§45a-162

Court may order the sale – if it's in the best interests of the estate – if debtor is insolvent – after notice.

DECREE

+ 30 day appeals period after decree!

THE NEED TO PROBATE

IF TESTATE:

Fiduciary's Powers?

No court permission

Estate Tax Release

What to record:

Cert of Appointment

Estate Tax Release

IF INTESTATE

Need Court Decree

Estate Tax Release

What to record:

Cert of Appointment

Decree authorizing sale

Estate Tax Release

EXCEPTIONS TO RELEASES OF ESTATE TAX

- No need to obtain Release of Lien if decedent is dead > 25 years.
- Standards of Title 23.1:

B. Where more than twenty-five years have passed since the devolution of title upon death, the mere possibility of a succession tax lien shall not render that title unmarketable, even though neither the land records nor the probate records, if any, evidence determination or payment of a succession tax.



DELEGATION OF AUTHORITY

- **NO** ABILITY TO DELEGATE AUTHORITY TO A POA IN AN **INTESTATE** ESTATE!



SURVIVING SPOUSE ISSUES

SURVIVORSHIP ISSUES – SPOUSES

Old Way: If spouses hold title in survivorship, upon the death of the first spouse, the surviving spouse can execute and record a “**Surviving Spouse Affidavit**” and avoid probating deceased spouse’s estate.

**Now: Must now follow up and obtain
RELEASE!**

SPECIFIC DEVISEES

CGS §45a-428

Get release, consent or authorization from specific devisees

LIFE USES

LIFE USE DEEDS

Whose “Measuring Life”

LU ENDS ON DEATH BUT:

A. RESERVED LU

Must obtain Tax
Clearance upon death

B. GRANTED LU

No Tax Clearance
required on death



RELEASE OF LIFE USES

LIFE USE

Release

Or

QC Deed

RELEASE OF LIFE USE

KNOW ALL MEN BY THESE PRESENTS:

That I _____ of the Town of _____, County of _____ and State of _____, do hereby fully release a "LIFE USE" reserved unto myself, the said Releasor in a Warranty Deed from _____ to _____, dated _____ and recorded _____ in Volume _____ at Pages _____ of the _____ Land Records.

IN WITNESS WHEREOF, the undersigned has caused to be set her hand and seal this _____ day of _____, 200

Signed, Sealed and Delivered
in the Presence of

STATE OF)
) ss:
COUNTY OF)
On this the _____ day of _____, 200

_____ before me the undersigned officer

POWERS OF ATTORNEY



POAs - DURABILITY

SURVIVAL OF AUTHORITY UPON DISABILITY AND INCOMPETENCE OF PRINCIPAL

This power of attorney **SHALL NOT** be affected by the subsequent disability or incompetence of the principal.



AFFECT OF CONSERVATORSHIP?

DURABLE POA?

C.G.S. § 45a-562. POA to survive disability or incompetence. (b) If a **conservator of the estate** is appointed **after** the occurrence of the disability or incompetence, the POA **shall cease** ... and the POA shall account to the **conservator** rather than to the principal.



STATUTORY v. TRANSACTION SPECIFIC POA?

Your call!



See Samples.....

STATUTORY POAs

C.G.S. §45a-175

OVERLY BROAD:

(Strike out and initial in the opposite box any one or more of the subdivisions as to which the principal does NOT desire to give the agent authority. Such elimination of any one or more of subdivisions (A) to (L), inclusive, shall automatically constitute an elimination also of subdivision (M).)

To strike out any subdivision the principal must draw a line through the text of that subdivision AND write his initials in the box opposite.

(A) real estate transactions;	()
(B) chattel and goods transactions;	()
(C) bond, share and commodity transactions;	()
(D) banking transactions;	()
(E) business operating transactions;	()
(F) insurance transactions;	()
(G) estate transactions;	()
(H) claims and litigation;	()
(I) personal relationships and affairs;	()
(J) benefits from military service;	()
(K) records, reports and statements;	()
(L) health care decisions;	()
(M) all other matters;	()



Transaction Specific POA

NOT BROAD ENOUGH:



Transaction Specific POA

NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING THEY ARE DEFINED IN CONNECTICUT STATUTORY SHORT FORM POWER OF ATTORNEY ACT, SECTIONS 1-42 TO 1-56, INCLUSIVE, OF THE GENERAL STATUTES, WHICH EXPRESSLY PERMITS THE USE OF ANY OTHER OR DIFFERENT FORM OF POWER OF ATTORNEY DESIRED BY THE PARTIES CONCERNED.

Know All Men by These Presents, which are intended to constitute a GENERAL POWER OF ATTORNEY pursuant to Connecticut Statutory Short Form Power of Attorney Act:

That _____, of the Town of _____, County of _____ and State Connecticut do hereby appoint _____ of _____, Connecticut, my attorney-in-fact TO ACT:

First: In my name, place and stead in any way which I, myself, could do, if I were personally present, with respect to the following matters as each of them is defined in the Connecticut Statutory Short Form Power of Attorney Act to the extent that I am permitted by law to act through an agent:

to execute any and all necessary papers, contracts, documents, settlement statements, deeds, etc., in connection with the purchase of property known as _____, Connecticut.

Second: With full and unqualified authority to delegate any or all of the foregoing powers to any person or persons whom my attorney-in-fact shall select.

Third: Hereby ratifying and confirming all that said attorney or substitute does or causes to be done.

Fourth: The authority herein granted to my attorney-in-fact shall not in any way be terminated or revoked on account of any subsequent disability or incompetence of me. It being my intention that this power of attorney shall not be affected by the subsequent disability or incompetence of me.

TERMINATION OF POA

WHEN DOES A POA TERMINATE?

DEATH

REVOCAION

EXPIRATION

INCAPACITY (IF NOT DURABLE)

CONSERVATORSHIP OF ESTATE

RELEASE



NECESSITY OF AFFIDAVITS

AFFIDAVIT RE- NON-REVOCATION!

AFFIDAVIT

STATE OF CONNECTICUT)

COUNTY OF _____)

ss: _____

The undersigned, _____, being duly sworn, hereby deposes and says:

1. That I was appointed Attorney-In-Fact for _____, pursuant to a written Power of Attorney dated _____, conferring the powers to act as set forth therein, a copy of which is annexed to a made a part of this Affidavit.
2. That at the time of the execution of this Affidavit, _____ is **alive** and I have no actual knowledge or **actual notice** of the **revocation or termination** of the Power of Attorney, by death or otherwise, or notice of any facts indicating such revocation or termination.
3. That I make this Affidavit in order to induce _____ to accept the delivery of an

The above statements are true to the best of my knowledge and belief.

Subscribed and sworn to before me this _____ day of _____, 200

Gift Giving POAs

- To self
- To others
- Self- serving??
- Court approval?

- Look to intent



SAMPLE GIFT GIVING LANGUAGE

To make gifts **to my spouse and issue in any amounts**, of my **personal or real** propertywithout limitation, the following actions:

This power includes the ability of the attorney in fact to make gifts to **himself/herself**, as my attorney-in-fact shall deem appropriate.

Such gifts to himself/herself **shall not constitute self-dealing** or breach of fiduciary duty;

ACT SEVERALLY v. JOINTLY?

That I..... (insert name and address of the principal) do hereby appoint (insert name and address of the agent, or each agent, if more than one is designated) my attorney(s)-in-fact **TO ACT**

If more than one agent is designated and the principal wishes each agent alone to be able to exercise the power conferred, insert in this blank the word '**severally**'. Failure to make any insertion or the insertion of the word '**jointly**' shall require the agents to act jointly.



SEPARATE



NECESSITY TO RECORD

HUMANS:

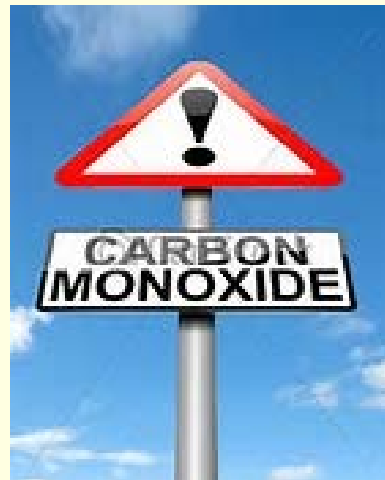
C.G.S. §47-10...When a conveyance is executed by a POA, the POA shall be recorded with the deed, unless it has already been recorded...

WHEN: BEFORE OR AFTER!

CORPORATIONS:

Corporations need not record POAs:
Standards of title 28.3 (Comment 6)

SMOKE + CO2 AFFIDAVIT



SMOKE + CO2 AFFIDAVIT

- PA 13-372 then PA 14-219
- Effective in 1/1/14; revised in 7/1/14
- Affidavit
- Home is equipped with **smoke + Co2**
- In **good working order**
- In **vicinity** of each **bedroom**
- Capable of producing **alarms**
- **Installed** properly
- Contain **instructions**
- **Hard wired** or **battery operated** w plug in

For use in certain Connecticut Real Estate Transactions
AFFIDAVIT CONCERNING SMOKE AND CARBON MONOXIDE DETECTORS
Pursuant to Connecticut Public Act 14-219, Effective July 1, 2014

(Prior to transferring title to real property containing a residential building designed to be occupied by one or two families)*

State of _____)
) ss:
County of _____)

I/We, _____, being the owner(s) of premises situated in _____, Connecticut, known as _____, swear that they have no reason to believe the following statements are untrue:

(A) EXEMPTION FOR NEWER HOMES: a building permit for new occupancy of the premises named above was issued on or after October 1, 2005. *(If checked, skip rest of form and sign below before a notary or commissioner of the superior court)*

(B) PARTIAL EXEMPTION FOR CERTAIN HOMES: a building permit for new occupancy of the premises named above was issued on or after October 1, 1985. *(If checked, skip to Section D below)*

(C) SMOKE DETECTORS: The premises named above is equipped with smoke detection equipment in working order that is capable of sensing visible or invisible smoke particles, is installed in accordance with the manufacturer's instructions and in the immediate vicinity of each bedroom, and is capable of providing an alarm suitable to warn occupants when such equipment is activated. The smoke detector(s) are:

- Hard-wired
- Battery-operated or plug-in with battery backup

(D) NO COMBUSTION: the premises named above does not contain any fuel-burning appliance, fireplace or attached garage. *(If checked, skip Section E and sign below before a notary or commissioner of the superior court)*

(E) CARBON MONOXIDE DETECTORS: The premises named above is equipped with carbon monoxide detection equipment in working order that is capable of sensing carbon monoxide present in parts per million, is installed in accordance with the manufacturer's instructions, and is capable of providing an alarm suitable to warn occupants when such equipment is activated. The carbon monoxide detector(s) are:

- Hard-wired
- Battery-operated or plug-in with battery backup

Nothing in this affidavit shall constitute a warranty beyond the transfer of title. By acceptance of this affidavit, Buyer(s) acknowledge that affiants possess no special technical knowledge regarding the inner workings of smoke and carbon monoxide detectors and that Buyer(s) have had an opportunity to perform a home inspection and have had the opportunity of assessing whether the installed detectors satisfy the requirements detailed above.

I/We understand that I/We will credit the Buyer(s) with the sum of \$250 at closing for failing to provide this affidavit.

Owner

Owner

Subscribed and sworn to, before me, this _____ day of _____.

SMOKE + CO2 AFFIDAVIT

Exemptions Part 1

Exemptions:

- **1. Non-residential building**
- **2. Not Occupied by 1 or 2 families**
- **3. Bldg permit after 10/1/05**
- **4. CO issued after 10/1/85**

SMOKE + CO2 AFFIDAVIT

Exemptions Part 2

Exemptions - Transfers:

- **1. Between Co-owners**
- **2. Between family members for \$0**
- **3. Pursuant to Court Order**
- **4. By Federal Govt or political subdivision**
- **5. Deed in Lieu of Foreclosure**
- **6. Refinancing mortgage deed**
- **7. Made by Fiduciaries**

Short Sales

The Basics

■ **Our Working Definition:**

■ A real estate transaction in which a lienholder has agreed in writing to release its lien for less than the full amount due it.

Part 1 – Some Basic Principles

- Cardinal Rule No. 1:

- Read the Bible – The lien holder's written agreement. Consider it both a payoff letter and a reverse “commitment letter.” If there is more than one such letter for a transaction, they are several “books” of the same bible.

It should answer the following questions:

1. What is the release payment amount?
2. Will personal liability remain?
3. If so, how will it be evidenced/collateralized?

-
4. What payments are permissible to other lien holders?
 5. What payments are permissible to other parties (e.g. real estate agents, consultants, etc.)
 6. What is the deadline for closing and how can that be extended if necessary?

Unlike the traditional Bible, each book of yours should contain its author's signature.

-
- If the letter comes from a party other than the mortgagee, such as a servicer, make sure that party has due authority.

-
- Cardinal Rule No. 2:
 - The Short Sale Begins At Contract – Seller’s Counsel: Include a contingency for short sale approvals and lots of time to obtain them, including extensions, if necessary. Buyer’s Counsel: Include a right to cancel without penalty after a certain amount of time or number of extensions.

Cardinal Rule No. 3:

Allow Approximately Forever for Short Sale Approval – If both sides are aware that this will be a short sale, they will not be shocked at the time it takes to get from contract to closing. More than one lien holder? Allow even more time!

- Cardinal Rule No. 4:

- Avoid Malpractice –

- Advise your selling client of the income tax implications of short sales!

- **Foreclosure –**
 - **Special Considerations**
1. **When payment is made *prior* to the entry of judgment.**
 - **a. Make sure your agreement provides for a withdrawal of the action and release of the lis pendens as well as the mortgage.**

-
- **b. Beware of relying on 49-10a(a) and requesting payoff directly from the mortgagee. Its foreclosure counsel may have other costs and fees!**
-

-
- **2. When payment is made *after* the entry of judgment.**
 - **a. Best strategy is to reopen the judgment *before* closing and seek extended law days/sale date. While judgment is pending, there is no mortgage!**

b. If judgment is not opened before closing, the payoff amount will be insufficient to satisfy the judgment. This will require judgment to be reopened and action withdrawn after closing but before passage of the first law day or the sale date – a tight squeeze!

c. Motion to reopen judgment may face opposition from junior lien holders if they (i) are preparing to redeem, or (ii) somehow believe they will be better off with a sale.

d. If lender accepts short sale payment while judgment is pending and files a satisfaction of judgment instead of reopening (because of time limitations), Section 49-21 applies to clearing title.

**After closing and payoff,
the penalty provisions of §49-8 probably
apply.**

**Fidelity's FNTrack Plus program
to the rescue!**

Counsel for both sides should treat short sale payoffs the same as any mortgage payoffs made at closing, i.e., writing payoff checks, transmitting the payoff, sending out payoff notification pursuant to §49-10b, indemnification and undertaking agreements, etc.

Follow the same post-closing title clearing procedures as you would for any mortgage payoff.

NOW LET'S GET BACK TO

BUYER/BORROWER

MORTGAGE COMMITMENT

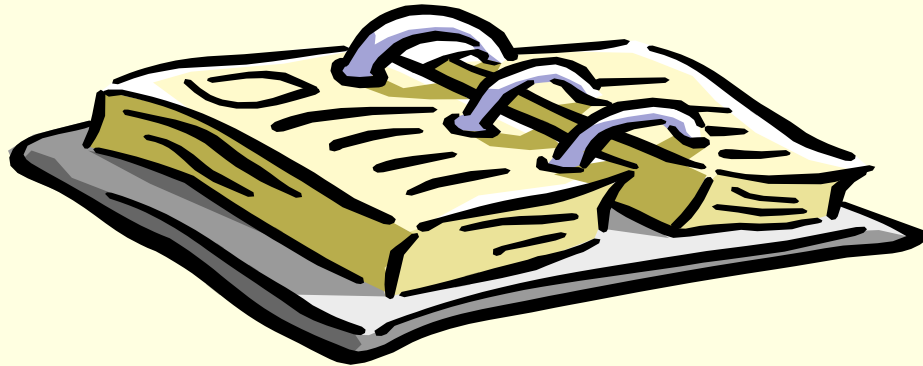
- **Review carefully**
- **Review standard exceptions**
 - **Verification of Employment**
 - **Verification of Income**
 - **Proof of funds**
 - **Make sure receipt of appraisal is not a condition**
- **Check for odd conditions**
 - **Gift letters**
- **Check for fee-lock expirations**

CLEAR TO CLOSE



SCHEDULING THE CLOSING

WHO? WHERE? WHEN?



THE LOAN PACKAGE ARRIVES:

1. REVIEW CLOSING INSTRUCTIONS

- a. Any lender requirements?
- b. Any special instructions?

2. REVIEW LOAN DOCUMENTS

- a. Are names correct?
- b. Is address (zip, street, town, county) correct?
- c. Is closing date on docs correct?
- d. Review SPECIAL terms of loan with client
- e. No stamps



3. PREPARE CD FOR LENDER'S APPROVAL

END OF PRE-CLOSING

**NOW LET'S DISCUSS
THE CLOSING ITSELF**

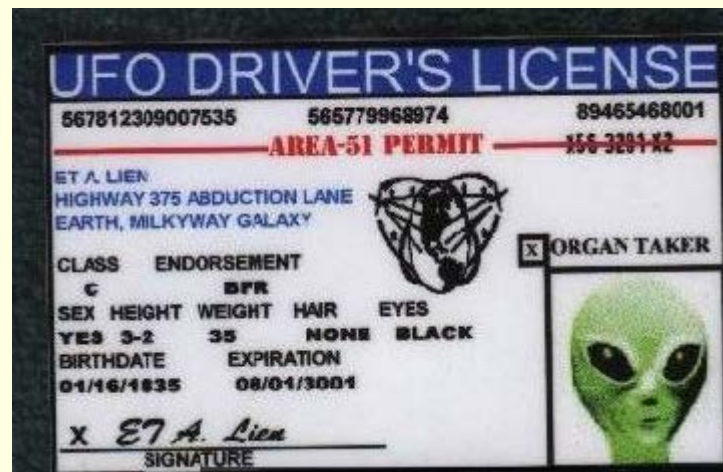
ANY QUESTIONS SO FAR?

THE CLOSING

- **Execute Loan Docs**
- **Execute RESPA**
- **Confirm ID of parties**
- **Review Seller Docs**
- **Obtain receipts for work done**
- **Discuss walk-through items**
- **Confirm Funding**
- **Exchange checks**

IDENTITY OF PARTIES

- How and when to establish Identity
 - Buyer
 - Seller
 - Copy of license in file
 - If seller pre-signed??



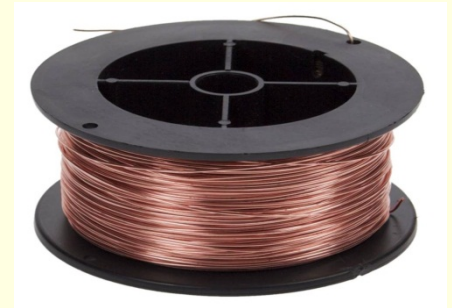
DISBURSEMENTS



- Money in = Money out!!! (ABSOLUTELY NO EXCEPTIONS)

- IOLTA Account

- HOW MUCH
- HOW LONG
- OPT OUT



- How the lender will fund:
Net or gross funds, wire or hard check

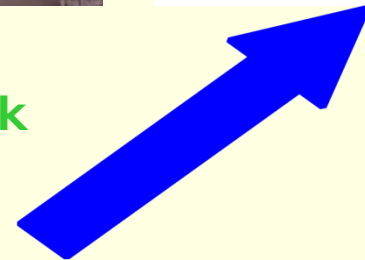
- Balance to the wire:

If the lender “net” funds – you must determine which fees have been deducted from gross mortgage to determine the exact wire amount.

- Closing customs

Will settlement agent cut all checks?

What about Payoffs?



DISBURSEMENT SHEET

- **NEW ALTA DISBURSEMENT SHEETS**
 - **WORD**
 - **PDF**
 - **EXCEL**



END OF CLOSING ISSUES

**NOW LET'S DISCUSS
POST-CLOSING ISSUES.**

**ANY QUESTIONS ABOUT THE
CLOSING PROCESS?**

RETURN LOAN PACKAGE TO LENDER

- **As quickly after the closing as possible.**
- **Note any fees charged by lender for late return of package**
- **(Many lenders only permit a 24 hour turnaround)**
- **Note if lender wants final title policy returned with loan package**

WHEN TO RECORD?

- **PURCHASE** – record *immediately* after closing
- **REFINANCE** – record after rescission period
How to calculate?????
- **TITLE** must be run from last examination period
 - If no new matters found, record
 - If new matters appear, they must be addressed before recording can take place. **Call your underwriter.**
- **Timely recording is important**
 - Title Companies offer recording services.
 - **E-Recordings coming soon**

Getting the Documents Ready for Recording

RETURNS:

First Page - Top Left

MARGINS: $\frac{3}{4}$ inch all around

REMEMBER TO ATTACH:

State and Local Conveyance Tax Forms

Legal descriptions attached

Recording checks

Getting the Documents Ready for Recording

■ ORDER OF RECORDING:

1. Documents which clear title, e.g. Releases, affidavits.
2. The deed of conveyance (for purchases).
3. Mortgages and security instruments in order of priority.

MERS RECORDING FEES

An extra \$109.00 to:

- **Release**
- **Deed**
- **Mortgage**
- **Assignment**

- **If MERS related**

FINALIZE TITLE POLICY

- **Within 30 days**
- **Provide to:**
 - **Lender**
 - **Owner**
 - **Title company**
- **Be certain to remit within 30 days**

Title Insurance Commitment and Policy Preparation

■ The Basics

-
- **What is Title Insurance and**
 - **Why Is it Needed?**
 - **There are two basic types of title insurance:**
 1. Mortgagee Policy– insures the mortgage lender's Interest
 2. Owner's Policy – insures owner's interest

-
- **The title search shows no problems. Why is title insurance needed?**
 - 1. Title insurance covers errors by searchers
 - 2. There are many title problems searches do not reveal:
 - Mechanics liens and other title problems that “relate back” in time.
 - Some liens are not required to be recorded, such as liens for unpaid real estate taxes. Some matters affecting title cannot be determined from the land records.

■ What does title insurance insure? Among other things:

- 1. The insured's interest in real estate is valid.
- 2. That there are no liens or other title defects that affect the insured's interest, except as specified.
- 3. The insured's title is not void because of fraud or forgery.
- 4. That there was no error in the insured's survey of the property.
- 5. The insured has legal access to the property.

- **A. The Basics**

- 1. Parts of the policy and what they do:

- a. The Jacket - Makes the policy “legal”. No policy without a jacket. Keep track of jackets and log them. Make sure the jacket matches the type of policy (owner’s, lender’s, enhanced lender’s, enhanced owner’s). Enhanced coverage is better!

- b. Schedule A –

- Names the insured.

- Names the owner and describes owner's interest.

- Describes the insured mortgage.

-
- c. Schedule B-I
 - Standard Exceptions – most can be deleted with an affidavit on residential policies.
 - Special Exceptions – Unique to a particular policy. They reflect what the title search shows.

-
- d. Schedule B II – Describes items lower in priority than the insured mortgage.

 - e. Exhibit A – The legal description of the property. This counts. The address in Schedule A does not. Do not change without attorney review!

 - f. Endorsements – All shapes and sizes: Variable Rate, Secondary Market, Condominium, Construction.

-
- **B. Some More Advanced Issues**
 - 1. Standard Exceptions and the Owner's Affidavit.
 - When do you need mechanics' lien subordinations/waivers?

-
- **2. Special Exceptions – What stays and what goes? How to get rid of exceptions.**
 - **Releases and subordinations.**

-
3. **The basics of lien priority. Taxes, water and sewer bills ALWAYS come first.**
 - **Liens that “relate back”:**
 - **a. Mechanic’s liens**
 - **b. Condominium common charges**
 - **c. Certain environmental liens**
 - **d. Certain judgment liens relate back to prior attachments**

-
- **4. Schedule B II – For items *behind* the insured mortgage in priority.**
 - **Remember: You need a separate**
 - **policy to insure a second mortgage.**

-
- **5. Endorsements commonly used on residential policies**
 - **a. Secondary Market**
 - **b. Variable Rate**
 - **c. Environmental**
 - **d. Inflation**
 - **e. Condominium**

- **6. Special documents**
 - **a. Releases**
 - **b. Assignments**
 - **c. Mechanics Lien waivers/subordinations**
 - **d. Subordination agreements**
 - **e. Affidavits**

7. Some Special Issues

- a. Paying off a home equity line of credit. Be sure to send and record a termination letter!
- b. Doing a mortgage on a valuable unencumbered property? Call us!
- c. Powers of Attorney require special measures.
- d. Reverse Mortgages

NOTICE OF AVAILABILITY

_____ TITLE INSURANCE COMPANY

NOTICE OF AVAILABILITY OF OWNER'S TITLE INSURANCE

Date: _____

To:

Buying property identified as: _____, Connecticut

A Mortgagee's Policy of title insurance insuring the title to the property you are buying is being issued to your mortgage lender, but that policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of title insurance which provides title insurance coverage to you. The additional cost to you for an Owner's Policy depends upon whether you purchase a standard policy or an enhanced policy. The additional cost for the standard Owner's Policy of title insurance in the amount of _____ is _____, if you request it at this time. The additional cost for a Homeowner's Policy (Enhanced) of title insurance in the same amount is _____.

If you are uncertain as to whether you should obtain an Owner's Policy of title insurance, or whether you should obtain a standard Owner's Policy or a Homeowner's Policy (Enhanced), you are urged to seek independent advice.

Authorized Agent or Issuing Office

- We do request a standard Owner's Policy of title insurance.
- We do request a Homeowner's Policy (Enhanced) of title insurance.
- We do not request an Owners Policy of title insurance.

Date: _____

Buyer: _____

Buyer: _____

Resolving

Post-Closing Issues

Clearing Title and Other

Matters

- 1. Follow up on obtaining releases of paid matters or use a release tracking service.**
- 2. Return original deed to buyer after it is returned from recording.**
- 3. Return paid off loan documents when received from paid lenders.**
- 4. Do not leave funds in your client's funds account for over sixty days.**



Release Tracking - What It Can Do For You

■ **Release Tracking services take a significant burden off of attorneys by taking responsibility for tracking down and recording valid releases for paid off mortgages.**

Advantages:

1. Reduces the post-closing workload.
2. If you use a title insurance company service, Reduces responsibility in the event a release it not obtained by the time the client wishes to sell or refinance.

-
3. It's Inexpensive. The usual cost is about \$35 per mortgage.
 4. Some release tracking services also provide enforcement of the penalty for late release as set forth in C.G.S. Section 49-8.

How do you use a release tracking service?

1. Include the fee on the HUD-1.
2. Send in the mortgage information and copies of the payoff letters and check to the service.
3. Track the status of your matter on the web site provided by the service.
4. The service will send you a copy of the release after recordation.

**After closing and payoff,
the penalty provisions of 49-8 probably
apply.**

Our OnTrack program to the rescue!

CLOSING OUT THE FILE

- **REPRESENTATION TERMINATION LETTER**
- **FILE RETENTION FOR:**
 - **10 YEARS (CGS § 38a-407)**
 - **7 YEARS (Practice Book - Rule 1.15)**
 - **6 YEARS (other files)**
- **Originals – indefinitely**

SAMPLE TERMINATION LETTER

May 8, 2015

John Smith
1234 Main Street
Smallville, CT 12345

RE: Refinance/Purchase/Sale of [Property Address]

Dear John,

Thank you for selecting me to represent you in connection with the refinance/purchase/sale of your home.

My representation of you concerning this transaction has now concluded. I will be closing my file. It is my firm's policy to retain closed files for a period of ten years, at which time the files are destroyed unless you instruct me to the contrary in writing. If you have any questions or concerns, please let me know.

I have enjoyed working with you and I wish you and your family the very best moving forward. If I can ever be of any help in the future, please do not hesitate to let me know!

THE END!

????ANY QUESTIONS????

