

BUYING A HOME

YOUR KEYS TO A SUCCESSFUL SETTLEMENT

TITLECONNECT GROUP | CAPITOL·TITLE *Settle On Our Experience®* | Closeline® Settlements | Monarch TITLE, INC.®



TITLECONNECT

Forward Real Estate Thinking. Manifested.

Three title companies created TitleConnect as the pioneering answer to impending regulation and bureaucracy, which was sure to stilt growth of smaller title and escrow companies, back in 1995. Today, we're still growing across the MidAtlantic, and soon the Nation. With a dedication to constant innovation and excellent customer service, and a proven track record of success, our members experience the best of both worlds; absolute reliability coupled with constant innovation.

Today, TitleConnect has three main title members, each with its own distinctive culture and style of service. TitleConnect members come together to offer smooth workflow across a vast national, even global, network. Together we have the resources to help the most regional lender, or national broker in our industry. With a focus on Residential and commercial transactions nationwide, we handle even the largest clients with local expertise.

The Collaborative Solution

TitleConnect is the strategic alliance and partnership platform for title agents. It follows a cooperative format and enables title company practitioners to retain their independence and continue to compete in today's climate, ripe with evolving regulatory and technology challenges.

CAPITOL·TITLE
Settle On Our Experience®

Since 1973, CAPITOL TITLE has provided settlement services for clients, like you, who appreciate the value and assurances that only an attorney-owned, service-oriented company can offer. Our staff is devoted to the highest standards of service and shares the commitment to professional excellence. In each of the thousands of settlements we conduct every year, involving properties in Maryland, the District of Columbia and Northern Virginia, our goal is always – be prepared, be professional and be accessible. CAPITOL TITLE is affiliated with the law firm of Goldstein & Levy, P.A. which acts as its General Counsel and provides consultative services and support to CAPITOL TITLE's 10 offices and its clientele. Goldstein & Levy, P.A. has contributed to the preparation of the materials in this publication.

Closeline® Settlements

A National Title Company, One Point of Contact
We deliver the same high level of consistency and service when conducting multi-state transactions. When you work with Closeline Settlements, you work with one company, regardless of which state the transaction is located. Title laws and regulations differ from state to state. Banks, lenders, investors and Realtors® prefer to work with companies that are equipped to navigate through these complicated regulations. Closeline Settlements has built a nationwide reputation as the premier title agency for both large and small real estate closings.

Monarch TITLE, INC.®

We opened our doors in April 2003, with just one office in McLean, Virginia. Now we offer clients service at 4 fully staffed closing locations across the D.C. Metro area. Monarch Title has grown with the seasoned expertise of well-known settlement agents and staff, providing the highest level of professional service and tremendous knowledge of the local market to our clients. Monarch Title has been a local leader in presenting industry education.

©2019 by TitleConnect. All Rights Reserved

WEBSITES

CAPITOL·TITLE
Settle On Our Experience®

Capitoltitle.com

Closeline® Settlements

Closeline.com

Monarch TITLE, INC.®

Monarchtitle.net

Each company's website, along with the multitude of settlement services provided, brings the companies to your desktop with the following highlights:

- Meet the Principals, Managers and Settlement Officers
- Order a Settlement Online
- Upload your ratified contract directly to the site
- Catch Legislative and Industry Updates
- Directions to all Office Locations
- Closing Cost Calculator
- Links to Numerous Industry-Related Sites
- Upcoming Events
- See the Contents of this Booklet
- E-Mail Connection to Offices/Key Personnel



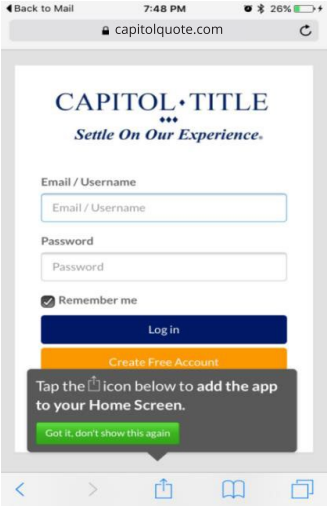
CAPITOL·TITLE is making your life easier

Settle On Our Experience®

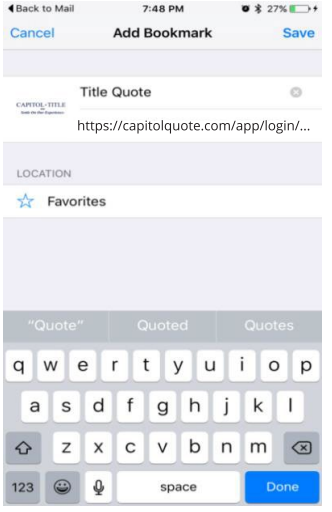
Our **New App** will Provide Instant Closing Cost Estimates on your Mobile Device (or Desktop)

To Put our app on your phone, follow these very simple instructions:

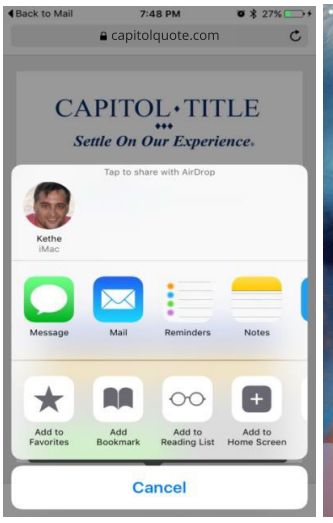
1. Go to www.capitolquote.com/ OR go to capitoltitle.com and click on the NEW TRID Quote/App button
2. Type in your email address
3. Type in a password
4. Check “Remember Me”
5. Click on “Create Free Account”
6. Fill in Details (so your quotes will be personalized)
7. Follow the instructions on your screen



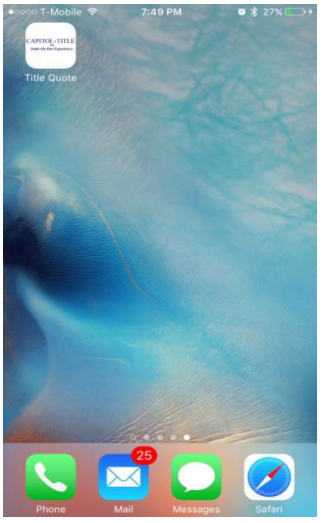
Log In Screen



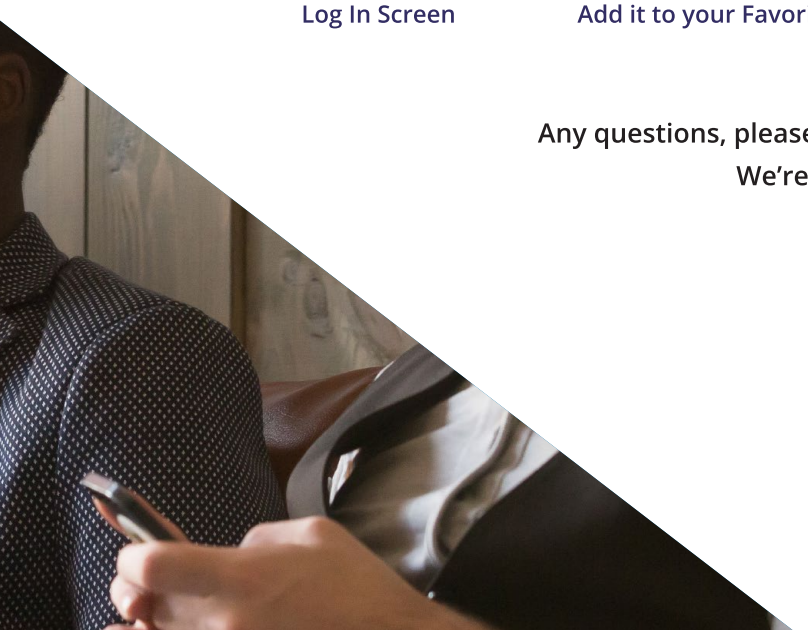
Add it to your Favorites



Bookmark the App



Add it to your Homescreen



Any questions, please email settle@capitoltitle.com
We’re happy to help!

ZOCCAM | Send Funds

CAPITOL·TITLE
Settle On Our Experience®

Monarch TITLE, INC.®

1 Download ZOCCAM from the Apple App Store or Google Play (links below).

2 Register with name and email address (enter real estate license or the buyer may leave blank).

3 Verify your mobile device by entering the PIN sent via SMS text message, then create an 8-digit, numeric passcode.

Available on the App Store

ANDROID APP ON Google play

4 Select *Capture* on the home screen, then select the type of funds to ZOCCAM. Enter contract information (attach the contract from an email attachment, if needed).

5 Capture the front and back of a filled out check on a dark, flat surface that is well lit.

6 Success! Funds have been sent directly to the Escrow Agent Recipient & email notifications are sent to all parties.

* Geolocation services must be enabled on the device for security and best search experience.



TABLE OF CONTENTS

1 **Buying A Home**
1 Selecting a Realtor®
1 The Offer
2 Price
2 Deposit
2 Down Payment
2 Financing
2 Title
2 Walk-Through
3 Settlement Date
3 Contract Presentation and Ratification
3 **Home Inspections**

4 **The Loan Process**
5 The Loan Estimate and The Closing Disclosure
6 Employment and Income
6 Debts and Expenses
6 Down Payment and Closing Costs
6 Debt Ratios
8 Sample Loan Application8

11 **Settlement**
12 Pre-Settlement Processing

13 **Title Insurance**
15 MD Transfer/Recordation Chart
16 DC and VA Transfer/Recordation Taxes
17 Settlement Statement Income Tax Analysis

18 **Glossary**

21 **Documents**
22 Loan Estimate (“LE”)
23 Closing Disclosure (“CD”)
24 Sample Deed
25 Sample Note
27 Sample Deed of Trust
31 Survey Approval Form
32 Sample House Location Drawing
33 Settlement Telephone Directory
34 Northern Virginia Utility Contact Information
35 Buyer’s Checklist
36 Seller’s Information Checklist

BUYING A HOME

Working with a Realtor® is the most common and preferred approach to home buying and selling. A Realtor® will be familiar with the available housing inventory in the location, size and price range you desire. Through the Metropolitan Regional Information System ("MRIS" and Multiple Listing Systems), the Realtor® will have virtually unlimited access to information about homes listed for sale in your region. The Realtor® is also in a position to provide you with valuable information on other resources that can assist you in successfully consummating a transaction for purchase of a new home.

Selecting a Realtor®

The selection of a real estate professional can be one of the most important factors in finding your perfect home. This individual will understand your needs and will hone your search to those properties that fall within your personal requirements, while recognizing the reality of your financial qualifications. In most cases a prospective Buyer establishes a "Buyer Broker Agreement" with a Realtor®. In that event the Buyer Broker (or Realtor®) represents the Buyer exclusively, and the Seller's Realtor® represents the Seller. Where there is no Buyer Broker Agreement, the Realtors® are both agents of the Seller, but always have a duty to treat you honestly and fairly. Whatever the representation may be, your Realtor® is always in the best possible position to help you find your perfect home and to guide you through the entire homebuying process.

THE OFFER

Once you have found your "Dream Home," it will be necessary to make an "offer" in writing to purchase the property. Generally, contracts for the purchase and sale of real estate must be in writing to be valid and enforceable. The offer will usually be in the form of a contract presented through the Realtor®. The preferred standard form is pre-printed and provided by the local Association of Realtors® in your city or county. Most Realtors® and attorneys are familiar with the "fine print," and the Realtor® will be knowledgeable about completing the forms. Ask the Realtor® for the Standard Resale Contract Form used in your jurisdiction so you can become familiar with its standard provisions before submitting an offer. Specific forms are available for resale properties. The **KEY** elements of the offer, which will become your contract when "ratified," are highlighted below. Please note carefully that no specific contract form is required and contract provisions may vary widely. You should review the specific form proposed for use in your transaction carefully before proceeding.

Price

The Purchase Price is the amount that you offer to buy the property.

Deposit

The Deposit is the amount of money submitted with the contract as a good faith offer to purchase the property. These funds will be held by the Realtor® or the settlement company and credited to you at the settlement.

Down Payment

The Down Payment is the amount of your own money, including the deposit, that you will be using to pay the purchase price. This amount, together with your mortgage loan amount, will equal the Purchase Price.

Financing

The Financing section of the contract/offer sets out the amount of money to be borrowed, the type of loan product (e.g. 30-yr. Fixed), the acceptable rate of interest, monthly payments and points (see glossary) associated with the mortgage loan. It will also indicate whether you are asking the Seller to pay any of the points associated with the loan. Most residential contracts contain a financing contingency. This clause normally provides that if you do not obtain a written loan approval or "commitment" from a lender within a "specified time period," the contract may be declared "null and void." The clause normally provides that if you have been declined approval for a mortgage loan, despite your good faith efforts to obtain it, your earnest money deposit will be refunded. This contingency, however, generally has very specific notice provisions that must be followed.

Title

The section of Examination Of Title And Costs specifies how title will be taken (see glossary) and who will conduct settlement. It is always your right to select a TITLECONNECT member as your settlement services provider. This section usually provides that the transfer and recordation taxes, which are paid to the state and local governments, are shared equally between you and the seller, unless otherwise specified.

Walk-Through

After contract ratification you are generally entitled to only one inspection of the premises prior to settlement. The purpose of this "walk-through" is to determine that, at the time of settlement, the property meets the standards established by your agreement. Under the typical "Property Condition" paragraph, all mechanical, electrical, plumbing, heating and air conditioning systems must be in "working order." This paragraph also normally requires that the property be delivered "broom clean" and substantially in the same condition as the time the contract was ratified. Other general and specific inspections or repair requirements can be negotiated with the Seller and added to the contract in a "contract addendum."

Settlement Date

This is the date on which the transfer and loan documents will be signed and the parties will meet to exchange the title and keys for your funds. Taxes, assessments and homeowner/condo fees, if any, will be adjusted as of this date. In scheduling your settlement, it is wise to consider the time necessary for loan approval, processing and circumstances special to your transaction. A settlement is typically scheduled for 30-45 days after contract ratification. The timeframe may be shorter on a cash transaction.

As noted above, these provisions are illustrative of typical provisions found in widely used, standardized contract forms. Careful review of the specific form proposed for use in your transaction is necessary.

Contract Presentation and Ratification

Once a written offer has been completed by you, the offer will be presented through the Realtor® to the seller. The seller may **accept** the terms, **reject** them or **counter-offer** new terms. Once the terms have been agreed upon, both the buyer and the seller must sign the written contract. Unless special arrangements have been otherwise agreed to in writing by the parties, the earnest money deposit must be tendered with the signed contract. When these conditions have been met, the contract will be said to have been "ratified." Copies of the ratified contract will be provided to all parties.

Once the contract has been ratified you are ready to schedule any home inspections agreed to in the contract and to instruct your title company to begin preparations for settlement. You must also select a lender and complete the appropriate applications for financing as specified in your contract.

HOME INSPECTIONS

Purchasers often include a Home Inspection Contingency in the Contract. This provides that their obligation to complete the purchase is conditional upon completion of a home inspection. This inspection is performed by a professional home inspector or engineer and typically occurs within a short time period after final ratification of the contract. All Maryland, DC and Virginia home inspectors must, as of this date, be licensed pursuant to procedures and requirements established by the State's Commission of Real Estate Appraisers and Home Inspectors. A list of approved home inspectors is available on each state commission's website. The home inspection is made at the sole cost of the purchaser.

The substantive provisions included in such a home inspection contingency vary widely and must be carefully reviewed if included in your contract. For example, some inspection contingencies permit the purchaser to terminate the agreement if the results of the inspection are unsatisfactory to the purchaser, for any reason. Other contingencies permit the purchaser to terminate the contract only if the Seller refuses to remedy any defects noted in the home inspector's report. The manner of satisfaction and release of the contingency is typically set forth in a very specific manner. Careful review and drafting (or revision) of the contingency utilized in your contract is, therefore, recommended.

Federal law requires that before any residential property constructed prior to 1978 ("target housing") may be sold, certain required disclosures, with regard to lead paint, must be made to the purchaser. Additionally, the purchaser must be afforded an opportunity to have the target property evaluated by a licensed inspector to determine whether lead-based paint or lead-based paint hazards are present. (Purchasers of residential RENTAL properties in Maryland should also be aware of the applicability of the Maryland Lead-based Paint Program to properties constructed prior to 1978.)

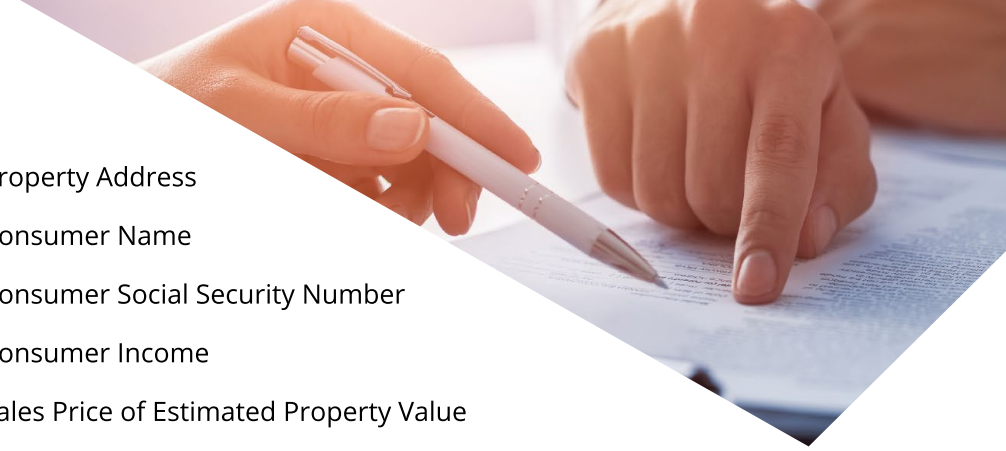
THE LOAN PROCESS

Your contract will typically require that you make "loan application" within a specified time period. The Realtor® can provide you with information on reputable lending institutions and qualified loan officers. The loan officer manages and coordinates the loan application process and facilitates all of the documentation needed to achieve your loan approval. Call each lender for information regarding interest rate quotes, estimated charges and approval time and general requirements. REMEMBER : It is important to ask about all of these details because the lender with the lowest rates may not be the one best suited to your needs.

"Know Before You Owe"

On October 3, 2015, new rules were enacted which aim to provide consumers with a better understanding of the entire loan process. More specifically, consumers will have more detailed information about the terms of their loan and the ability to compare each program available. Furthermore, they can use their Loan Estimate to compare and analyze the fees associated with obtaining a mortgage.

There is a new definition of "Loan Application" which went into effect with TRID in October, 2015 and which streamlines the initial application process. Once the following six (6) items (which define a loan application) have been received by the loan originator, the creditor (lender) is required to deliver a Loan Estimate ("L.E.") to the borrower within three business days. (NOTE: A "business day" is defined as "any day that the creditor is open for substantially all of their business functions.")



Items That Define a Loan Application

1. Property Address
2. Consumer Name
3. Consumer Social Security Number
4. Consumer Income
5. Sales Price of Estimated Property Value
6. Desired Loan Amount

The Loan Estimate ("LE")

The Loan Estimate ("LE") replaces the commonly known Good Faith Estimate ("GFE") and the Initial Truth in Lending Disclosure ("TIL.") Once an official loan application is taken by the creditor, the LE must be prepared and sent to you, the borrower, within three (3) business days. The information contained in the LE should be as complete as possible with very few estimates. All of the information from the LE will later be provided in the Closing Disclosure ("CD") and the figures in these two documents must accurately match. A sample of the LE is provided in this booklet on page 22.

The Closing Disclosure ("CD")

The Closing Disclosure ("CD") replaces the HUD-1 Settlement Statement and the Final Truth In Lending Disclosure (TIL.) It will typically be prepared by the Lender and is the final statement of your loan terms and settlement costs. The five-page CD will be more detailed than the three-page LE and will comprise all fees associated with the transaction, as well as names/license numbers and contact information for third parties involved. It must be delivered to the consumer at least three business days before closing. A sample of the CD is provided in this booklet on page 23.

After this part of the process, you should be prepared to provide copies of bank statements and paystubs for the most recent two (2) month period and copies of W-2 forms and tax returns for the previous two (2) years. You will also be asked to provide a photo ID, account numbers and information on all existing loans (i.e., student loans, auto loans, credit cards) and other revolving credit accounts. A copy of a standard form 1003 with Uniform Residential Loan Application follows this section. In addition to the basic information which you provide, the lender will attempt to establish your credit profile based upon mortgage industry guidelines.



Before committing to make a loan to you, most lenders will consider the following information:

Employment and Income

The lender will need information about your past and present income and employment. In addition to the amount of money you earn, the lender will be interested to know if you have a consistent and stable job history (at least 2 years.)

Debts and Expenses

Your lender will need to know what you owe and whether your bills are paid on time. Most of this information will be verified in a credit report obtained by an independent credit bureau. If you are aware of a problem in your credit history, don't wait until the last minute to address it. Often minor or rare problems can be explained away or cleared in advance of or during the application process. However, such matters take time and may delay your plans to settle if not addressed and resolved early in the process.

Down Payment and Closing Costs

You will need to show your lender that you have enough money to pay the balance of the down payment required to complete the transaction and closing costs. Most lenders require that a certain percentage of the purchase price be paid by you, from your own funds. This amount will depend on the loan product you have selected. Your lender will also want to know the source of your funds (i.e., sale of stocks, savings, inheritance or gifts). Lenders have very definite rules about this requirement; please ask your lender about your specific situation.

Debt Ratios

Debt Ratios are commonly used by lenders to determine if you can afford to pay the mortgage each month. It is important to both you and your lender that you do not over-extend your financial ability. Two (2) indicators commonly used to determine your budgetary limits are the following:

(a) Housing expense ratio. The lender will compare your total proposed housing costs to your income. On a typical conventional loan, the housing expense percentage is 28% of your gross income. On an FHA loan, the percentage is 29%.

(b) Long-term debt ratio. The lender will compare the total of all your monthly payments on long-term debts, the repayment of which will extend beyond ten (10) months (including most credit cards) together with your housing costs to your income. On a conventional loan, the housing expense percentage is 43%* of your gross income. On an FHA loan, the percentage is 41%*.

*These limits could be higher with compensating factors and manual underwriting procedures.



Once you have officially applied for the loan, and filled out a loan application, the loan officer will order a credit report. The cost is typically $15-$50 and will be collected, and shown on the CD, at closing. Although a lender is prohibited by The Equal Credit Opportunity Act to discriminate against an applicant on the basis of race, color, religion, national origin, sex, marital status and age, you can be denied because of information in your credit report. If you are denied a loan, your lender must provide a statement to you which gives the specific reasons why you were denied, or give you information as to where you can obtain this information. Additional deposits or fees may be required to “lock-in” a specific loan program or a particular interest rate.

The lender will also order an Appraisal of the property before closing. The appraisal indicates to the lender whether the property is valuable enough to serve as collateral (see glossary) for the full amount of the loan you are requesting. The percentage of the property value that the loan amount covers is known as the Loan-To- Value (“LTV”) ratio. The applicable interest rate and other loan terms may vary depending on the LTV ratio and credit score.

After you submit all required information and documentation, the lender compiles all of the items required for submission. Your file is then given to loan underwriting personnel for final loan application review and approval. After approval, the file is transferred to the loan closing processor who is responsible for making certain all the outstanding conditions have been met. At this point, the processor prepares all of the loan documents for settlement and sends them to the title company for your signature at closing.

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when ☑ the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or ☐ the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: ☐ VA ☐ FHA ☑ Conventional ☐ USDA/Rural Housing Service ☐ Other (explain):

Agency Case Number

Lender Case Number

Amount $

Interest Rate %

No. of Months

Amortization Type: ☑ Fixed Rate ☐ GPM ☐ Other (explain): ☐ ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, ZIP)

No. of Units

Legal Description of Subject Property (attach description if necessary)

Year Built

Purpose of Loan ☑ Purchase ☐ Refinance ☐ Construction ☐ Construction-Permanent ☐ Other (explain):

Property will be: ☑ Primary Residence ☐ Secondary Residence ☐ Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	$	$	$	$	$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements ☐ made ☐ to be made
	$	$		Cost: $

Title will be held in what Name(s)

Manner in which Title will be held

Estate will be held in: ☑ Fee Simple ☐ Leasehold (show expiration date)

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)

III. BORROWER INFORMATION

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable)	Co-Borrower's Name (include Jr. or Sr. if applicable)
Social Security Number / Home Phone (incl. area code) / DOB (MM/DD/YYYY) / Yrs. School	Social Security Number / Home Phone (incl. area code) / DOB (MM/DD/YYYY) / Yrs. School
☐ Married ☐ Separated ☐ Unmarried (include single, divorced, widowed)	☐ Married ☐ Separated ☐ Unmarried (include single, divorced, widowed)
Dependents (not listed by Co-Borrower) no. / ages	Dependents (not listed by Borrower) no. / ages
Present Address (street, city, state, ZIP) ☐ Own ☐ Rent _____No. Yrs.	Present Address (street, city, state, ZIP) ☐ Own ☐ Rent _____No. Yrs.
Mailing Address, if different from Present Address	Mailing Address, if different from Present Address

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) ☐ Own ☐ Rent _____No. Yrs.	Former Address (street, city, state, ZIP) ☐ Own ☐ Rent _____No. Yrs.

IV. EMPLOYMENT INFORMATION

Borrower	Co-Borrower
Name & Address of Employer ☐ Self Employed / Yrs. on this job / Yrs. employed in this line of work/profession	Name & Address of Employer ☐ Self Employed / Yrs. on this job / Yrs. employed in this line of work/profession
Position/Title/Type of Business / Business Phone (incl. area code)	Position/Title/Type of Business / Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer ☐ Self Employed / Dates (from-to) / Monthly Income $	Name & Address of Employer ☐ Self Employed / Dates (from-to) / Monthly Income $
Position/Title/Type of Business / Business Phone (incl. area code)	Position/Title/Type of Business / Business Phone (incl. area code)
Name & Address of Employer ☐ Self Employed / Dates (from-to) / Monthly Income $	Name & Address of Employer ☐ Self Employed / Dates (from-to) / Monthly Income $
Position/Title/Type of Business / Business Phone (incl. area code)	Position/Title/Type of Business / Business Phone (incl. area code)

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	$	$	$	Rent	$	
Overtime				First Mortgage (P&I)		$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		
				Other:		
Total	$	$	$	Total	$	$

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income *Notice:* Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C		Monthly Amount
		$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a spouse, this Statement and supporting schedules must be completed about that spouse also.

Completed ☑ Jointly ☐ Not Jointly

ASSETS Description	Cash or Market Value	Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.		
Cash deposit toward purchase held by:	$	LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
List checking and savings accounts below		Name and address of Company	$ Payment/Months	$
Name and address of Bank, S&L, or Credit Union		Acct. no.		
Acct. no.	$	Name and address of Company	$ Payment/Months	$
Name and address of Bank, S&L, or Credit Union		Acct. no.		
Acct. no.	$	Name and address of Company	$ Payment/Months	$
Name and address of Bank, S&L, or Credit Union		Acct. no.		
Acct. no.	$	Name and address of Company	$ Payment/Months	$
Name and address of Bank, S&L, or Credit Union		Acct. no.		
Acct. no.	$	Name and address of Company	$ Payment/Months	$
Stocks & Bonds (Company name/ number & description)	$	Acct. no.		
Life insurance net cash value Face amount: $	$	Name and address of Company	$ Payment/Months	$
Subtotal Liquid Assets	$	Acct. no.		
Real estate owned (enter market value from schedule of real estate owned)	$	Name and address of Company	$ Payment/Months	$
Vested interest in retirement fund	$	Acct. no.		
Net worth of business(es) owned (attach financial statement)	$	Alimony/Child Support/Separate Maintenance Payments Owed to:	$	
Automobiles owned (make and year)	$	Job Related Expense (child care, union dues, etc.)	$	
Other Assets (itemize)	$	Total Monthly Payments	$	
Total Assets a.	$	Net Worth (a minus b) =>	$	Total Liabilities b. $

VI. ASSETS AND LIABILITIES (cont.)

Schedule of Real Estate Owned (if additional properties are owned, use continuation sheet)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)		Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
			$	$	$	$	$	$
		Totals	$	$	$	$	$	$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name | Creditor Name | Account Number

VII. DETAILS OF TRANSACTION

a. Purchase price	$
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	
f. Estimated closing costs	
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	
j. Subordinate financing	
k. Borrower's closing costs paid by Seller	
l. Other Credits(explain)	
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	
p. Cash from/to Borrower (subtract j, k, l & o from i)	

VIII. DECLARATIONS

If you answer "yes" to any questions a through i, please use continuation sheet for explanation.

	Borrower Yes	Borrower No	Co-Borrower Yes	Co-Borrower No
a. Are there any outstanding judgments against you?	☐	☐	☐	☐
b. Have you been declared bankrupt within the past 7 years?	☐	☐	☐	☐
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	☐	☐	☐	☐
d. Are you a party to a lawsuit?	☐	☐	☐	☐
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	☐	☐	☐	☐
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	☐	☐	☐	☐
g. Are you obligated to pay alimony, child support, or separate maintenance?	☐	☐	☐	☐
h. Is any part of the down payment borrowed?	☐	☐	☐	☐
i. Are you a co-maker or endorser on a note?	☐	☐	☐	☐
j. Are you a U. S. citizen?	☐	☐	☐	☐
k. Are you a permanent resident alien?	☐	☐	☐	☐
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	☐	☐	☐	☐
m. Have you had an ownership interest in a property in the last three years?	☐	☐	☐	☐
(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)?				
(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?				

IX. ACKNOWLEDGMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described herein; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated herein; (6) any owner or servicer of the Loan may verify or reverify any information contained in the application from any source named in this application, and Lender, its successors or assigns may retain the original and/or an electronic record of this application, even if the Loan is not approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the owner or servicer of the Loan may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X		X	

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may discriminate neither on the basis of this information, nor on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

	Borrower	Co-Borrower
	☐ I do not wish to furnish this information	☐ I do not wish to furnish this information
Ethnicity:	☐ Hispanic or Latino ☐ Not Hispanic or Latino	☐ Hispanic or Latino ☐ Not Hispanic or Latino
Race:	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White	☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White
Sex:	☐ Female ☐ Male	☐ Female ☐ Male

To be Completed by Interviewer

This application was taken by:

☑ Face-to-face interview
☐ Mail
☐ Telephone
☐ Internet

Interviewer's Name (print or type)

Interviewer's Signature Date

Interviewer's Phone Number (incl. area code)

Name and Address of Interviewer's Employer

Capital Mortgage Finance Corp.
6310 Stevens Forest Rd.
Columbia, MD 21046
(P) 301-621-3838
(F) 301-621-3494



SETTLEMENT

"Settlement" (also referred to as "Closing") on your purchase is the meeting at which the financial terms of your contract are consummated, title to the property is transferred and the loan documentation is completed and signed. Typically all parties to the contract and the Realtor®(s) are present and an attorney or a licensed settlement officer conducts the settlement. At the time the documents are executed, you will be required to provide guaranteed funds in the form of a wire or a bank certified check, as per the terms of your real estate contract (in the amount indicated on the CD and/or ALTA settlement statement) in exchange for the keys to your new home.

The settlement normally takes approximately one hour, provided proper pre- settlement preparation and procedures have been followed. Immediately after you or the Realtor® make first contact with your title company and authorize commencement of our settlement services, our attorneys, title abstractors and coordinators will be working with you to assure that all necessary information and documentation are obtained and compiled. This will enable your settlement to occur in a timely and professional manner.

All TitleConnect personnel are highly trained professionals who will guide you through the settlement process and will handle all aspects of settlement coordination to ensure that your closing is "stress free."

Any of TitleConnect's settlement attorneys are available to answer any questions or to discuss any concerns which you may have relative to the settlement on your home purchase. No additional fee is charged for any such consultations. Our goal is simple – we want you to be comfortable with all aspects of the settlement process and to be completely satisfied with our services.



Pre-Settlement Processing

Shortly after your case is opened with your title company, you will receive an email from us assigning you a file number and a settlement coordinator. It will also include a checklist of items required from you to complete the closing. You can help us provide the most efficient services by contacting your settlement coordinator upon contract ratification. The Settlement Coordinator will use this time to diligently process all of the items listed on the following page to ensure a smooth transaction.

- Order and review Title Search
- Order and review a House Location Drawing,* also referred to as a "Survey" (Page 32)
- Obtain Seller's payoff figures
- Contact HOA or Condo Management company
- Prepare Title Insurance binder/commitment for the Lender
- Obtain current property tax information
- Schedule date/time of closing and coordinate with all parties
- Prepare settlement documents including final ALTA settlement statement

*A location drawing is generally satisfactory for the purpose of either a purchase or a refinance and complies with your purchase agreement and/or mortgage lender's requirements. Effective March 1, 1995, State Regulations require Maryland purchasers provide approval to the title company to furnish a "location drawing" as opposed to a more comprehensive, yet more expensive, "boundary survey." The required "Approval Form" and "Location Drawing" are included on pages 32 and 33 of this booklet.

TITLE INSURANCE

What if?

Owning your property free and clear involves more than having a deed in hand. A deed does not cancel certain prior “rights” and claims that may go back in time, months or decades, to the earliest owners of your newly acquired property.

Protecting Your Rights



“What protection,” you may ask “do I have against such claims? How can I be sure my property is really my property?” The answer to both of those questions is title insurance.

Title Insurance is an insured statement of the condition of your “title” or ownership rights to a certain piece of property. An owner’s title insurance policy describes your property in detail and states what limitations, if any, there are to your ownership. (For example, you may take ownership subject to existing liens or encumbrances. Or, easements may have been granted to utility companies or adjacent property owners.)

Most importantly, an owner’s title insurance policy guarantees that the property you are purchasing is free of undisclosed liens, confusion in the rights of ownership, and other clouds on the title. In short, it guarantees that you own the property for which you have negotiated.

In most cases, when purchasing a property with a mortgage, the lender will require you to purchase a lender’s title insurance policy to protect the lender’s security interest in the property. A Lender’s title insurance policy is issued based on the amount of the loan. As the loan balance decreases, the amount of coverage decreases. When the loan is paid off, the lender’s coverage disappears.

Peace of Mind

An owner's title insurance policy provides you with peace of mind. It takes the risk out of acquiring property with a legal history unknown to you. While there should be no risks in transferring property, they do exist. Through the years, your new property may have changed hands many times through sale, inheritance, foreclosure or bankruptcy. Each transfer is an opportunity for an error in title to arise. If an error occurs from previous transfers, and never comes to light, it puts your title in jeopardy. You could lose your property and the money you paid for it.

Even if you successfully defend your rights of ownership, the cost in time and legal fees could be prohibitive.

Among the many risks against which title insurance protects you are:

Confusion from similarity of names

Forged documents

Signatures of minors or mentally incompetent persons

Mistakes in recording legal documents

Undisclosed or missing heirs

Fraud

Invalid divorces

Misrepresentation of marital status

Unpaid taxes

Clerical errors in public records

Wills not probated

Before a policy is issued, the title company conducts a title search of public records, maps and documents concerning the real property in question. Once the facts about the property, and people affecting ownership, are collected, examined and interpreted, the company issues a title policy insuring the condition of title.

A one-time premium covers the entire cost, as long as ownership remains in your name or that of your heirs. The owner's policy is issued in an amount equal to the purchase price of the property. Of course, the greater the coverage given under a policy, the higher the premium charged.



Contact your preferred **TitleConnect** member for a title insurance quote.

MARYLAND Transfer/Recordation Chart (As of August1, 2019) Rates are subject to change.

Jurisdiction	Recordation Tax1	County Transfer Tax2	State Transfer Tax
	Rate	Rate	Rate
Allegheny 301-777-5922	7/1000	0.5%[3]	.5%
Anne Arundel 410-222-1125	7/1000	1.0%	.5%
Baltimore City 410-333-3760	10/10004	1.5%[5]	.5%
Baltimore County 410-887-2652	5/1000	1.5%[6]	.5%
Calvert County 410-535-1660	10/1000	None	.5%
Caroline County 410-479-1811	10/1000	.5%[7]	.5%
Carroll County 1-888-302-8927	10/1000	None	.5%
Cecil County 410-996-5375	8.20/1000	.5%[7]	.5%
Charles County 1-888-932-2072	10/1000	.5%	.5%
Dorchester County 410-228-0480	10/1000	.75%[8]	.5%
Frederick County 301-694-1961	12/1000	None	.5%
Garrett County 301-334-1938	7/1000	1%[9]	.5%
Harford County 410-638-3474	6.60/1000	1%[9]	.5%
Howard County 410-313-3837	5/1000	1%	.5%
Kent County 410-778-7460	6.60/1000	.5%	.5%
Montgomery County 240-777-9473 or 240-777-9485	8.90/100011 (on 1st $500K) 13.5/1000 above $500K	1%	.5%
Prince George's County 301-952-3946	5.50/1000	1.4%[12]	.5%
Queen Anne's County 800-987-7591	9.90/1000	.5%[13]	.5%
St. Mary's County 301-475-4554	8.00/1000	.5%	.5%
Somerset County 410-651-1555	6.60/1000	None	.5%
Talbot County 410-822-2611	12/1000	1% [15]	.5%
Washington County 301-733-8660	7.60/1000	.5%[16]	.5%
Wicomico County 410-543-6551	7/1000	None	.5%
Worcester County 410-632-5500	6.60/1000	.5%[17]	.5%

*See corresponding Footnotes on Page 16 of this booklet.

[1] If loan amount is higher than the sales price, be sure to collect recordation tax on the excess loan amount in addition to the sales price.

[2] If loan amount is higher than the sales price, PG County collects transfer tax on the excess loan amount in addition to the sales price.

[3] $50,000 exempt if principal residence and accompanied by Affidavit. Rec.Tax based on assessed value, if higher than sales price.

[4] $22,000 exemption with Affidavit stipulating principal residence for 7 of 12 month period immediately following the conveyance.

[5] $22,000 exemption for residential/occupied IF sales price is $249,999 or less; Buyer's portion of tax is affected unless Seller paying.

[6] $22,000 exemption for residential/occupied; exemption is applied to Buyer's side unless Seller is paying all. If so, Seller can benefit.

[7] $25,000 exempt for principal residence; $75,000 exempt for 1st time homebuyer. Buyer cannot receive both exemptions.

[8] $30,000 exemption for residentially improved owner occupied with affidavit.

[9] 1st $50,000 of sales price is exempt; if contract says county transfer tax is split, then benefit is applied equally to Buyer and Seller.

[10] $30,000 exemption for Buyer's principal residence.

[11] 1st $50,000 of consideration exempt if Buyer's principal residence.

[12] Additional county transfer tax if loan amt. exceeds sales price. In this case, compute the tax based on loan amount, not sales price.

[13] Or same as State rate (1/4%) if first time MD Homebuyer; apply in same fashion as MD transfer tax for 1st time MD Homebuyer.

[14] $300 credit for owner occupant.

[15] $50,000 exemption on all owner-occupied transactions.

[16] $50,000 exempt. 1stTime Wash.Cty. Homebuyer get ¼% exempt. If SP is less than $115K and has resided there for at least a year prior.

[17] $50,000 exemption if primary home 7 out of 12 months.

DISTRICT OF COLUMBIA Transfer/Recordation Charges (As of April, 2019) Rates are subject to change.

In the District of Columbia, the Buyer/Borrower typically pays the DC "Recordation Tax" and the Seller typically is responsible for paying the DC "Transfer Tax." If the sales price is $399,999 or less, then each tax is equal to 1.1% of the sales price. If the sales price is $400,000 and above, the rate increases to 1.45% of the sales price.

In addition, DC does offer a First-Time Homebuyer Recordation Tax Reduction to .725% of the sales price if:
Each Buyer has never owned property (as his/her principal residence) in the District of Columbia.
The Buyer occupies the property as his/her principal residence.
The purchase price is $632,500 or less.
The household income meets the requirements of specific income thresholds.
NOTE: For specific guidelines, and pre-settlement qualification, please contact your nearest TitleConnect office.

VIRGINIA Transfer/Recordation Charges (As of April, 2019) Rates are subject to change.

In Virginia, real estate transactions are subject to three government taxes. The state imposes a Deed Tax (also known as a "Recordation" or "Grantee" tax) amounting to 25 cents per $100 of property value up to $10 million (lower rates apply to amounts in excess of $10 million.) Some local governments may impose an additional grantee tax equal to one-third of the state tax. The Buyer/Borrower is typically responsible for state and local grantee taxes. There is also a state transfer tax (the "Grantor" tax) normally paid by the Seller. The Grantor Tax rate is 50 cents for every $500 of property value (or $1.00/$1,000 of the transaction amount), exclusive of the value of any lien or encumbrance on the deed.

Settlement Statement Income Tax Analysis (August, 2019) Summary of Borrower's Transaction

Item Description	Residence Purchase	Residence Refinance	Second Home Purchase	Second Home Refinance	Business or Rental Purchase	Business or Rental Refinance
Contract Price	Cost	Cost	Cost	Cost	Cost	Cost
City/Town/County Taxes	1 Deduct	N/A	1 Deduct	N/A	1 Deduct	N/A
Taxes (Credit)	Reduce Real Estate Taxes or Increase Income					
Assessments- Improvements	Cost	Cost	Cost	Cost	Cost	Cost
Assessments- Maintenance, Usage	N/A	N/A	N/A	N/A	Deduct	Deduct
Assessments – Improvements (Credit)	Reduction Of Cost	Reduction Of Cost	Reduction Of Cost	Reduction Of Cost	Reduction Of Cost	Reduction Of Cost
Assessments – Maintenance, Usage (Credit)	N/A	N/A	N/A	N/A	N/A	N/A
Payoff of Existing Loans – Interest Portion Only	N/A	Deduct	N/A	Deduct	N/A	Deduct
Fees	Cost	Cost	Cost	Cost	Deduct	Deduct
Closing Cost Credit	2	2	2	2	2	2
Commissions	Cost	N/A	Cost	N/A	Cost	N/A
Loan Origination/ Discount Points	3 Deduct	4 Amortize	Amortize	Amortize	Amortize	Amortize
Other Loan Charges	Cost	Cost	Cost	Cost	Cost	Amortize
Interest Adjustment (If not included on form 1098)	Deduct	Deduct	Deduct	Deduct	Deduct	Deduct
Mortgage and Hazard Insurance	2 N/A	N/A	N/A	N/A	Deduct	Deduct
Reserves Deposited With Lender - Impounds	N/A	N/A	N/A	N/A	5 N/A	5 N/A
Title Charges	Cost	N/A	Cost	N/A	Cost	Amortize
Recording Fees	Cost	N/A	Cost	N/A	Cost	Amortize
Government Recording and Transfer Charges	Cost	N/A	Cost	N/A	Cost	Amortize
Additional Settlement Charges	Cost	N/A	Cost	N/A	Cost	Amortize

Notes:
1) Deduct only amounts applicable to the time period purchaser owns the property; remainder is added to cost. Please see your tax advisor to determine if you should capitalize real estate taxes (e.g., if you are subject to AMT tax.) If you take standard deductions you may be eligible for an extra $500 deduction.
2) Consult your tax advisor to determine the effects of the closing cost credit on your cost and deductions.
3) Deductible if all of the following conditions are met:
a. Designated on the Uniform Settlement Statement as points incurred in connection with the indebtedness.
b. Computed as a percentage of the amount borrowed.
c. Charged under established business practice of charging points for loans in the area in which the residence is located.
d. Paid in connection with the acquisition of principal residence and the loan is secured by such residence.
e. Paid directly by the taxpayer. If paid by the seller after 12/31/90, points are deductible by the buyer.
However, the basis in the residence must be reduced by the amount deducted by the buyer that was paid for by the seller. The points must be provided by the funds of the taxpayer (i.e. cash downpayments, escrow deposits and/or earnest money applied at closing must equal or exceed the amount to be deducted at as points) and not from proceeds of the loan.
4) Deductible if original loan was short-term financing used to finance acquisition of principal residence (see also 2 above)
5) Deductible when actually paid by lender from funds withheld.

Prepared By AND Reprinted with permission of: Liptz, Roberts, Marquez, Merkle, Singh & Zipor Chartered, Certified Public Accountants, 5530 Wisconsin Avenue, Suite 1100, Chevy Chase, MD 20815 Phone: (301)657-2900 Fax: (301)657-2166. www.lrmcpas.com

This information is for general information purposes and should not be relied upon in a specific transaction without first consulting Liptz, Roberts, Marquez, Merkle, Singh & Zepor Chartered or a professional tax advisor. The above may contain or incorporate federal tax advice. Under recently promulgated US Internal Revenue Service (IRS) standards, we are required to inform you that only formal, written tax opinions meeting IRS requirements may be relied upon by taxpayers for the purpose of avoiding tax-related penalties. Accordingly, the above information is not intended or written to be used, and it cannot be used, for the purpose of avoiding tax-related penalties under the Internal Revenue Code. Please contact a member of our firm if you require a formal, written tax opinion that satisfies applicable IRS requirements, or if you have any other questions regarding federal tax advice.

GLOSSARY

APPRAISAL

A written opinion of property value by a licensed professional. Appraisals, generally, are not professional statements of the property condition and should not be relied upon as such.

ARM

This acronym stands for Adjustable Rate Mortgage. In contrast with a mortgage loan with a fixed rate of interest, the ARM rate will adjust from time to time in accordance with an agreed upon formula. Upon each adjustment, the new payment amount will be calculated by applying the new interest rate to the principal balance amortized over the remaining life of the loan.

ASSUMABLE MORTGAGE

Provisions in a mortgage loan that allow for the purchaser of your home to assume the balance of your mortgage and to take over your payments. Most fixed rate mortgages are not assumable, unless the prospective purchasers make application with and are approved by the holder of the existing loan.

BUY-DOWN

An amount which is paid to the lender, at the time of settlement, to reduce the borrower's monthly payments. The funds are typically deposited with the lender and drawn from in monthly installments over a specified period of years and applied against what would otherwise be the full principal and interest payments on a loan. By applying the cash paid at settlement to the borrower's monthly payments, the borrower may qualify for a higher loan amount.

CLOSING DISCLOSURE ("CD")

The final accounting of all lender's fees, settlement costs and adjustments paid by or exchanged between the Buyer and Seller. The CD is most commonly prepared on a standardized form by your lender; it is reviewed and signed by all parties at the settlement table. A sample is shown on pages 23 of this guide.

COLLATERAL

Property pledged to the lender to secure the repayment of the loan.

DEED

A legal instrument by which an interest in real estate is transferred from one owner to the next. Upon filing the Deed in the land records office, the record title to real estate is said to be "vested" in the new owner(s). The Deed is prepared by the settlement attorney. It will contain the names of the existing owners as "Grantors" and the new owners as "Grantees" and will describe the property conveyed. A sample is included on page 24 of this guide.

DEED OF TRUST (MORTGAGE)

The legal instrument by which real estate is pledged as collateral for a loan. Like the Note, the Deed of Trust or Mortgage is prepared by the Lender and delivered to the settlement agent in the closing package. The Deed of Trust/Mortgage will typically contain many standard terms and covenants. One important condition is that it gives the holder or beneficiary of the Deed of Trust/Mortgage the legal right to foreclose on the real estate pledged as collateral if the other terms of the loan are breached and not cured. A sample is included on Page 27 of this booklet.

DEFAULT

Failure to comply with the terms of the loan. A borrower's default may allow the lender to demand full repayment of the loan immediately or result in foreclosure of the Deed of Trust.

DISCOUNT FEE

A fee paid to the lender, at or before settlement, to secure a preferred rate of interest on a loan. This fee is generally referred to in terms of a percentage of the loan amount or "points." Generally, the more discount points paid, the lower the interest rate.

DUE ON SALE CLAUSE

A standard provision in a note which provides that the note will become due immediately (or may be "accelerated" by the lender) upon the transfer by borrower of any interest in the real estate pledged as collateral for the loan, unless written consent from the lender is obtained.

EQUITY

The extent to which the fair market value (FMV) of the property exceeds the mortgage loan balance. (FMV – LOAN BALANCE = EQUITY)

FORECLOSURE

The process by which a lender, after a default by the borrowers, auctions off real estate securing its loan, which the proceeds of the sale applied to the balance due on the loan.

HOME INSPECTION REPORT

A written report of the physical condition of the premises, prepared by a professional inspector. Typically this inspection is ordered by the purchaser to be conducted within a specified time period following contract ratification.

HOUSE LOCATION DRAWING

A drawing which shows the structures and improvements on a lot in relation to the platted boundary lines, building restriction lines and easements. The drawing will also include a certification that the property is not within a special flood hazard zone.

LOAN ESTIMATE ("LE")

The Loan Estimate ("LE") replaces the commonly known Good Faith Estimate ("GFE") and the Initial Truth in Lending Disclosure ("TIL."). Once an official loan application is taken by the creditor, the LE must be prepared and sent to you, the borrower, within three (3) business days and includes estimates of the costs and fees that you will pay in conjunction with the closing. A sample is shown on page 22 of this guide.

MORTGAGE INSURANCE PREMIUM (M.I.P.)

The premium paid for insurance to protect the lender in the event of a foreclosure where the money collected from the sale of the real estate is insufficient to cover the outstanding balance and costs due to the lender. Mortgage insurance is usually required for conventional loans that exceed 80% of the appraised value of the property and for all Federal Housing Administration (FHA) loans.

NOTE

A legal instrument constituting a promise to repay money borrowed from a lender. The Note is typically prepared by the lender and is signed by the borrower at closing. A Note will include the original principal amount of the loan, the initial rate of interest, the maturity date, and it will describe any contemplated changes to the interest rate or due date. The note will also describe the conditions of repayment and the penalties for failure to comply with its terms. A sample is included on page 24 of this guide.

ORIGINATION FEE

A fee charged by a lender or mortgage broker to initiate the loan process. This fee is typically referred to in terms of a percentage of the loan amount or "points."

POINTS

Common term used in the industry when referring to loan origination fees and discount fees. Each "point" represents one percent (1%) of the loan amount.

SHORT SALE

When the proceeds from the sale of a property are less than the amount owed on the seller's loan secured by the property, the mortgage lender agrees to accept a lower amount to satisfy the debt. Typically, the lender will decide if the debt is completely satisfied based on the financial situation of the borrower, as well as the real estate market conditions at the time of the sale.

TENANCY

The legal term used to describe the form of co-ownership in which real estate title is held by more than one person. The tenancy of co-owners must be specified in the Deed. Joint Tenancy (with right of survivorship) is a form of co-ownership where, upon the death of any joint tenant, title to the property will, by operation of law, vest in the surviving joint tenant(s) (NOTE: each joint tenant must take title to an equal share of the property). Tenancy by the Entirety is a form of co-ownership between a husband and wife. Upon the death of either spouse, title to the property will, by operation of law, vest in the surviving spouse. Tenancy in Common is a form of ownership where, upon the death of any tenant in common, the share owned by the deceased does not automatically vest in the surviving tenant(s) in common, but rather is distributed as part of the estate of the deceased (i.e., as designated in the decedent's will or through intestate succession if the deceased died without a will.)

TITLE INSURANCE

Insurance which protects the purchaser and the lender against loss or damage resulting from defects of title or the enforcement of liens against real estate existing at the time of issuance. Potential defects covered will include matters that may not be discovered from a search of the public records, such as past frauds or forgeries. Title insurance requires a one-time premium paid at settlement which protects you for as long as you own the property.

DOCUMENTS

The Closing Disclosure and the Settlement Statement are the documents which summarize all financial aspects and costs associated with your purchase and the loan you have obtained. Each of these costs, charges and adjustments are itemized separately and will be explained to you by the attorney or settlement officer who conducts settlement. The settlement statement serves as your "receipt" for all sums, which you pay in connection with the purchase.

At settlement, in addition to the Closing Disclosure and the Settlement Statement, you and the Seller will sign various documents necessary to transfer title, to establish your loan obligations and to secure the lender's interest. Of the documents you will see, the most important are the following: the Deed, the Note, and the Deed of Trust.. The Deed is the legal instrument which is signed by the seller(s) and which transfers title to the real estate from the seller(s) to you. The Note is the instrument that constitutes your written promise to repay the money loaned to you by your mortgage lender. It creates a personal obligation to repay and sets forth the terms (i.e., interest rate, monthly payment) for repayment. The Deed of Trust is the instrument by which you grant a lien upon the purchased real estate to the mortgage lender to secure your promise to repay the Note. The Deed of Trust is the instrument that authorizes the lender to institute a foreclosure sale on your property if you fail to repay the loan as agreed. Also, to further familiarize you with some of the standard forms, we have included sample copies for your review, beginning on page 25 of this booklet.

As part of the settlement your title company will collect all guaranteed funds and make the appropriate disbursements in accordance with the Closing Disclosure and Settlement Statement. If the Seller has an existing mortgage on the property, your title company will use a portion of the sales proceeds to clear the title by paying off the loan and will record the required release to remove the mortgage lien.

Your title company will also calculate the adjustments as of the date of settlement for taxes, homeowner's association dues and other items contemplated under the Contract. These items will be shown on the Settlement Statement as credits to or debits from the gross amounts due to or from the respective parties. In Maryland and the District of Columbia, the sale proceeds are typically paid to the Seller at settlement; in Virginia, however, funds are generally disbursed immediately after recording of the documents.

Following settlement, your title company will return the signed, original Note to your lender and record the Deed and Deed of Trust in the District or County Land Records office. Upon recording, your title company will issue a policy of title insurance to you and to your lender. The original Deed will be forwarded to you directly by the Land Records office after recordation.

At settlement your settlement attorney/licensed settlement officer will answer any questions you may have and will provide you with a complete set of copies of documents for your files. Moreover, we will remain available to answer questions you may have after the transaction is complete. We look forward to working with you, and we welcome your comments and questions so that we can serve you better.

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 *See Projected Payments below for your Estimated Total Monthly Payment*	$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

CLOSING DISCLOSURE ("CD")

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 *See Projected Payments below for your Estimated Total Monthly Payment*	$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

SAMPLE DEED

THIS DEED, made this ___ **day of** _____, **20**__, by and between **SELLER** and **SELLER**, parties of the first part, **BUYER** and **BUYER,** parties of the second part.

WITNESSETH, that in consideration of the sum of **$440,000.00**, the said parties of the first part do grant and convey to the said parties of the second part, as **TENANCY**, their heirs, personal representatives/successors and assigns, in fee simple, all that piece or parcel of land situate, in **ANY COUNTY**, Maryland, and described as follows, to wit;

LOT NUMBERED XX IN BLOCK LETTERED X IN THE SUBDIVISION KNOWN AS "SUBDIVISION", AS PER PLAT THEREOF RECORDED AMONG THE LAND RECORDS OF ANY COUNTY, ANY STATE.

XXX.

BEING all of the same land conveyed to the grantors herein by Deed recorded in Liber XXXXX, folio

BY THE EXECUTION of this Deed, the parties of the first part hereby warrant under the penalties of perjury that the actual consideration paid or to be paid, including the amount of any mortgage or deed of trust assumed by the parties of the second part, is in the sum total of $440,000.00.

TO HAVE AND TO HOLD the property hereby conveyed unto the parties of the second part, as TENANCY, their personal representatives, heirs and assigns, in fee simple, forever.

TOGETHER WITH all and singular the ways, easements, rights, and privileges and appurtenances to the same, belonging or in anywise appertaining, and all the estate, right, title, interest, and claim, either at law or in equity or otherwise however, of the said parties of the first part, of, in, to, or out of the said land and premises; subject to all easements, covenants and restrictions of record.

AND the parties of the first part herein warrant specially the property hereby conveyed; and covenant to execute such further assurances of said land as may be requisite.

WITNESS the hands and seals the day and year first hereinbefore written.

Witness:

_____ _____ (SEAL)
SELLER

_____ _____ (SEAL)
SELLER

STATE OF ANY STATE, COUNTY OF ANY COUNTY, TO WIT;
I Hereby Certify, That on this ___ day of _____, 20__, before me, the subscriber, a Notary Public of the state and county aforesaid, personally appeared SELLER and SELLER, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained, and signed the same in my presence.
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____ _____
NOTARY PUBLIC

THIS IS TO CERTIFY THAT THE WITHIN INSTRUMENT WAS PREPARED BY OR UNDER THE SUPERVISION OF AN ATTORNEY DULY ADMITTED TO PRACTICE BEFORE THE COURT OF APPEALS OF MARYLAND.

_____
ATTORNEY

SAMPLE NOTE

_____ , 20___ ROCKVILLE, MD
[City] [State]
12345 MAIN STREET, USA
[Property Address]

1. BORROWER'S PROMISE TO PAY
In return for a loan that I have received, I promise to pay U.S. $300,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is THE MORTGAGE COMPANY. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder".

2. INTEREST
Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 4%. The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS
(A) Time and Place of Payments
I will pay principal and interest by making payments every month.
I will make my monthly payments on the day of each month beginning on_____. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If on (generally 15 or 30 years), I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date". I will make my monthly payments at or at a different place if required by the Note Holder.
(B) Amount of Monthly Payments
My monthly payment will be in the amount of U.S. $

4. BORROWER'S RIGHT TO PREPAY
I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". when I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepaym ent or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES
If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge collected shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED
(A) Late Charge for Overdue Payments
If a Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.
(B) Default
If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.
(C) Notice of Default
If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on the amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

D) No Waiver By Note Holder
Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.
(E) Payment of Note Holder's Costs and Expenses
If Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law.
These expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICE
Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE
If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVER
I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of the amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10.UNIFORM SECURED NOTE
This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full if all amounts I owe under this Note. Some of those conditions are described as follows:
Transfer of the Property or a Beneficial Interest in Borrower.
If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

_____ (SEAL)
BUYER - Borrower

_____ (SEAL)
BUYER - Borrower

(Sign Original Only)

SAMPLE DEED OF TRUST

_____[Space above This Line for Recording Data]_____

PURCHASE MONEY
DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on _____. ____. 20__. The grantor is **BUYER** and **BUYER** ("Borrower"). The trustee is **ASSIGNED BY THE LENDER (Trustee")**. The beneficiary is **THE MORTGAGE COMPANY** which is organized and existing under the laws of the State of Maryland, and whose address is 987 Smith Road, Anytown, USA ("Lender"). Borrower owes Lender the principal sum of **One Hundred Twenty Thousand and 00/100 *** Dollars (U.S. $300,000.00.)**
This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable **(generally 15 or 30 years).**
This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in **ANY COUNTY, Maryland.**

which has the address of 12345 MAIN STREET, USA ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."
BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.
UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any;
(e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.
The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.
If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.
Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amount payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.
Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against

enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to the Lender subordinating the lien to this Security Instrument. If Lender determines that nay part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage describe above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's Security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond the Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides,

the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.
If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.
Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify
amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to the Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal laws as of the date of this Security Instrument.
If Lender exercises this option, Lender shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall the have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or
(b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.
Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any

Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall mail or cause Trustee to mail a notice of sale to Borrower in the manner prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, Trustee's fees of five (5%) percent of the gross sale price and reasonable attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

Borrower, in accordance with Subtitle W of the Maryland Rules of Procedure, does hereby declare and assent to the passage of a decree to sell the Property in one or more parcels by the equity court having jurisdiction for the sale of the Property, and consents to the granting to any trustee appointed by the assent to decree of all the rights, powers and remedies granted to the Trustee in this Security Instrument together with any and all rights, powers and remedies granted by the decree. Neither the assent to decree nor the power of sale granted in this paragraph 21 shall be exhausted in the event the proceeding is dismissed before the payment in full of all sums secured by this Security Instrument.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender or Trustee, shall release this Security Instrument without charge to Borrower and mark the Note "paid" and return the Note to Borrower. Borrower shall pay any recordation costs.

23. Substitute Trustees. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the city or county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. Possession of the Property. Borrower shall have possession of the Property until Lender has given Borrower notice of default pursuant to paragraph 21 of this Security Instrument.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]_

____Adjustable Rate Rider	____Condominium Rider	____1-4 Family Rider
____Graduated Payment Rider	____Planned Unit Development Rider	____Biweekly Payment Rider
____Balloon Rider	____Rate Improvement Rider	____Second Home Rider
____V.A. Rider	____Other(s) [specify]	

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witness:

_____ _____ (SEAL)

SELLER

_____ _____ (SEAL)

SELLER

Prior to your settlement (on Maryland, non-condominium homes only), you will receive the following "Survey Approval Form." This form needs to be checked and signed accordingly, and returned to the surveyor as soon as possible. This executed form must be received by the surveyor before he is able to begin work on the survey.

SURVEY APPROVAL FORM

Property Address: _____

_____County, Maryland

In connection with your purchase or refinancing transaction involving the above referenced property, a Surveyor will be retained to prepare and furnish a location drawing. A location drawing is generally satisfactory for the purpose of either purchase or refinancing.

Since a location drawing is not a boundary survey and does not identify property lines, State Regulations require that we obtain your approval. Therefore, please sign and return the original of this form so that there will be no delay in settlement.

If you wish we can perform a boundary survey which includes a location drawing described above. This survey will identify property boundary lines and will mark property boundary corners, and can be used for various purposes, for example, erecting a fence, garage or other improvements on the property. The cost of a boundary survey as indicated below, is substantially greater than the cost of a location drawing.

A location drawing will cost approximately $175 - $250, unless unusual circumstances exist, and you will be notified prior to our proceeding if such circumstances exist. You are not required to make any advance deposit prior to our commencement of work on a location drawing. A boundary survey will cost approximately $500.00 to $10,000.00 and a 50% advance deposit is required before we can commence work.

PLEASE CHECK APPROPRIATE LINE AND SIGN BELOW

I/we approve the preparation of a location drawing at the approximate cost outlined above ($175.00 - $250.00). I/we understand that, in the absence of any problem revealed by or during preparation of this drawing, it will be all that is required for settlement.

I/we request a boundary survey that will include a location drawing, and will identify property lines and mark property corners. I/we have read and understand that this may not be required for settlement purposes and will increase the cost of the service.

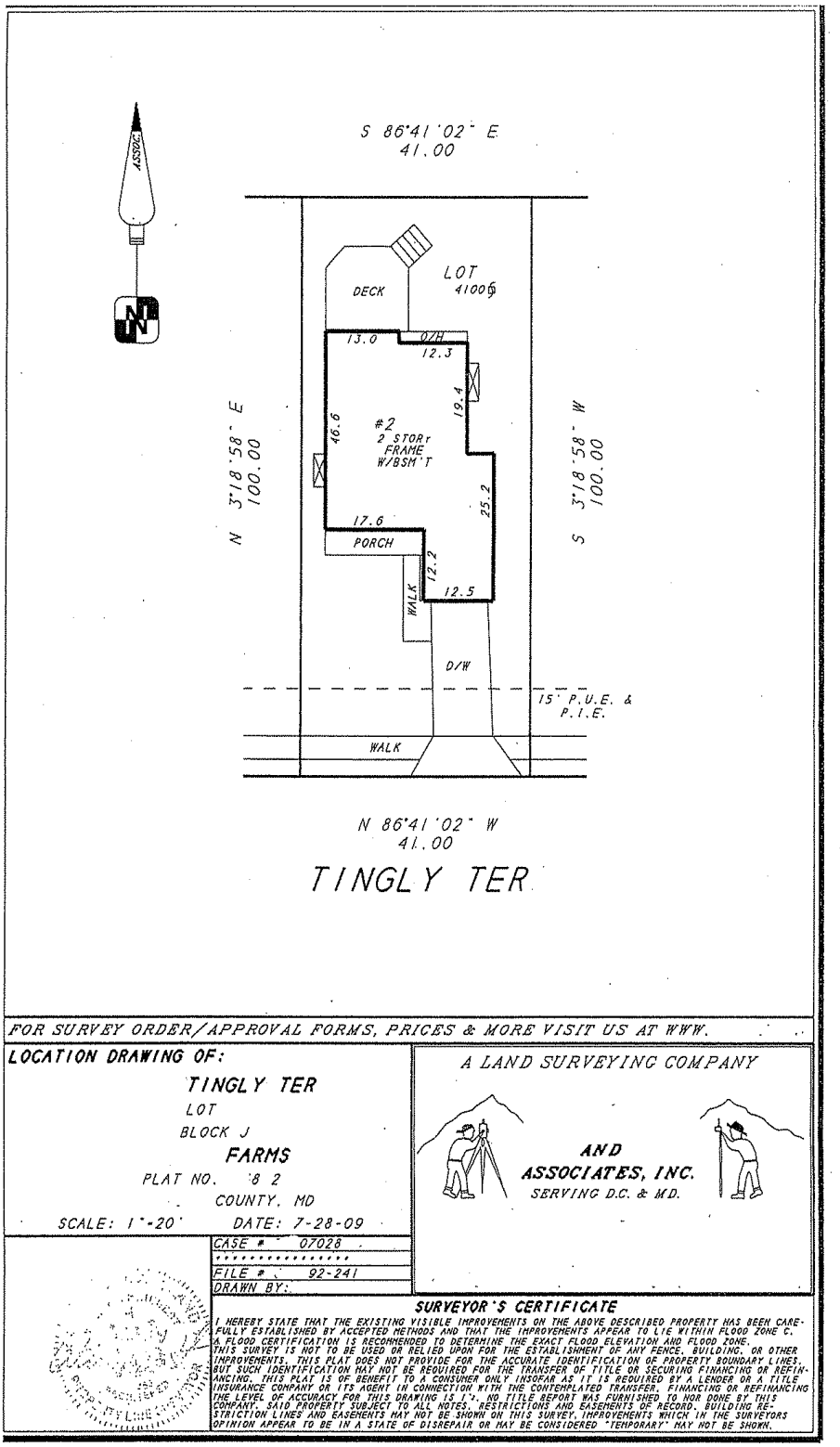
_____ _____

BUYER #1 BUYER #2

(Note: if there is more than one purchaser/borrower, only one must sign this form)

PLEASE COMPLETE, SIGN AND RETURN THIS FORM BY FAX OR MAIL TO _____

SAMPLE HOUSE LOCATION DRAWING



SETTLEMENT TELEPHONE DIRECTORY

Anne Arundel County

BGE	800-685-0123
A.A. County Water & Sewer	410-222-8400
Demographic Planning (School Districts)	410-222-5294
Tax Information	410-222-7000

Baltimore County & City

BGE	800-685-0123
Bureau of Water	410-396-5398
Board of Education	410-887-5555
Taxes (City)	410-333-3762
Taxes (County)	410-887-2404

Calvert County

BGE	800-685-0123
SMECO	888-440-3311
Water & Sewer	410-535-1600
Board of Education	410-535-7207
Tax Information	410-535-1661 ext. 2272

Carroll County

Water	410-386-2000
Water (Hampstead)	410-239-7408
Tax Collection	410-386-2971

Charles County

Washington Gas	703-750-9500
SMECO	888-440-3311
Water & Sewer	301-645-0624
Board of Education	301-932-6610
Tax Information	301-645-0685

Frederick County

Frederick Gas	301-662-2151
Allegheny Power	888-544-4877
Water Department	301-600-1825
Board of Education	301-694-1000
Tax Information	301-694-1960

Howard County

BGE	800-685-0123
Utilities	410-313-4900
Water & Sewer	410-313-2058
Board of Education	410-313-6600
Tax Information	410-313-2062

Montgomery County

Washington Gas	703-750-1000
PEPCO	202-833-7500
WSSC	301-206-4001
Rockville Water	301-309-3370
Board of Education	301-279-3000
Tax Information	240-777-0311

Prince George's County

BGE	800-685-0123
Washington Gas	703-750-1000
PEPCO	202-833-7500
WSSC	301-206-4001
Board of Education	301-952-6000

Washington, D.C.

Washington Gas	703-750-1000
PEPCO	202-833-7500
DC Water	202-787-2000
Board of Education	202-727-6436
Tax Information	202-727-4829

Wicomico County

Tax Office	410-548-4840
City of Salisbury	410-548-3110
Salisbury Water Dept.	410-548-3115

Worcester County

Tax Office	410-632-0686
Ocean City	410-289-8833

NORTHERN VIRGINIA UTILITY CONTACT INFORMATION

Gas & Electric Service

City of Manassas (20110)	(703) 257-8219	Electric, water, sewer and trash
Dominion Virginia Power	(866) 366-4357	
Northern Neck Electric Coop	(800) 243-2860	
Northern Virginia Electric Coop	(703) 335-0500	
	(888) 335-0500	
Rappahonnock Electric Coop	(540) 898-8500	Services part of Stafford County
	(800) 552-3904	
Columbia Gas	(800) 543-8911	
Washington Gas	(703) 750-1000	
Miss Utility	(800) 552-7001 or 811	Call before digging

Telephone Service

Verizon	(800) 837-4966

Water Authority / Sewer Services

Alexandria	(703) 549-3381	
Arlington	(703) 228-6570	
Town of Culpepper	(540) 829-8220	
Dale City	(703) 491-2136	
Dales Services Corporation	(703) 590-4495	Sewer services for Dale City
Fairfax outside I-495	(703) 698-5800	
Fauquier	(540) 349-2092	
Town of Warrenton	(540) 347-2678	
Falls Church	(703) 248-5071	
City of Fredricksburg	(540) 372-1182	(22401, 22404 zip codes)
Herndon	(703) 435-6814	
Town of Leesburg	(703) 771-2701	Town only
Loudoun County	(571) 291-7880	Sterling, Ashburn, South Riding, Parts of Leesburg
City of Manassas Utility Department	(703) 257-8219	
Prince William and Manassas	(703) 335-7950	
Manassas Park	(703) 335-8805	
Spotsylvania	(540) 507-7300	(22407, 22408, 22553 zip codes)
Stafford	(540) 658-8616	(22405, 22406, 22554, 22555 zip codes only)
Vienna	(703) 255-6385	

County Services (Well / Septic Inspection)

Alexandria	(703) 746-4910	
Arlington	(703) 246-2201	
Culpeper	(540) 829-7466	
Fairfax	(703) 246-2201	
Fauquier	(540) 347-6363	
Fredricksburg	(540) 899-4797	
Loudoun	(703) 777-0234, Option 1	
Manassas	(703) 792-6310, Option 2	
Prince William	(703) 792-6310, Option 2	
Stafford and Spotsylvania	Private	
Miss Utility	(800) 552-7001 or 811	Call before digging

BUYER'S CHECKLIST

SELECT YOUR TITLE COMPANY

Make sure one of TitleConnect's members is written in the contract as your settlement services provider.

☐ **Provide Title Company with Settlement Information**
Copy of the Real Estate Contract Name/phone number of Mortgage Company Name/phone number of Loan Officer.
Your current address (for pre-settlement correspondence with the title company).
Your email address.

PREPARE FOR SETTLEMENT

☐ **Obtain necessary insurance coverage**
For properties other than condominiums, you must have an original homeowner's insurance policy at settlement with a paid receipt for the first year's premium. The dwelling coverage must be at least the loan amount. Contact the lender for specific requirements.

☐ **Verify All Lender's Requirements Have Been Met**
Check with your loan officer or lender representative and verify that the lender has all requirements on hand.

☐ **Determine Amount of Funds Necessary to Complete Closing**
You must obtain wiring information for the balance due at closing, and arrange for a wire transfer to your title company. **ALWAYS CALL YOUR TITLE COMPANY TO CONFIRM WIRING INSTRUCTIONS PRIOR TO AUTHORIZING A TRANSFER OF FUNDS!.**

Our settlement coordinators will make every effort to provide you with a final Settlement Statement as soon as they are in receipt of your lender's final instructions.

☐ **Bring your photo I.D.**
It is required by the lender, the title insurance company and the notary public that you furnish a government issued photo I.D (e.g., driver's license or passport.) If you do not bring this to closing, a delay in the disbursement of funds and exchange of keys may result. NOTE: Some lenders require two (2) forms of identification.

☐ **Termite Certification**
If a wood infestation report is required by the contract, or the lender, confirm with the responsible party that it has been ordered and is "clear."

AFTER SETTLEMENT

☐ **Contact utility companies**
You will need to make sure that all utility companies are aware that you will be the new property owner as of the date of settlement. The phone numbers for the utility companies in your area are listed on Page 33 of this booklet.

SELLER'S INFORMATION CHECKLIST

- ☐ Notify title company of any and all existing mortgages tied to the subject property.
  - a. Name of lender and contact phone numbers
  - b. Loan/account number
  - c. Social security number (which enables title company to obtain payoff figures)
- ☐ Notify title company if you have initiated a bankruptcy or if foreclosure proceedings have been commenced against you..
- ☐ Furnish the title company with applicable information regarding condo management company/homeowner's association/private front foot company.
  - a. Name/address/phone number of management company
  - b. Amount of condo/HOA fee
  - c. Is this fee paid on an annual/quarterly/monthly basis?
- ☐ Is this property waterfront?
- ☐ The title company needs to know, if leasehold property, if there is ground rent. If so, you will need to furnish the following information:
  - a. Name/address/phone number of owner
  - b. Yearly payment amount
  - c. Semi-Annual payment dates
- ☐ If you (or a co-owner) will not be present, please advise the title company immediately.
  Arrangements will need to be made, or a Power of Attorney may need to be prepared. If there is already an existing power of attorney, the title company must review its substance to determine if it is acceptable (for recording/insuring purposes.)
- ☐ Is the current owner(s) of record a citizen of the United States? If ANY owner is a foreign person (and the sales price exceeds $300,000.00) a 10% withholding will be required unless the seller provides a "withholding certificate" issued by the IRS OR furnishes other documentation indicating an exemption from the withholding requirement (e.g., current green card.)
- ☐ Is the current owner(s) of record a non-resident of the State of Maryland? On Maryland property, if the owner is not a Maryland resident the property may be subject to collection of withholding requirements, per Section 10-912(b)(2) of Maryland's Tax-General Article.
- ☐ The title company needs to know your current marital status (married, single, widowed, divorced) to determine whether or not there may be other owners of record or issues concerning an estate.
- ☐ Please furnish the title company your forwarding address so they may contact you after the closing, or need to mail you any important documentation or refunds.
- ☐ The title company will need the name of your real estate agent, as well as his/her company affiliation, phone/fax number(s) and total commission percentage.
- ☐ Is the current owner a legal entity (LLC, Partnership or corporation?) The title company will need the tax id number for the entity, as well as documentation showing the entity is in good standing and the appointment of someone with authority to sign documents, if applicable.
- ☐ Are any of the owners/co-owners deceased? If so, the title company will need a death certificate and estate documents, if applicable.
- ☐ Bring all keys/garage remotes, as well as alarm and garage codes.
  If you wish to have your proceeds wired, the title company will need wiring instructions for your bank.
- ☐ Bring your photo I.D.
  It is required by the title insurance company and the notary public that you furnish a government issued photo I.D. (e.g., driver's license or passport.) If you do not bring this to closing, a delay in the disbursement of funds may result.



TITLECONNECT GROUP

CAPITOL·TITLE

Settle On Our Experience®



Closeline®
Settlements

Monarch
TITLE, INC.®