

## Settlement – Frequently Asked Questions

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### **Who selects the title company?**

You may remember that you selected the title company when you purchased your home. Now your buyer will have that same privilege. In rare cases, the home seller will try to influence the choice of Title Company for one reason or another, but the homebuyer usually makes the final decision. Yet the title company does not represent the buyer – it is a “disinterested third party” who handles paperwork and funds on behalf of all parties to the transaction to facilitate the transfer of real property.

### **What should I expect, as the home seller?**

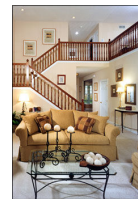
The choice of title company usually has little or no impact on home sellers because closing costs associated with settlement are negotiated in the Contract of Sale. Paperwork signed by the seller is minimal – the deed, HUD-1 settlement sheet, and possibly a few incidental forms required by the lender or title company. Home sellers spend most of the time during settlement watching and listening as the settlement officer goes over paperwork with the buyer.

### **What does the title company do?**

The days between receiving a copy of the contract and settlement are busy ones for the title company. First, they order a history of the title from the land records of the jurisdiction in which your property is located; they order a survey of the property to identify the property boundaries and any discrepancies; they request a payoff from your lender so your current loan can be paid off from the proceeds of sale; they contact the new lender to obtain instructions for closing the new loan. Once all this data is collected, it will be assembled and reviewed by a staff member, and then an attorney. In most cases, this process is very routine.

Occasionally, a discrepancy or problem will be noticed, and the title company will attempt to resolve it before notifying the buyers, sellers or agents. If you are contacted about a settlement issue, it is essential for you to provide any assistance you can to resolve the matter. You may be requested to provide a copy of the settlement sheet from your initial purchase and any refinancing, as well as your title insurance policy. Be sure to keep this information out when you start packing for your move.

Remember that the title company relies upon many entities for information, and everything they do is based upon this third-party information. Until they receive instructions from the new lender, a payoff from the current lender, a lien certificate and judgment report from the county, water bill from the utility company and other information needed for the HUD-1 settlement sheet, the title company cannot provide an estimate of anyone’s closing costs or net proceeds. It is entirely possible that these figures will not be available until hours, or even minutes, prior to settlement.



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### When will settlement occur?

Since the buyer selects the title company, it usually is the buyer that schedules the appointment for settlement. Settlement normally occurs during the business day, so the current and new lender can be reached if any issues arise during settlement. It is in everyone's best interest to accommodate this schedule to avoid unnecessary complications or delays.

For more information about the settlement process, visit [www.CapitolTitle.com](http://www.CapitolTitle.com).

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