



NAVITITLE
AGENCY



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Hablamos Español

THE
RIVAS TEAM
REAL ESTATE



buyer & seller

G U I D E



Welcome

I appreciate you taking the time to sit down and discuss some of your home ownership wants and dreams with me. Buying or selling a home can sometimes be a daunting task, whether it's your first time or tenth time but I am here to assist you and ensure a smooth and clean process from start to finish. Along with my team of professionals, we will be there to navigate you every step of the way to the finish line. I am excited to be a part of this process with you and can't wait to celebrate your achievements!



SECTION

01

All About Title Insurance

We know title insurance can be confusing and overwhelming. This section breaks down what it is, why you need it, and who will pay for it.

ALL ABOUT

Title Insurance

What is Title?

The title gives the holder the right to possess, occupy, use, control, enjoy, and dispose of the land. In other words, the title conveys the rights of ownership to the property.

What is Title Insurance?

Title insurance policies protect buyers and lenders from a financial loss against possible issues or defects in the title. A title professional searches the public record (property records, tax records, and court records) to establish legal ownership of the property being sold, reports and determines a cure for any title defect, accounts for and insures the entire transaction against fraud or defect, whether it is known or unknown. If a claim arises, title insurance may also cover the cost of defense against the claim.

An owner's policy protects the buyer, and their heirs, for as long as they own the home. A lender's policy protects only the lender's financial interest in the property.

1/3

of all transactions reveal a title or public record defect.

Who pays for title insurance?

Typically, the seller pays for owner's title insurance as a way to prove to the buyer that they are making a sound purchase with a clear title. The buyer typically pays for the cost of the lender's policy for similar reasons.

How much does it cost and how often do I have to pay for it?

There is a one time premium paid at the close of escrow, and the coverage extends for as long as the buyer and their heirs hold an interest in the property. Policy costs can vary considerably. The cost is based on the sales price of the property for an owner's policy and the loan amount for a lender's policy. Talk to your escrow officer for a more detailed estimate.

WHAT GOOD IS

Title Insurance

From the Valley heat to property title losses, we are all about protection.



- Defects in the title to your property, including unrecorded easements, forgeries, or other undisclosed contract issues
- Loss due to unknown encumbrances on your title, such as liens, judgments, or security instruments.
- Title claims to the property as a result of fraud, forgery, or incompetence of the party conveying the property.
- Loss due to a violation of subdivision law or regulation which affects your ability to obtain a building permit, correct or remove the violation, or remove any existing structures in violation.
- Lack of legal access to the property.
- Loss if you are forced to remove structures because they encroach on your neighbor's property over an easement or building setback line.
- Loss of your existing improvements including lawns, shrubbery, or trees damaged due to future exercise of a right of use for the surface of the land for minerals, water, or any other substance.
- Loss if a taxing authority assesses supplemental real estate taxes not previously assessed against the property prior to the policy date.
- Loss in the event the legal description of the residence purchased is not the same as shown on the final title policy.
- Loss if the title to the property is unmarketable, which allows another party not to perform on a purchase contract to purchase the land, lease it, or make a mortgage loan on it.

Some policies may be subject to policy deductibles. For all covered risks, see a copy of the title policy, which includes deductible amounts.

What is Escrow?

The appointment to sign lender and escrow documents is frequently called a “closing” or “closing appointment”. However, there are a few more steps that must be completed before the transaction is closed.

Appointments with the escrow company for the buyer and seller to sign their individual packages are typically scheduled prior to the “close of escrow” date on the purchase contract; buyers and sellers deposit any final documents and funds needed for the transaction at that time. If a new loan is involved, Navi Title returns the signed packages to the lender for review. Lenders may take 24 to 72 hours to review and fund, depending on the individual lenders requirements.

Following the lenders deposit of funds into escrow, Navi Title presents the original signed documents (deed/deed of trust) to the County Recorder, usually electronically, for recordation.

Upon notification by the County Recorder that the documents have been recorded, all funds are disbursed and final closing packages are provided to all of the parties. Recordation is the “Close of Escrow”.

Our Responsibility

Navi Title's responsibility, as an escrow company, is to act as a neutral third party, holding all documents and monies as required by the purchase contract and guaranteeing no funds or property will change hands until all of the terms and conditions in the contract have been met. The title company is employed by the buyer and the seller to only add on written instructions mutually agreed upon by both parties.

STEPS AN ESCROW AGENT MAY PERFORM:

01

ARRANGE FOR TITLE INSURANCE protection for the buyer and lender

02

ORDER PAYOFF INFORMATION on existing liens, calculate and prorate taxes, liens, interest, rents, and insurance policies

03

PAY COSTS AND LIENS as agreed upon by the parties to the transaction

04

ARRANGE FOR RECORDING of the conveyancing documents and any other legal instruments necessary to transfer title to the property in accordance with the purchase agreement

05

PREPARE A CLOSING STATEMENT for the parties to the transaction, showing disposition of funds in the transaction

06

CLOSE THE TRANSACTION after all instructions from buyer and seller have been satisfied

MEET THE TRANSACTION TEAM

Real Estate Agent	There are usually separate agents representing the buyer and seller, guiding them through the entire sales transaction. All real estate agents are licensed
NTA Escrow Officer	The escrow officer is an unbiased third party who works with all participants to facilitate a successful closing of the real estate transaction. The escrow officer ensures all conditions and instructions are met prior to closing. At closing, they will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the settlement statement and record the necessary documents to transfer ownership of the property.
NTA Title Officer	The title agent performs a search of public records to trace the chain of title and ensure a clear title so a title insurance policy can be issued. They will issue a commitment for title insurance that outlines their findings and identifies any clouds or encumbrances that need to be cleared. When the transaction closes the title officer will issue the final title policies.
Property Inspector	The property inspector is sent out to determine whether encroachments and/or broken property exist.
Loan Officer	The loan officer is a representative of a bank or other financial institution and helps the buyer identify their borrowing options and understand the terms of their loan.
Appraiser	An appraiser is a professional, usually selected by the lender, who will perform a market analysis and assess the current value of the property.
Home Inspector	The home inspector objectively judges the condition of the home and its systems/components and searches for pests or pest damage. They will provide a detailed report to the buyer.
Insurance Agent	An insurance agent helps the buyer determine the proper coverage and policy needed to protect the property.
Real Estate Attorney	Sometimes a real estate attorney may be consulted by the buyer and/or seller to provide advice on any legal aspect of the transaction, such as the purchase contract or ways to take title.



W - T - F

WIRE - TRANSFER - FRAUD

Every day, hackers try to steal money by emailing or calling with fake wire instructions. Criminals will use a similar email address, steal a logo and other information to make it look like the email came from your real estate agent or Navi Title.

BE VIGILANT

- Call, don't email: Confirm your wiring instructions by phone using a known number before transferring funds. Don't use phone numbers or links from an email.
- Be suspicious: It's uncommon for title companies to change wiring instructions and payment info by email.

PROTECT YOUR MONEY

- Confirm everything: Ask your bank to confirm the name on the account before sending a wire.
- Verify immediately: Within four to eight hours, call Navi Title or your real estate agent to confirm they received your money.

WHAT TO DO IF YOU'RE TARGETED

- Immediately call your bank and ask them to issue a recall notice for your wire.
- Report the crime to www.IC3.gov
- Call your regional FBI office and police.
- Detecting that you sent money to the wrong account within 24 hours is the best chance of recovering your money.

WHO PAYS FOR WHAT?

SELLER PAYS:

- Owner's title insurance policy premium
- Real estate commission
- Half of the escrow fee
- Any loan charges required by the buyer's lender if specified in the purchase contract
- Payoff plus any fees, charges, and/or penalties and interest on all loans made by the seller, including statement fees, reconveyance fees, and/or prepayment fees
- Any encumbrance of record against the seller
- Recording charges to clear all documents of record against the seller
- Termite inspection and repair work as specified by the purchase contract
- Home warranty, if specified in the purchase contract
- Prorated property taxes and/or delinquent taxes to date of close
- Unpaid HOA dues or assessments of record (if applicable)
- HOA transfer fee (if applicable)
- HOA Disclosure Statement (if applicable)

BUYER PAYS:

- Lender's title insurance policy premium
- Half of the escrow fee
- All loan fees except those required by the lender for the seller to pay
- Recording charges for all documents in the buyer's name
- Interest on new loan from the date of loan funding to 30 days prior to the first payment due date
- Hazard insurance premium for the first year in advance and impounds as required by the new lender
- Property tax impounds as required by the new lender
- HOA fees, initiation, monthly/annual dues (if applicable)
- Preservation fees, recreation center fees (if applicable)

Note: FHA, VA, and other specialty loans may have specific fee stipulations.

NEGOTIATED TERMS:

There are many opportunities for negotiation in a home sale beyond the price of the property. Some things that are typically negotiated are closing cost credits, closing date, inspection repairs, and home warranties. All terms will be documented in the Purchase Agreement. Decide what is important to you, and ask your real estate agent if there is something you want to negotiate.

Commitment

FOR TITLE

The Commitment for Title Insurance reports the findings of an initial title search. It will contain the terms, conditions, and exclusions covered in the policy.

COMMITMENT:

SCHEDULE A reflects the information provided to the title department as a result of the purchase contract and preliminary search of the public records. Information such as the legal description of the property, sales price, loan amount, lender, name, and marital status of the buyer and seller is reflected.

SCHEDULE B is broken down into two sections. Requirements and Exceptions. Requirements are items that the title company needs to eliminate from the title in order to provide a clear, unencumbered title to the buyer. A few examples of items that must be cleared are:

- Payment of property taxes
- Assessments owed of record
- Any encumbrances (or liens) on the property

Be certain the information reflected in Schedule A is correct because it will be reflected in all of your documents, including any lender documents.

NOTE:

Read Schedule B carefully because it defines your use of the property. There may be restrictions that will cause you to reconsider your purchase (i.e. discovering the HOA has CC&R's and upon their review you find out farm animals are not sanctioned, so your family goat is not allowed). If anything in this section concerns you, ask for clarification.

Often encumbrances show up because another individual has a name similar to one of the parties in the escrow. The title company may ask for a Statement of Identification in order to determine whether items that show up are related to our parties and whether they can be removed.

Exceptions are items that run with the land. They are called "exceptions" because the buyer will receive clear title except the buyer's rights to use the property will be subject to the exceptions described in this section. Exceptions include Covenants, Conditions, and Restrictions (CC&Rs), easements, homeowner's association rules, mineral rights as reserved in patents, leasehold interests, and other items which will remain of record following the transfer of the property.

GENERAL POLICY COVERAGE:

Title insurance provides assurance you can access and use your land. Many of the protections title insurance provides have been listed in detail on page 5. However, they are worth briefly mentioning again. In summary, this coverage will minimize risk and protect you against:

- The possibility that someone else owns or has a claim to your property
- Defects caused by fraud, forgery, or incompetence
- Defective recording of any document
- Unmarketability of title
- Lack of legal access to and from the property



REVIEWING THE COMMITMENT FOR TITLE

ITEMS AND ISSUES NOT COVERED:

Some rights are not protected by your title insurance policy.

Examples may include:

- Land trusts
- Life estates
- Air rights above the property
- Mineral, water rights, and timber reservations
- Matters that a physical inspection would disclose
- Restrictive covenants that limit the use of the property to a single-use
- Matters that an accurate survey would show: Easements, Rights-of-Way, etc.
- Set-Back requirements that designate where improvements must be located
- Rights of holders of liens, such as judgments, tax liens, street improvement liens, etc.

A photograph of an open white door leading to a bright room with a wooden floor. The door is open, revealing a bright, sunlit room with a wooden floor. The text is overlaid on the image.

SECTION

02

Selling Your H O M E

THE LIFE OF AN ESCROW WITH FINANCING

MORTGAGE COMPANY

1. Loan Processing Begins
2. Buyer Income, Stability, Credit, And Assets Are Verified
3. Approved Evaluation Property Value
4. Loan Is Submitted For Approval
5. Loan Approved And Closing Instructions Sent To Title
6. **All Parties Agree To Close**
7. Title & Escrow Prepares Document

NAVI TITLE

1. Escrow Opens
2. Title Examiner Completes Title Search
3. Conducts Property Search For Owners Of Record, Liens, Etc
4. Reviews For Title Defects
5. Conducts Search For Seller, Liens, Lawsuits, Divorces, Probates, Etc
6. Commitment For Title Insurance Issued
7. **All Parties Agree To Close**
8. Everyone Signs



BENEFITS OF USING A Real Estate Agent



Find the Right Lender

Real estate agents assist in determining what a buyer can afford as well as available financing options.

Finding "The One"

With thousands of homes on the market at any given time, real estate agents assist in finding the home that best meets a buyer's needs, from size and style to features and location, as well as accessibility to desired amenities.





Expert Property Advice

Real estate agents can provide information to better inform a buyer regarding which property to buy, from real estate values to taxes, municipal services to utility costs.

Keeping Things in Perspective

Real estate agents can be objective about a property and point out disadvantages, as they have no emotional ties.



Determining Market Value

Real estate agents will determine “fair” market value establishing a fair sales price.

First Impressions Matter

Real estate agents can offer suggestions for staging a home to show off its best qualities.



Marketing Marvels

Real estate agents also act as marketers to make a property more visible to buyers. Frequently, this includes displaying a property on a Multiple Listing Service, holding open houses for other agents, deciding if/how to advertise, creating listings online, and displaying flyers.

Negotiating Bulldogs

Real estate agents are negotiators and can expertly navigate the terms of offers and contracts, protecting your interests along the way.

ARIZONA PROPERTY TAX CALENDAR

The County Treasurer WILL NOT be held responsible for payments made on the wrong property, and will not accept payments in advance of their due date.

NOTIFICATION OF VALUE:

Assessment notices are sent to property owners on or before January 31st of each year. The notice includes assessed value, full cash value, classification, and assessment ratio. These items may be protested through the County Assessor within 45 days of receipt.

UPDATING THE ASSESSOR'S RECORDS:

Ownership information transfers may take six months to process. If property is purchased after November 1 of the previous year, new owners may not receive a tax statement. New owners should contact the Treasurer's Office if a statement is not received by October 15th. Even if a tax statement is not received, the new owner is still responsible for paying the taxes on time.

TIPS TO AVOID HEADACHES:

- Check the property description on your tax statement
- Provide your parcel number* when making payments or inquiries at the County Treasurer's or Assessor's Office

ANNUAL TAX STATEMENT:

Annual tax statements are issued in the fall of the current year and billed for the calendar year. They may be paid in two installments or all at once.

FIRST HALF DUE: OCTOBER 1ST

1st half for January 1st through
June 30th is due October 1st
and DELINQUENT**
NOVEMBER 1st

SECOND HALF DUE MARCH 1ST

2nd half for July 1st through
December 31st is due March
1st and DELINQUENT** MAY
1st

THE HOME SELLING PROCESS

HOME SELLER

- Choose a Real Estate Agent to Represent You
- Prepare Your Home
- List Your Property
- Your Agent Begins Marketing (i.e. Open Houses, Internet, etc.)
- Receive and Review Buyer's Offer(s)
- Negotiate Terms and/or Accept Offer
- Open Escrow with Navi Title

NAVI TITLE AGENCY *ESCROW OPENED*

- Accepted Contract Received, Escrow Opened, Title and Preliminary Report Ordered
- Conduct Search on Property: owners of records, liens, etc.
- Conduct Search on sellers: liens, divorces, etc.
- Review for Clouds on Title
- Buyer Deposits Earnest Money in Escrow
- Buyer Continues Loan Process, Escrow, and Title Fees Sent to Lender
- Initial Title and Escrow Instructions Sent to Seller and Buyer for Completion
- Payoffs, Appraisal, and Inspections Ordered and Completed
- Loan Processing is completed and Buyer's Approval is Received
- Home Warranty is Ordered by the Agent or Buyer
- Closing Documents are Reviewed Before Closing Appointment

NAVI TITLE AGENCY *ESCROW CLOSED*

- Loan Documents are Sent to Title and Signed
- Title and Escrow Documentation is Signed
- Down Payment and Closing Costs are Submitted to Escrow
- Lender Submits Funds to Escrow for Disbursement
- Deed is Recorded and Escrow is Closed

first



MAKE A GREAT FIRST IMPRESSION:

Put some extra effort into the areas potential buyers will see first, like the exterior, front door, and entryway. Pay attention to the details in these areas to create a WOWing first impression.

MINOR REPAIRS CAN MAKE ALL THE DIFFERENCE:

Minor damages can distract buyers from seeing the good qualities of your property. Take the time to do as many little repairs as you can, like fixing a leaky faucet or loose doorknob.

THE BRIGHTER THE BETTER:

Open all curtains and turn on all lights before a showing. Consider a higher wattage bulb if you need additional light in a room.

CLUTTER CAN HOLD YOU BACK:

Now is a great time to start packing and purging. Pack up personalized belongings, as well as items that aren't essential, and take them out of the house. Consider donating unwanted items.

MAKE YOUR HOME SPARKLE:

Now is a great time to start packing and purging. Pack up personalized belongings, as well as items that aren't essential, and take them out of the house. Consider donating unwanted items.

BREATHE DEEP:

Take out the trash before every showing, and be diligent about erasing potential odors. Don't cook pungent smelling foods the day of a showing...no bacon!

MAKE YOURSELF SCARCE:

Go to the park, see a movie, eat out, but don't stay home. Being at your home during a showing can be awkward for all parties involved.

KEEP YOUR PETS SECURE AND OUT OF THE WAY:

Not everyone loves animals and some people have allergies. Take your pets out of the house with you, if possible. Also put away their belongings, like dog bowls and litter boxes, to deemphasize pets live in the home.

impressions

NAR STAGING STATISTICS :

28% of seller's agents said they staged all seller's homes prior to listing them for sale. 13% noted they only staged homes that are difficult to sell.

The most common rooms staged were the living room at 93%, kitchen at 84%, master bedroom at 78%, and the dining room at 72%.

The median dollar value spent on home staging was \$400.

When staging a home, 22% of seller's agents reported an increase of 1-5% of the dollar value offered by buyer's, in comparison to similar homes. 53% of seller's agents stated there was a decrease in the time on the market when a home was staged.

NAR 2019 Profile for Home Staging



TAKING THE STAGE

Will you be moving before your home sells? Consider leaving behind or renting some furniture to stage your home.

Staging the whole house is not necessary, but consider adding furniture pieces and a few decorations to key rooms, like the living room, master bedroom, and dining room. If you have any quirky areas in your home, staging can help define the space for buyers. Turn an awkward corner that may confuse a buyer into a reading nook or mini office space!

A nicely staged home is likely to sell faster than an empty, hollow-sounding one. It may seem counterintuitive, but empty rooms often look small, so using properly proportioned furniture will provide scale and allow buyers to appreciate the square footage.

SELLER



SELLER'S REQUIRED INFORMATION:

This form requests information, such as lien information, property information, vesting, insurance, address after close of escrow, qualification for discounts, etc.

STATEMENT OF INFORMATION:

You may be asked to complete a Statement of Information. This form will request information from you (and your spouse, if married) to distinguish you from other people with similar names that may come up in the title search process. Information requested will include full name, birth date, social security number, place of birth, and citizenship information.

EXISTING LIEN HOLDERS:

You will need to provide the names and contact information for all lien holders, if any exist.

IDENTIFICATION:

Don't forget to bring a valid photo ID with you to the closing appointment.

DO I HAVE TO BE THERE?

If you or any one of the buyers will be unavailable to sign at one of our many offices, notify your real estate agent and escrow officer immediately. There are a few options that may be available to you, such as Remote Online Notarization, Mobile Notary, or Power of Attorney.

WIRING INFORMATION:

Navi Title can wire any proceeds directly to your bank account. Contact your escrow officer to provide the proper wiring instructions.

ADDITIONAL OWNERSHIP INFORMATION (IF APPLICABLE):

If title to the property is held in anything other than an individual or couple's names (i.e. a trust, LLC, or corporation) you may be required to bring additional documentation. Ask your escrow officer for details.

ARIZONA GOOD FUNDS LAW

Arizona law requires that escrow agents not disburse money from an escrow account until funds related to the transaction have been deposited and are available.

NAVI TITLE GUIDELINES CONCERNING THE AVAILABILITY OF FUNDS

All available dates are based on funds deposited in our bank. The following information outlines the availability of the most common types of deposits. In order to avoid delays of two to seven days or more, please use wire transfers, cashier's checks, certified checks, official checks, or teller's checks whenever possible.

TYPE OF DEPOSIT	SAME DAY	NEXT DAY (1ST BUS. DAY)	2ND DAY	5TH DAY
Bank Wire or Electronic Transfer	X			
Cashier's, Certified Checks, Official Checks or Teller's Checks	X			
Lender's Checks - if lender is an affiliate of the state or federally regulated depository institution where the check is drawn	X			
U.S. Treasury Checks, Postal Money Orders		X		
All Other Money Orders (Non-U.S. Postal)				X
Federal Reserve, Federal Credit Union, & Federal Home Loan Bank Checks		X		
State, County, & Municipal Government Checks		X		
Personal, Corporate, Credit Union, Money Market, & Travelers Checks				X**
Third Party Checks: It is our company policy not to accept third party checks. Exceptions must be approved by Escrow Administration.				
Drafts: No disbursement until funds received and collected. ACH Payments are NOT accepted.				

The background of the page is a photograph of an open white door. The door is open, revealing a room with light green walls and a wooden floor. The floor is made of light-colored wooden planks. The door has a classic six-panel design. The text is overlaid on the image.

SECTION

03

BUYING A
H O M E

THE BUYING PROCESS

HOMEBUYER

- Compare Lenders, Determine Your Budget, & Get Pre- Qualified
- Choose a Real Estate Agent
- Tour Properties, Choose a
- Home, Write and Present your
- Offer
- Terms are Negotiated and/or
- Offer is Accepted

LOAN

- Chosen Lender Verifies Buyer's Income, Credit, and Assets
- Contingency Period
- Real Estate Transfer Disclosure
- Physical/Pest Inspection Completed
- Appraisal Ordered and Completed
 - Provide Proof of Homeowner's Insurance Coverage
- Loan is approved

NAVI TITLE AGENCY - ESCROW OPENED

- Accepted Contract Received, Escrow Opened, Title Search and Preliminary Report Ordered
- Conduct Search on Property: owners of records, liens, etc.
- Conduct Search on Sellers: liens, divorces, etc.
 - Buyer Deposits Earnest Money in Escrow
 - Escrow and Title Fees are Sent to the Lender
 - Initial Title and Escrow Instructions Sent to Buyer and Seller for Completion
 - Payoffs and Other Requirements Are Completed to Clear Title
 - Home Warranty is Ordered and Closing Documents are Reviewed Before Closing Appointment

NAVI TITLE AGENCY - CLOSE OF ESCROW

- Loan Documents are sent to Navi Title and Signed
- Title and Escrow Documentation is Signed
- Down Payment and Closing Costs are Submitted to Escrow
- Lender Submits Funds to Escrow for Disbursement
- Deed is Recorded and Escrow is Closed

UNDERSTANDING THE HOME WARRANTY

A home warranty can be purchased by a buyer or seller to cover many mechanical, electrical, and plumbing systems, as well as some appliances. Many sellers choose to purchase a home warranty plan to:

- Cover repairs that may arise while the house is on the market
- Provide reassurance for buyer
- Avoid disputes with the buyer for repair and/or replacement of covered items

Most home warranties are paid at the close of escrow for the upcoming year. Review the policy closely to be sure you are receiving the desired protections.



WE'VE GOT THE SCOOP

ON GETTING A NEW LOAN

WHEN AND WHERE TO APPLY FOR A LOAN

Ideally, you want to get pre-qualified before you start looking at properties. Then you can narrow your search into your price range and avoid the disappointment that may come from viewing properties outside your budget.

It is important to choose a lender you can trust. A local lender whom you can meet in person and who knows the local intricacies is best. Get recommendations from friends, family, and even your real estate agent. You can apply for loans through banks, credit unions, mortgage brokers, and mortgage companies. It's a good idea to shop around for the best rates and use the loan estimates from each lender to compare rates.

LENDER VERIFICATION

The lender will send out verification requests based on the information provided in your application and may request additional information from you. They will verify information such as your credit, employment, and bank accounts. Be prepared to provide the requested information quickly to avoid delays in your purchase. They will also order an appraisal (which the buyer typically pays for) to verify the property is accurately valued.

HAZARD (OR FIRE) INSURANCE

This coverage is required by your lender to minimize their risk and protect their investment. You will need to contact your insurance agent as soon as possible during the loan process to set up the insurance. Your lender will need proof of coverage as well as your agent's information before they can release any funds toward your purchase.

WHAT HAPPENS AFTER LOAN APPROVAL?

A closing date will be set with your title company. Your lender will provide the Closing Disclosure at least three days prior to your closing. This document shows a breakdown of all the transaction funds and will show you how much money you will need to bring to closing. Check this document carefully!



WHAT TO AVOID DURING THE LOAN PROCESS

- **DO NOT CHANGE JOBS.**
- **DO NOT MAKE ANY LARGE PURCHASES.**
- **DO NOT PAY OFF EXISTING ACCOUNTS UNLESS THE LENDER REQUESTS IT.**
- **AVOID SWITCHING BANKS OR MOVING YOUR MONEY TO ANOTHER INSTITUTION.**

WHAT YOU MAY NEED FOR THE LOAN APPLICATION

Be prepared to provide all or some of the documents below to your loan officer:

- Residential address/es (last 2 years)
- social security number
- Driver's license or other valid ID
- Names & addresses of employers (last 2 years)
- 2 most recent pay stubs showing year-to-date earnings
- Federal tax returns and W2's (last 2 years)
- Last 2 months bank statements (all accounts)
- Names, addresses, account numbers, and payment amounts for all loans
- Names, addresses, account numbers, and payment amounts for all credit cards
- Addresses and values for all real estate owned personal property; provide your best estimate of the value of all your personal property (i.e. autos, boats, furniture, jewelry, television, etc.)
- VA loans: certificate of eligibility or DD214s
- Divorce decree, if applicable
- Funds to pay upfront for appraisal

WHAT IS F.I.R.P.T.A.?

F.I.R.P.T.A. is an acronym for Foreign Investment Real Property Tax Act.

It was established in 1980 for the purpose of withholding the estimated amount of taxes which may be due on the gain of the disposition of a U.S. Real Property Interest from foreign persons. A U.S. real property interest includes sales of interests in parcels of real property as well as sales of shares in certain U.S. corporations which are considered U.S. real property holding corporations. Persons purchasing U.S. real property interests (transferee) from foreign persons are required to withhold a percentage of the amount realized.

Q. What is the purpose of the withholding?

A. Real estate withholding is a prepayment of anticipated tax due on the gain of the sale of a

U.S. real property interest. It is not an additional tax. Any difference between the amount paid and the amount owed is refunded to the seller when a tax return is filed. For the current withholding percentage please visit the IRS.GOV website.

Q. Who is responsible for finding out if the transferor is a foreign person?

A. It is the transferee's/buyer's responsibility to determine if the transferor/seller is a foreign person and subject to withholding.

Q. Are there exceptions from F.I.R.P.T.A. withholding?

A. Yes. Exceptions are explained on the IRS.GOV website.

Q. Who is responsible for withholding the required percentage of the amount realized?

A. Withholding is the responsibility of the transferee/buyer.

Q. How and where is the F.I.R.P.T.A. withholding paid?

A. The buyer must complete IRS Form 8288 and Form 8288-A and remit them, along with the payment, to the IRS at the address shown on Form 8288.

Q. What is the escrow officer's role with regards to F.I.R.P.T.A.?

A. The IRS Rule requires the transferee/buyer to determine if withholding applies and, if so, to remit the withholding to the IRS. If the buyer has determined F.I.R.P.T.A. withholding applies, the buyer and seller may mutually instruct the escrow officer to deduct the percentage, gather the applicable forms, and remit them to the IRS on their behalf.

WAYS TO TAKE TITLE

The manner in which you choose to take title may have significant legal and tax planning consequences. You should contact your attorney and/or tax consultant on which manner best suits your needs.

MARRIAGE REQUIREMENTS

SPOUSE INTEREST

PARTITIONING

SIGNATURES

INHERITANCE

UPON DEATH

COMMUNITY PROPERTY ON DEATH

COMMUNITY PROPERTY

Requires a valid marriage between two persons.

Each spouse holds an undivided one-half interest in the estate.

One spouse cannot partition the property by selling his or her interest.

Requires signatures of both spouses to convey or encumber.

Each spouse can devise (will) one-half of the community property.

Upon death the estate of the decedent must be "cleared" through probate, affidavit, or adjudication.

Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.

JOINT TENANCY WITH RIGHT OF SURVIVORSHIP

Parties need not be married; may be more than two joint tenants.

Each joint tenant holds an equal and undivided interest in the estate.

One joint tenant can partition the property by selling his or her joint interest.

Requires signatures of all joint tenants to convey or encumber the whole.

Estate passes to the surviving joint tenants outside of probate.

No court action required to "clear" title upon the death of joint tenant(s).

Deceased tenant's share is entitled to a "stepped up" tax basis as of the date of death.

TITLE IN ARIZONA

COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

Requires a valid marriage between two persons.

Each spouse holds an undivided one-half interest in the estate.

One spouse cannot partition the property by selling his or her interest.

Requires signatures of both spouses to convey or encumber.

Estate passes to the surviving spouse outside of probate.

No court action required to "clear" title upon the first death.

Both halves of the community property are entitled to a "stepped up" tax.

TENANCY IN COMMON

Parties need not be married; may be more than two tenants in common.

Each tenant in common holds an undivided and fractional interest in the estate. Can be disproportionate, i.e. 20% & 80%; 60% & 40%; 20%, 20%, 20%, & 40%; etc.

Each tenant's share can be conveyed, encumbered, or devised to a third party.

Requires signatures of all tenants to convey or encumber the whole.

Upon death the tenant's proportionate share passes to heirs by will or intestacy.

Upon death the estate of the decedent must be "cleared" through probate, affidavit, or adjudication.

Each share has its own tax basis.

SIGNING WITH

NAVI TITLE



IDENTIFICATION: Bring an unexpired, government-issued photo ID to your closing in order for your signature to be notarized.

FUNDS: Your escrow officer will contact you or your real estate agent in advance of your closing to inform you of the funds you will need to bring to your signing appointment. Bring a cashier's check in the proper amount payable to Navi Title. If you prefer to send funds via wire transfer, you may contact your escrow officer ahead of time to make arrangements. Learn how to protect yourself from wire fraud on page 13. Wire instructions in our opening package will not change.

TAKING TITLE: Review your options of ways to take the title in Arizona (pages 28–29) and decide on your preferred method.

MOBILE NOTARY: If you are unable to make it into one of our many office locations, Navi Title may still be able to assist you with a mobile notary service. Contact a local branch to inquire further about this service.

DO I HAVE TO BE THERE?: If you or any one of the buyers will be unavailable to sign the lender packages, notify your real estate agent immediately. Your real estate agent will notify your loan officer and your title company. Many lenders will accept a signature by the power of attorney if the title company prepares the document. The lender must approve a Power of Attorney in advance of your closing appointment.

AFTER YOUR signing appointment

Once all of your documents are signed...

If there is a loan involved, the signed documents will be sent to your lender for review. Once your lender approves, they will fund the loan and contact Navi Title. Your escrow officer will handle the rest of the transaction details. The deed will be recorded, and the proper funds will be disbursed to the seller and other appropriate payees. Once escrow is closed, you will receive the keys to your new home from your real estate agent!

AFTER CLOSING:

Keep all documents in a safe place and keep an eye on your mail for important documents to come.

LOAN PAYMENTS:

Payments on your loan are generally made with coupon books, monthly statements, or online bill pay. Contact your lender with any questions regarding your loan payments, taxes, or impounds.

HOME WARRANTY REPAIRS:

If covered items break, call your home warranty company directly BEFORE scheduling repairs.

RECORD DEED:

The recorded deed will be mailed directly to you 7-10 days after close of escrow.

TITLE INSURANCE POLICY

Navi Title will mail your policy to you within 30 days.

PROPERTY TAXES:

Property taxes are your responsibility, and depending on the month you purchase your home, you may or may not receive a statement. Refer to page 16 for important tax dates. If you have a new loan, check with your lender to see if your taxes are included with your monthly payment.

READY, SET, MOVE!

OLD HOME:

Pack up your belongings. Make sure to put detailed labels on each box (you will thank yourself when you get to the unpacking phase). If you are using a moving company, make a detailed inventory of the boxes they will be moving. This will help you verify they are all delivered safely to your new house.

Transport valuables with you. Cancel your old utilities and collect any deposit refunds. Empty/Defrost Refrigerator. Set up a key transfer with your real estate agent. Don't forget about the garage door openers. Change your address and transfer records (if applicable) with the following places/services:

- U.S. Postal Service
- Bank Accounts
- Credit Card Companies
- Investment Accounts
- Cell Phone Company
- Department of Motor Vehicles
- Insurance Companies
- Other Bills
- Memberships
- Publications
- Voter Registration
- Human Resources/Payroll at Your Work
- Doctors, Dentists, & Veterinarians
- Schools
- Friends & Family

NEW HOME:

Change your locks on all outside doors to ensure you and your family are the only people with keys. Set-up utilities & services including:

- Water, Trash, & Sewer
- Electric
- Gas
- Cable, Satellite, & Internet

Familiarize yourself with the location of your circuit breaker and water shut-off valve. Plan for emergencies by installing or replacing batteries in the fire alarms and carbon monoxide detectors, and purchase new fire extinguishers.

Complete minor (or major) repairs and projects such as painting or anything that needs to be tackled from the home inspection report.

Clean your new house. Do a deep cleaning to start off FRESH! It's much easier to clean before you unpack.

Unpack. Decorate and make the space your own. Consider donating items that do not fit in your new house. Recycle boxes and moving materials. Explore your new neighborhood and meet your neighbors.

SETTLE IN AND ENJOY YOUR NEW HOME!!!

glossary

OF REAL ESTATE TERMS

Acceleration Clause: A clause in a note, mortgage or deed of trust which give the lender the right to demand payment in full upon a happening of a certain event, such as a default.

Acknowledgment: A formal declaration made before a notary, stating the instrument was duly executed by the designated person.

Adverse Possession: A method of acquiring real property from the owner because of continuous, hostile, and visible use of the property for a prescribed length of time.

Affidavit: A sworn statement by an individual.

Affidavit of Value: A sworn statement required by the state to be attached to all conveyances, unless it has been specifically exempted. It includes the legal description, tax parcel number, and the value of the property.

Agreement for Sale: An instrument that conveys the equitable title to real property and states the manner of payment required for payment in full.

Amortize: A gradual decrease of a debt-based on structured payments over a designated number of years.

Assessment: A levy or tax imposed on land to raise revenue or to pay for improvements that benefit the land.

Attachment: A legal procedure where the property is taken into custody pending the outcome of a lawsuit.

Attorney in Fact: An agent authorized to act for another by virtue of a power of attorney.

Balloon Payment: A final payment on a note which is greater than the preceding installments.

Base File: A title file that includes all previous title search information on a particular property.

Beneficiary: One who benefits from a trust, or the mortgagee under a deed of trust.

Bill of Sale: An instrument that transfers personal property.

Bulk Sale: The sale of a business.

Chattel: Personal property.

Cloud on the Title: An irregularity in the chain of title that could affect the interest of the owner.

Community Property: All property acquired by either husband or wife during the marriage except what is acquired by gift, devise, or descent.

Contiguous: Parcels of property that are adjoining.

Decree of Distribution: A court order after the probate of a deceased person's estate, which when recorded, transfers the title to their heirs.

Equity: The monetary interest the owner has in the real property.

Equitable Title/Ownership: Ownership by one who does not have legal title, such as a vendee under a land contract.

Escheat: Process that reverts property to the state when a deceased owner has no apparent heirs, or when a party does not make claim to monies held in escrow.

Estate: The degree, quantity, nature, and extent of the interest a person has in real property.

Estoppel: A rule of law that precludes a person from alleging or denying certain facts resulting from their previous conduct or admissions.

Exchange: Transfer of one property for another.

Fiduciary: A trustee.

Fixtures: Personal property that becomes real property when attached to real property.

Foreclosure: A proceeding in or out of court, to extinguish all rights, title, and interest of the owner of property in order to sell the property to satisfy a lien against it.

Forfeiture: The process used by the seller or vendor under a land agreement to recover the property from the buyer or vendee in the event of default

Garnishment: A statutory proceeding wherein a court gives directions to a third party regarding the payment of money.

glossary

OF REAL ESTATE TERMS

Heirs: The persons designated in a will, or by operation of law, to succeed to the estate of a deceased person.

Hiatus: A gap unintentionally left when describing two adjacent properties.

Incompetent: A person who is incapable of binding himself to an enforceable obligation.

Indemnity: A letter or statement wherein one party agrees to hold harmless another party from loss or damage.

Ingress and Egress: The liberty of entrance and exit from the property.

Intestate: A person who dies without leaving a will.

Judgment: A decree entered by the court after final determination of the rights of the parties in legal action.

Lease: A contract where the owner grants to another the possession or use of their property.

Letters of Testamentary: A court order empowering an individual to deal with a deceased person's estate.

Lien: A charge upon real property as security for the payment of a debt.

Life Estate: The interest in property that exists only for the life of an individual.

Metes and Bounds Description: A legal description based on footage and direction prepared through a survey of the property.

Monuments: Objects or markers used to fix or establish a property boundary.

Novation: Substitution of a new contract, debt or obligation for an existing one, between the same or different parties.

Order Confirming Sale: A court order given during a probate or bankruptcy proceeding which authorizes the sale of a part of the estate property.

Patent: An instrument used by the state or federal government to transfer title to the property.

Personal Representative: A court-appointed individual who is authorized to deal with the matters of an estate, which was formerly referred to as an administrator or executor.

Power of Attorney: An authority or instrument by which one person (principal) enables another (attorney in fact) to act for him.

Probate: A court proceeding in which a descendant's estate is administered.

Quiet Title: A court action that clarifies the title to real property.

Reconveyance: Transfer of title to the previous owner, or a release of the lien created by a Deed of Trust.

Reservation: A reservation created by a grantor in a deed, which establishes a new right or privilege for the benefit of the grantor in the property.

Resolution: A formal declaration of the will of the group, such as the Board of Directors of a corporation.

Restriction: A limitation upon the owner's use or right to deal with their land.

Severalty: An estate held by a person in his own right, without being joined by another person.

Special Warranty Deed: A deed that conveys ownership, but only warrants the title to the property for the time period the grantor has had title.

Subordination: An agreement in which the existing lien will take an inferior position to a new or junior lien.

Take Off: An abstract copy of a summary of matters found in the public records which affect title or rights of person to deal with the property.

Testate: A person who dies leaving a will.

Trust: Property that is held by one party for the benefit of another.

Usury: An interest rate that is greater than the amount which can be legally charged.

Waiver: A voluntary surrender of a right or privilege, such as the right to file a lien.

