



Title Insurance and You

Congratulations!!

You have received your acceptance from accept, inc and are ready to purchase what could be your first home, next home, investment home. We know that purchasing a home can be scary. We know that you may have questions. Your team here with accept, inc and Modern Closing LLC are excited to be your support and guide through this process. We've drawn up this informational document to help give you a place to start! At any point, please do not hesitate to reach out with any questions or concerns. We truly look forward to helping you get into this next big journey, and Congratulations once again. Modern Closing is unlike any other title company as we solely service accept, inc. This means a more personalized experience for this landmark transaction. Think of us as your bridge between your Seller, Agents, Lender and Home.

What is Title Insurance?

Surely you have medical insurance, dental insurance, car insurance but what is title insurance? When you purchase a property, you receive title. This happens through a deed of conveyance that gets recorded with the county. Title insurance differs as it covers items from the past in regards to your ownership to the property, where as other insurances cover items that could arise in the future. Such items could be claims by other parties or entities to the ownership of your property, a forgery or mistakes in recording documents in relation to your ownership. It is also an insurance where there is no annual premium. There is one fee which covers the life of your ownership for yourself and your heirs rights to the property for as long as you hold title. It takes a village. There are agents, escrow officers, title examiners and underwriters. We all work together behind the scenes to make sure we take care of you in the best way possible. There are two types of title insurance. Title insur-

ance covers most unknown title issues. Your commitment will disclose the items we would not cover as exceptions. There is an owner's title insurance which protects your financial stake in your property. The second type is a lender's title insurance which protects your lender's financial stake in your property.

Your Closing Process in a Snapshot

Once you are under contract, your Earnest Money can be deposited using one of several options. We can accept a Wire, an ACH or a Cashiers Check or Personal Check. We here at Modern Closing submit your contract information to our commitment and policy production team. Their expert title examiners research the property through every deed recorded and any liens put on or removed. They provide a title commitment, which is our guideline to be able to pass on the property to the buyers, with clean title. This document will include all requirements

we will need to finalize and all exceptions to your final policy. Once you have this to review, please read through the entire document and seek accounting or legal counsel if you have any questions or concerns in regards to the items listed. Escrow and Title companies are not attorneys and therefore can not advise on the documents of record. Most requirements will be items that Modern Closing will clearup with the assistance of the sellers. During the time in which we are clearing up the requirements, your lender is finalizing items on their side in order to produce documents. We will close your sellers on or before their scheduled closing date. You do not need to attend this first Leg of the closing. Once the sellers and the cash buying team close on the property we will pay off any current lenders, disburse to the seller, pay commissions to the agents, and record the deed of conveyance and any following documents through the clerk and recorder. As soon as final figures are available, we will provide you with a settlement statement and your lending team will send a final closing disclosure. At this time we can work on scheduling your closing as well! We offer several options for funds to close, including a Wire, and ACH or a Cashiers Check. At closing you will be signing your loan package in person with a notary and once closing is funded and approved you will take possession per the contract. Welcome Home!

What are Our Fees?

Modern Closing LLC has filed their rates with the State. Fees in any Title Insurance Transaction are broken down in several categories. There are Closing Fees for both the Real Estate portion of the transaction as well as for the Loan portion of the transaction. The underwriters also have filed rates for the issuance of a title policy. There is a title policy for you as the buyer called an Owners Policy and a title policy for your lender called a Loan Policy. We follow the contract to determine who covers the cost of your owners policy, however, the loan policy is your responsibility. There are also fees associated with recording documents and preparing deeds which are also buyer paid fees through the settlement statement. What are an example of some of these fees and who pays for them through closing?

On average, Owners Policies run around \$1,300 and Lender Policies run around \$600 but these fees can range anywhere from \$200 to \$3,000. The policy fee simply covers the risks of insuring your property and are typically based on the sales price or your loan amount. Oc-

asionally, additional endorsements can be tacked on which can range from \$25 to several hundred if you or your lender find that additional coverage is preferred or required.

Closing Fees. Title and escrow companies charge closing fees. These typically cover a small portion of the salary payments for employees of the company, rents or mortgage payments for the office space plus any utilities or services which may need to be paid out by the company in order to perform actions which will end in a title commitment and policy being generated.

There are also other fees which are associated with the purchase of your property. The county clerk and recorder charges for recording documents. In Colorado, these are currently \$13 for the first page and \$5 for every additional page on each document to be recorded. There is also a conveyance fee which is charged on every purchase of the property and is a very small percentage of the sales price.

Additional third parties may have fees as well. Water, Sewer, Stormwater companies may charge set up fees to the buyers or sellers. Homeowners Associations will charge fees to be paid by both the buyers and sellers. These appear on the settlement statement through closing. Your lender will have their own set of fees through closing. Lenders have typical fees such as origination fees, closing fees, credit reports, appraisals, up front premiums may be charged. These should all be disclosed to you by your lender prior to closing and probably earlier in the transaction.

Ownership Options

How should we hold title? Ownership of a property can come in many forms. If you are buying your new home as an individual, you will be taking title "In Severalty" or as an entity as long as your lender will allow the entity for loan purposes. However, if you are purchasing your new property along with at least one more person, you have options on ownership titles. In the State of Colorado, there are two options for home ownership. You can own as Joint Tenants with Rights of Survivorship or as Tenants in Common (or as an entity as allowed). Ownership options come down to how you would like your individual ownership in the property to be handled if at some point you were to pass away. In Joint Tenancy, your individual ownership would automatically sweep to the other party on title with no need for probate courts. In the case of Tenants in Common, if you were to pass away, your individual ownership would be determined by a judge in a probate court case. They review your estate documentation, including your will, and determine who would be responsible for your percentage of ownership. There is no wrong answer for ownership types, just make sure you are choosing the right type for you!

Facilitating Utilities

Through your closing, we will be transferring over water, sewer and stormwater to be in your name. We also facilitate any Homeowners Association transfers should that apply to your property. You will need to set up any and all additional services not transferred by Modern Closing!! We will provide a list of those services to you through closing.

Disclaimer

Modern Closing is not licensed to practice law and is unable to provide and legal advice or direct a specific attorney to work with you. This document is for informational purposes and should not be used as a legal guidance. Please consult areal estate attorney should you have questions or concerns regarding title work or home ownership.

The logo for Modern Closing is centered on a dark navy blue square. It consists of the words "MDRN" and "CLSNG" stacked vertically in a clean, sans-serif typeface. "MDRN" is rendered in white, while "CLSNG" is rendered in a light blue color that matches the square's background, creating a subtle, monochromatic effect.

MDRN
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