



CHICAGO TITLE

COLORADO

HOME BUYER'S GUIDE

A STEP BY STEP PROCESS





PROTECT

YOUR HOME OWNERSHIP

Chicago Title is a member of the FNF family of companies and the nation's largest group of title companies and title insurance underwriters. Collectively, we issue more title insurance policies than any other title company in the United States. Our standings with third-party rating agencies are a testament to our longevity, financial strength, and claims paying ability. For 13 of the last 14 years, we have held a position on the FORTUNE 500® list.

 **CHICAGO TITLE**
...Where Experience equal Excellence

303.291.9999 | www.colorado.ctic.com

TABLE OF CONTENTS

TABLE OF CONTENTS 3

CHICAGO TITLE OF COLORADO LOCATIONS 4

THE HOME BUYING PROCESS & YOUR HOME BUYING PARTNERS..... 5

BENEFITS OF WORKING WITH A REALTOR 6

BENEFITS OF GETTING PRE-QUALIFIED FOR A HOME LOAN 7

MAKING AN OFFER 8

HOME INSPECTION & APPRAISAL 9

COMMON TYPES OF LOANS 10

THE LOAN APPLICATION 11

UNDERSTANDING THE CLOSING PROCESS 12

TITLE INSURANCE EXPLAINED 13

COMMON TYPES OF DEEDS IN COLORADO 14

FACTORS OF YOUR CLOSING COSTS 15

EARNEST MONEY - MOBILE DEPOSITS 16

START INHERE® 17

WIRE FRAUD 18

MOVING CHECKLIST 19

UTILITIES GUIDE 20

GLOSSARY OF TERMS 21-22

CHICAGO TITLE LOCATIONS

DENVER METRO

DTC

8055 E. Tufts Ave. #300
303.291.9999

Castle Rock

734 N. Wilcox St. #101
303.291.9952

Parker

19590 E. Mainstreet #102
303.244.9161

Cherry Creek

55 Madison St. #700
303.388.5758

Evergreen

32065 Castle Ct. #200
303.670.8523

Lakewood

300 Union Blvd. #110
303.988.2121

LoDo

1660 Wynkoop St. #140
303.244.9160

Westminster

12225 Pecos St. #400
303.252.0549

NORTHERN COLORADO

Fort Collins

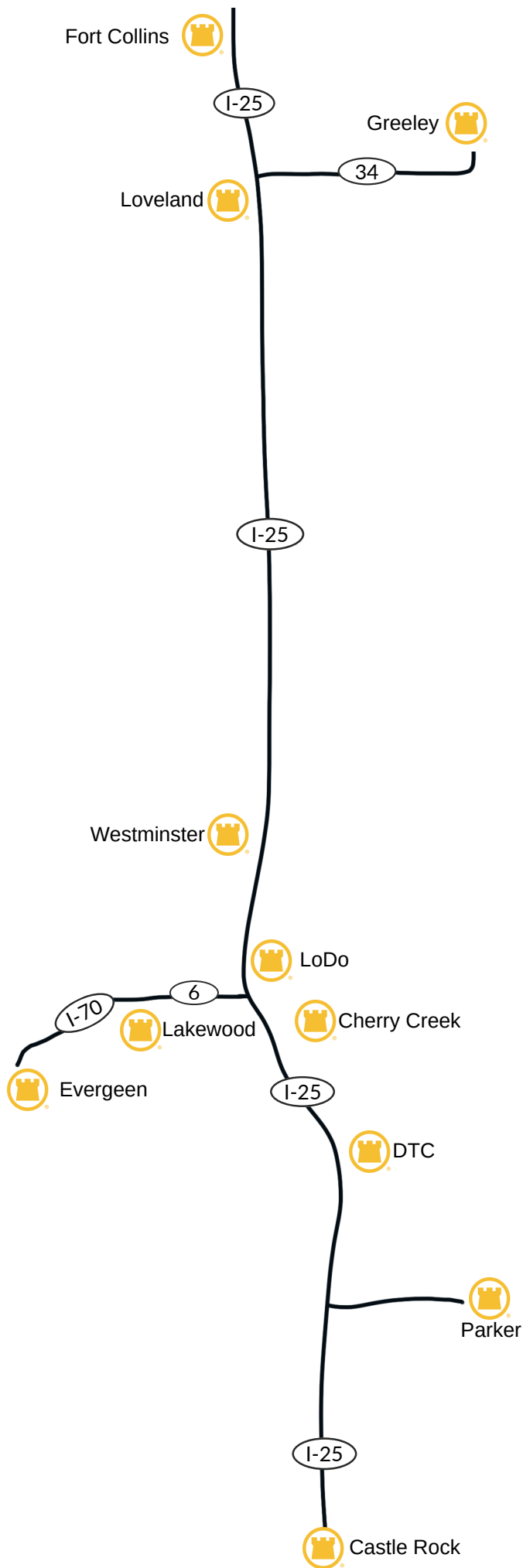
4645 Ziegler Rd. #220
970.666.7300

Loveland

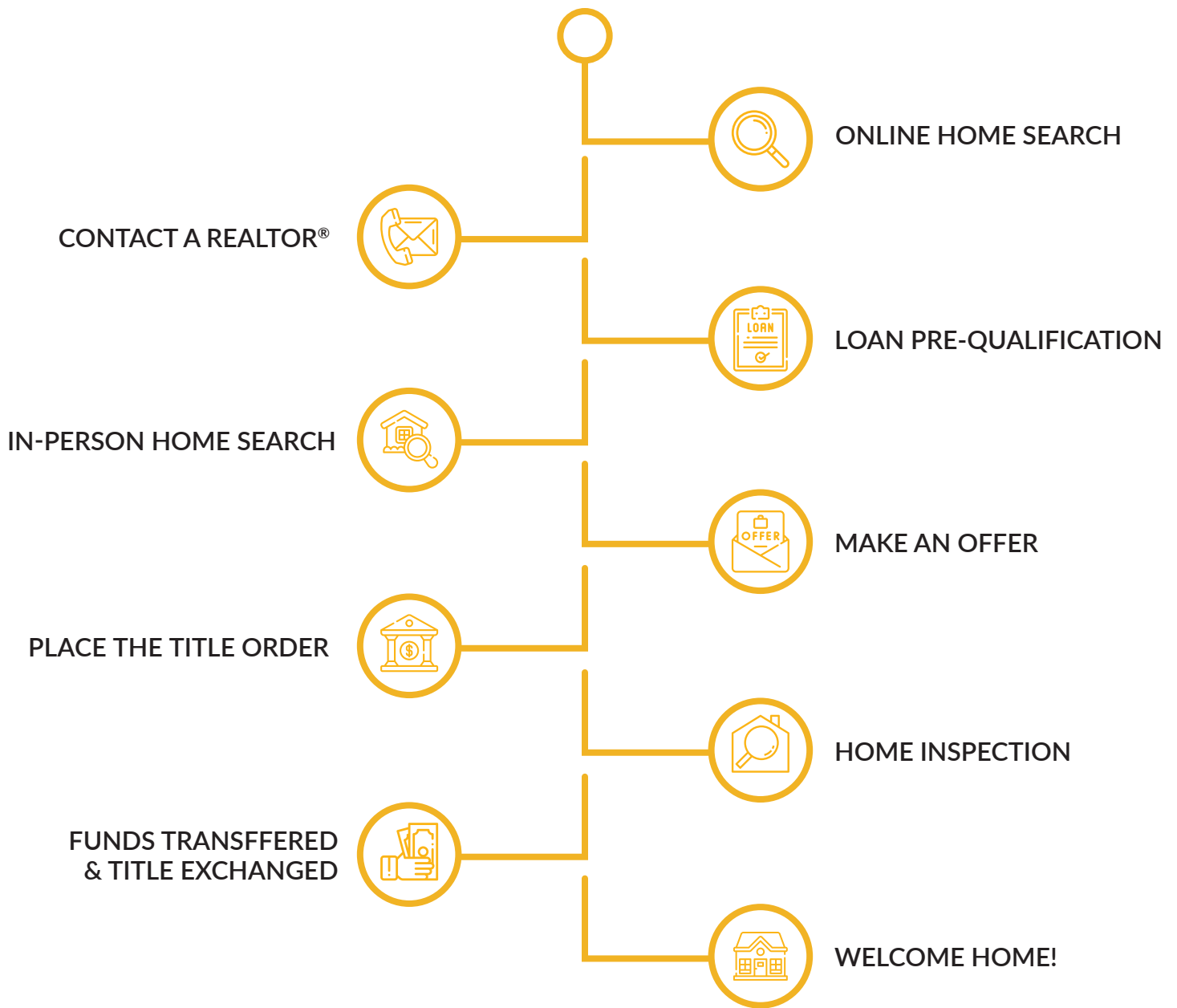
1635 Foxtrail Dr. #128
970.699.7360

Greeley

2015 Clubhouse Dr. #LL03
970.324.2470



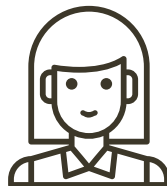
THE HOME BUYING PROCESS



YOUR HOME BUYING PARTNERS



REAL ESTATE AGENT



LOAN OFFICER



ESCROW OFFICER

BENEFITS OF WORKING WITH A REALTOR

The term “**REALTOR®**” identifies a real estate professional who is a member of the NATIONAL ASSOCIATION OF REALTORS® and abides by its strict Code of Ethics. They will direct, guide and represent you through the home-purchase process including:

- Monitoring the market for new listings and inform you of homes that meet your criteria
- Providing current and historical sales and listing data to help in gauging fair pricing
- Helping you explore financing options
- Preparing the Purchase Agreement according to your terms and ensure all documents are legally correct
- Negotiating price and other details of the offer in your best interest
- Ensuring that all disclosures are made
- Suggesting which professional inspections should or must be made on the property
- Handling any problems which may arise and recommend attorney services if necessary
- Overseeing the appraisal process
- Seeing that any repairs or requirements are met prior to the closing
- Accompanying you during the final walk-through
- Advising you as to any contractual changes which might be required prior to closing
- Keeping you fully informed of all activities that lead to the closing

REAL ESTATE DESIGNATIONS:

- ABR - Accredited Buyer Representative
- CBR - Certified Buyer Representative
- CRS - Certified Residential Specialist
- GRI - Graduate REALTOR® Institute
- MRP - Military Relocation Professional
- PSA - Pricing Strategy Advisor
- RENE - Real Estate Negotiation Expert
- CIPS - Certified International Property Specialist
- CPM - Certified Property Manager
- CMAS - Certified Mountain Area Specialist
- SRES - Seniors Real Estate Specialist



BENEFITS OF GETTING PRE-QUALIFIED FOR A HOME LOAN

Knowing ahead of time the amount of loan you qualify for can take much of the mystery and guesswork out of the homebuying process and may strengthen your bargaining position with a seller.



PAYMENT

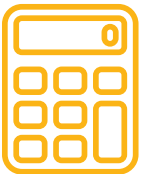
A pre-qualification will show you the monthly payment including principal and interest. It may also show you the amount you'll have to pay toward mortgage insurance, hazard insurance and property taxes, which in most cases are added to the monthly mortgage payment. Knowing these figures in advance gives you a precise idea of the future costs of home ownership.



PREPARATIONS

The first step is to provide the Lender with your basic financial information including:

- Gross income before taxes and deductions, savings and other liquid assets
 - Debts, including installment payments on outstanding loans, school loans, credit card debt, personal loans and other home loans
 - Credit history
-



CALCULATION

In the pre-qualifying process, Lenders consider the interest rate and term of the mortgage to determine the amount of the loan. The higher the interest rate, the higher your monthly payments assuming all terms and principal are equal.



RESULTS

Pre-qualification results reveal the maximum loan amount for which you would qualify. The Lender will tell you how much you'll need for a down payment on the type of loan you're applying for, and estimate the closing costs.



CONSIDERATIONS

Most Lender guidelines require homeowners to pay no more than about 30 percent of their monthly income toward mortgage payments. Guidelines are calibrated to your credit rating, so those with good credit can generally qualify for a higher mortgage at a lower interest rate and conversely, borrowers with poor credit may find it difficult to find a good rate, or to pre-qualify for the size of loan they want.

MAKING AN OFFER

When you have found a home you want to buy, the offer process begins. It will likely include the following:



PURCHASE CONTRACT PREPARED

With the help of your agent, a Purchase Contract will be prepared for presentation to the seller. This agreement will include your terms of the purchase including how much you are offering for the home and any contingencies, such as home inspections or Lender appraisal. Earnest money will also be collected.



OFFER IS PRESENTED

Upon completion of the Purchase Contract, your agent will contact the seller's agent and electronically transfer the offer, or make an appointment to present the offer in person.



OFFER IS ACCEPTED OR COUNTERED

The seller will evaluate the offer then accept the terms or prepare a counter offer.



CLOSING PROCESS BEGINS

If the seller accepts, the closing process will begin. If the seller counters, the ball is back in the buyer's court and the buyer must decide if they will accept, reject, or counter the counter offer.

www.colorado.ctic.com

BE READILY AVAILABLE

The offer process moves quickly.
It's important to be
readily available.



INSPECTION & APPRAISAL



HOME INSPECTION

A standard home inspection is a visual examination of the physical structure and major interior systems. It is not to be interpreted as a guarantee of any kind or an insurance policy on the condition of the property.

The inspector will review the easily-accessible exposed portions of the structure of the home including the roof, attic, walls, ceilings, floors, windows, doors, and foundation, as well as the heating/air conditioning systems, interior plumbing and electrical systems. Potential problems will be noted. Home inspections are not intended to point out every small problem or any invisible or latent defects in a home.

SELECTING A HOME INSPECTOR

Your agent, representing you as a buyer, is a good referral resource for a Home Inspector. You may also research Home Inspectors online. The Home Inspector that is retained should welcome your presence during the home inspection and address all your questions and provide a full verbal and written report



OTHER INSPECTIONS & TESTS TO CONSIDER

- Lead Paint
 - Termite
 - Air Quality
 - Fungi, mold and allergens
 - Urea Formaldehyde Insulation
 - Radon
 - Well & Septic
-

HOME APPRAISALS

The worth, or appraised value of the property, will determine how much a Lender willing to loan to buy that particular piece of real estate.



A real estate appraisal is simply that—the expert opinion of a certified, state-licensed professional who determines the value of a piece of property. A home appraisal protects the bank from getting stuck with property that's worth less than they've invested. And it protects you, the buyer, from paying too much for a house.

COMMON TYPES OF LOANS

Contacting your bank early in the homebuying process can benefit you not only by helping you determine how much home you can afford, but by providing you with pre-approval confirmation. This confirmation proves to sellers that you are financially qualified to purchase the home, and it can be an influencing factor in negotiations.

When it comes to actually securing financing for your home, your banker can assist you in determining a loan type that best fits your financial situation. A loan type will influence interest rates, payoff rates, the loan period, etc.

ADJUSTABLE RATE LOAN

Adjustable or variable rate refers to the fluctuating interest rate you'll pay over the life of the loan. The rate is adjusted periodically to coincide with the changes in the index on which the rate is based. The minimum and maximum amounts of adjustment, as well as the frequency of adjustment are specified in the loan terms. An adjustable rate mortgage may allow you to qualify for a higher loan amount but maximums, caps and time frames should be considered before deciding on this type of loan.

BALLOON PAYMENT LOAN

A balloon loan is amortized over a long period of time but the balance is due and payable earlier in the life of the loan. Example: Loan is amortized over 30 years but the payment is due after 5 years. The loan also may be expendable or it may roll into a different type. This could be an option if you expect to refinance before the loan is due or you plan to sell the home before the balloon date.

CONVENTIONAL LOAN

A mortgage loan program where the interest rate does not change for the life of the loan. Also called Fixed Rate Mortgage.

INTEREST ONLY LOAN

A non-amortized loan in which interest is due at regular intervals until maturity, when the full principal on the loan is due.

JUMBO LOAN

A mortgage loan program where these limits are set by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. Jumbo Loans cannot be funded by these two agencies; they usually possess a higher interest rate.

SECOND MORTGAGE

A mortgage on real estate which has already been pledged as collateral for an earlier mortgage. The second mortgage carries rights which are subordinate to those of the first.

FHA LOAN

A Federal Housing Administration loan is a type of government-backed mortgage loan that can allow you to buy a home with looser financial requirements. You may qualify for an FHA loan if you have debt or a lower credit score.

VA LOAN

A mortgage loan offered through a U.S. Department of Veterans Affairs program. VA loans are available to active and veteran service personnel and their surviving spouses, and are backed by the federal government but issued through private lenders.

THE LOAN APPLICATION

Below is information typically requested by a Lender when applying for a home loan. It is recommended that you have these documents available prior to applying for your loan:



- Picture ID and social security number
- Residence address (past 2 years)
- Names and addresses of each employer (past 2 years)
- Gross monthly salary (base only—overtime & bonus list separately)
- Tax Returns (past 2 years)
- Names, addresses, account numbers & balances of all checking and savings accounts (last 2 months of bank statements)
- Names, addresses, account numbers, balances and monthly payments of all open loans
- Names, account numbers, balances and monthly payments of all credit cards
- Addresses and loan information of other real estate owned
- Estimated value of furniture and personal property, if applicable
- Certificate of eligibility and DD214s (V.A. only)
- Money for credit report and appraisal
- Most recent W2s and current check stub
- Full divorce decree, if applicable

TIPS ON CREDIT TO HELP BUYERS:



- Avoid making large credit purchases until after the closing is complete. This includes the purchase of cars, boats, furniture, etc. The large payment obligation may PRECLUDE you from QUALIFYING for your home loan.
- Always be aware of your credit balances.
- Do not skip payments. If you cannot make payments consistently, seek professional assistance to help you get on track.
- If you have a problem, contact your creditors immediately.
- Save money on a regular basis. It is wise to have at least three to six months income put away in case of a financial emergency.

UNDERSTANDING THE CLOSING PROCESS

The following explains the sequence of events involved in an escrow/closing process and what party involved is responsible. Your Escrow Officer is the “neutral third party.” Their job in the closing process is to gather all the documents and information from all involved parties to prepare for the transfer of the property.

STEP 1	Escrow Officer	Receives Purchase Contract with earnest money check and orders Title Commitment
STEP 2	Buyer	Has all inspections completed
STEP 3	Lender	Begins processing: Orders credit report, appraisal, deposits and verification of employment
STEP 4	Escrow Officer	Receives Title Commitment for review and distributes to all parties
STEP 5	Escrow Officer	Orders any statements for items requiring payoff per Title Commitment
STEP 6	Lender	Receives loan approval and orders loan documents to be sent to the title company
STEP 7	Escrow Officer	Prepares a Preliminary Settlement Statement/Closing Disclosure for review by parties
STEP 8	Seller	Signs Deed and other related real estate documents
STEP 9	Buyer	Signs loan/real estate documents and deposits funds required
STEP 10	Escrow Officer	Receives all funds from Buyer, Lender and Seller as applicable
STEP 11	Escrow Officer	Completes the file by disbursing all funds pursuant to the settlement statement
STEP 12	Escrow Officer	Records Deed, Deed of Trust and any additional documents requiring recording
STEP 13	Title Company	Issues title policies to Owner and Lender

TITLE INSURANCE EXPLAINED



WHAT IS TITLE INSURANCE?

Your lender must insure that the quality of the title to the property you are about to buy, and which you will pledge as security for the loan, is satisfactory. The Lender does this by obtaining a Lender's Policy of title insurance, often referred to as the ALTA Loan Policy.

The Lender's policy protects the Lender against loss due to unknown Title defects at the time of the sale and in the future. This policy only protects the Lender's interest. It does not protect you. That's why you need an Owner's Policy, which will be issued at the same time as the Lender's policy for a one-time fee.

WHAT TITLE INSURANCE PROTECTS AGAINST

Here are just a few of the most common hidden risks that can cause a Title issue:



- False impersonation of the true owner of the property
 - Forged deeds, releases of wills
 - Undisclosed or missing heirs
 - Mistakes in recording legal documents
 - Deeds by persons of unsound mind
 - Deeds by minors
 - Deeds by persons supposedly single, but in fact married
 - Liens for unpaid inheritance, income or gift taxes
 - Fraud
-



WHAT PROTECTION DOES TITLE INSURANCE PROVIDE AGAINST DEFECTS AND HIDDEN RISKS?

Title Insurance may pay for defending against lawsuits attacking your Title as insured, and may clear up Title problems or pay the losses. Your Title Insurance protects against title loss and hidden risks as long as the Policy remains in effect.

COMMON TYPES OF DEEDS IN COLORADO

SPECIAL WARRANTY DEED

In a Special Warranty Deed the seller (grantor) says, in effect, to the buyer (grantee), "I only warrant (guarantee) that I have done nothing to make the title bad or defective or encumbered while I have owned it; that I have good, right and lawful authority to sign and deliver this deed; that the title which this deed conveys is good and is clear insofar as my actions are concerned."

GENERAL WARRANTY DEED

In a Warranty Deed, the seller (grantor) who signs the deed says, in effect, to the buyer (grantee), "I warrant (guarantee) that I have good title to the land, that there are not material defects in my title and no outstanding interests held by third parties; that there are no mortgages, unpaid taxes or other liens or encumbrances outstanding on the land; that I have good, right and lawful authority to sign and deliver this deed; and that this deed conveys to the purchaser good, indefeasible title to the land."

BARGAIN AND SALE DEED

In a Bargain and Sale Deed which is sometimes called a fee simple deed, there is an implication that the grantor owns the real estate. In such a deed the seller (grantor) says, in effect, to the buyer, "I bargain, sell, transfer and convey to you the real estate described in this deed. I make no representations or warranties with respect to title or anything else."

QUIT CLAIM DEED

In a Quit Claim Deed there are no warranties or representations or even an implication that the grantor owns or holds title to the land or to any particular interest in it. In such a deed the grantor simply states to the grantee, "I surrender to you and quit claim and abandon all claims and interests, if any, which I may have in the land described herein." While Quit Claim Deeds are seldom used to convey titles, in most such deeds, like Bargain and Sale Deeds, will pass title to the grantee if the grantor owns the land.

PERSONAL REPRESENTATIVE DEED

These are deeds executed by a court appointed fiduciary and must be backed by Letters of Appointment. These only convey the interest in the property which the estate controls and lack the same warranties as stated in the Bargain and Sale Deed above. These deeds cannot be prepared by the title insurance companies.

FACTORS OF YOUR CLOSING COSTS



APPRAISAL

This is a one-time fee that pays for an appraisal. The appraisal is made by an independent fee Appraiser.



CREDIT REPORT

A fee that covers the cost of the credit report.



DOCUMENT PREPARATION

There may be a separate fee that covers the preparation of the final legal preparation papers.



LOAN DISCOUNT

A fee used to adjust the yield on the loan to what market conditions demand. It is often called “points.”



LOAN ORIGINATION

The Lender’s administrative costs in processing the loan. This fee covers the loan.



TITLE CHARGES

The Title Company charges a premium for the new loan and owners policies, endorsement fees, recording fees, closing fees, and notary fees as applicable.



PREPAID INTEREST

Depending on the time of the month your loan closes this per diem charge may vary from a full month’s interest to that of a few days.



TAXES & INSURANCE

Taxes will be prorated accordingly based on the closing date for the current tax year. You will need to pay a year’s hazard insurance premium up front. Also, you might be required to put a certain amount for taxes and insurance into a special reserve account held by the lender.

IMPORTANT COLORADO PROPERTY TAX DATES

Taxes for the 1st half of the current year : Due March 1

Taxes for the 2nd half of the current year : Due on June 15

- OR - Full Payment : Due on April 30

EARNEST MONEY – MOBILE DEPOSIT



Start **inHere**
Mobile Deposit



Deliver Earnest Money in Seconds!

Start inHere® Mobile Deposit allows buyers PLUS agents, brokers, and builders - **whoever has the check** - to deposit a buyer's earnest money using their mobile device without having to download a separate app. Deposits can be made as part of a buyer's Start inHere® opening package or as a separate step. Start inHere® Mobile Deposit provides flexibility without sacrificing security and convenience.



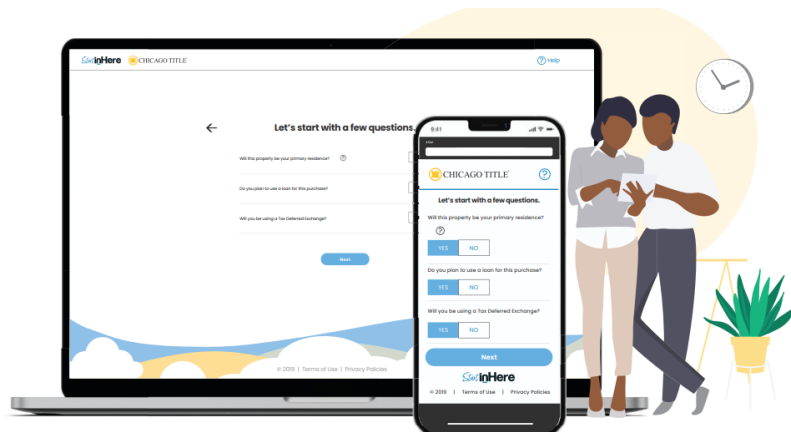
Earnest Money Delivery... Hassle Free & Contact-Free

Once we have your contract, contact any of our Chicago Title of Colorado locations to get started on your earnest money mobile deposit!

START INHERE®



Start inHere®
Part of the inHere Experience Platform



Start inHere every time!

Buyers and sellers desire a more secure and simple way to start their home closing experience. Start inHere® is inHere's digital opening process that has been designed to maximize security and ease-of-use for consumers. When you choose to work with Chicago Title and Start inHere®, consumers can safely begin their real estate transaction, share preferred contact methods, and review WireSafe wiring instructions and other forms without relying on potentially unsecure email inboxes.

How it works.



Open Email
Open the email from your settlement professional to begin the Start inHere® process.



Tap/Click To Begin
Establish a secure communication channel with our settlement



Review & Answer
Review and provide information for each question.



Sign Forms
Review the WireSafe wiring instructions or other forms and click to securely sign and acknowledge.



Submit
Securely submit the updated information and signed WireSafe form.



Earnest Money Deposit
Start inHere® Mobile Deposit allows buyers to securely deposit earnest money via their mobile device.

WIRE FRAUD

Chicago Title is dedicated to making sure our clients are informed and protected against wire fraud. We value and protect your privacy with various safeguards throughout your transaction. You can trust us to be your strong partner in a world full of fraud.



WHAT IS A WIRE?

A wire, or wire transfer, is an electronic transfer of money across a network from one bank or credit union to another. With a wire, no physical money moves between bank locations, but people or entities are able to “wire” money to another person or entity as long as they have a bank account. Wires are typically used in most real estate transactions because funds are received more quickly (usually the same day), and there are no holds placed on the money once received.



WHAT IS WIRE FRAUD?

Wire fraud typically involves a hacker gaining access to an email account and posing as a trusted party involved in your real estate transaction. This could be someone pretending to be your real estate agent, loan officer, title agent, or even an attorney. Once the hacker has access to a trusted email account, the hacker sends an email from that account or from a similar account that looks “almost” the same as one of the parties in the transaction – with information related to your transaction, including wire instructions for your closing funds. If you react to that email, your funds are sent to an account controlled by the hacker in some manner. Once receipt of the money is confirmed, the hacker immediately withdraws your funds from that account using multiple transfers to accounts normally outside the United States. Once these transfers occur, the likelihood of recovery is small, if at all.



WHAT ARE WIRE INSTRUCTIONS?

Wire instructions are the directions you follow when sending money electronically. In the case of your home purchase, the funds are typically sent to your settlement agent. Call any Chicago Title of Colorado location for wire instructions on your transaction. Wire instructions typically include:

- Bank Name and Address
- Bank ABA Number
- Bank Account Number
- Account Holder’s Name
- Reference Information (in real estate transactions, this is usually a file number)



HOW TO PROTECT YOURSELF

Visit wiresafe.ctic.com to learn more about how you can help protect yourself against wire fraud and be WireSafe.

MOVING CHECKLIST

ADDRESS CHANGE

- ☐ Give forwarding address to Post Office 2 to 3 weeks before moving
 - ☐ Change credit card accounts, bank accounts, MVD, etc.
 - ☐ Subscriptions: Notice requires 6 to 8 weeks
 - ☐ Friends and relatives
-

BANK

- ☐ Transfer funds, arrange check-cashing in new city
 - ☐ Arrange credit references
-

INSURANCE

- ☐ Notify company of new location for coverages: life, health, fire and auto
 - ☐ Make sure homeowners' policy coverage for your new house is in place
-

MEDICAL, DENTAL, PRESCRIPTION HISTORIES

- ☐ Ask doctor and dentist for referrals, transfer needed for prescriptions, eyeglasses, x-rays
 - ☐ Obtain birth records, medical records, etc.
 - ☐ Arrange for medical services: doctor, dental, veterinarian, etc.
-

PETS

- ☐ Ask about regulations for licenses, vaccinations, tags, etc.
-

SCHOOLS

- ☐ Get school transcripts (some districts require that they be sent directly from the prior school)
-

UTILITY COMPANIES

- ☐ Notify gas, electric, water, telephone, sewage, and garbage companies
 - ☐ Get refunds on any deposits made
 - ☐ Return cable boxes
-

DON'T FORGET TO

- ☐ Carry jewelry and documents yourself, or use registered mail
- ☐ Double check closets, drawers, shelves to be sure they are empty
- ☐ Leave old keys, garage door openers, mail box keys, house plans and irrigation instructions
- ☐ Register to vote

UTILITIES GUIDE

DENVER METRO

UTILITIES

Cable/Internet/Phone:

Century Link	800.491.0118
Xfinity	800.934.6489
DIRECTV	800.531.5000
Dish Network	800.333.3474

Gas & Electric:

Xcel Energy	800.895.4999
IREA(Rural Areas)	800.332.9540
United Power	303.637.1300

Trash Services:

Waste Management	866.749.6476
Waste Connections	866.708.8359
Alpine Waste	303.744.9881
EDS Solutions	303.278.8600
Packman Disposal	303.288.5279

DMV

Aurora	303.344.8400
Boulder	303.442.3006
Broomfield	720.887.8396
Castle Rock	303.627.0985
Centennial	303.795.5954
Denver Central	303.937.9507
Denver N. East	303.373.0161
Evergreen	303.271.8100
Golden	720.497.1182
Lakewood	303.205.5609
Littleton	303.795.5954
Northglenn	720.929.8636
Parker	303.627.0985
Westminster	303.205.5600

WATER & SANITATION :

Arvada Water & Waste Dept.	720.898.7760
Aurora Water	303.739.7370
Boulder Water & Sewer	303.441.3260
Broomfield	303.443.6319
Castle Pines	303.688.8550
Castle Rock	720.733.6000
Centennial	303.791.0430
Cherry Creek Valley Water District	303.755.4474
Commerce City	303.288.2646
Denver Water Department	303.893.2444
Englewood Water & Sewer	303.762.2635
Federal Heights	303.428.3526
Highlands Ranch	303.791.0430
Lakewood	303.238.0451
Littleton	303.795.3751
Longmont	303.651.8664
Morrison	303.985.7895
Northglenn	303.450.8770
Parker	303.841.4627
Thornton	303.538.7370
Westminster	303.658.2405
Wheat Ridge	303.424.2844
Alameda Water & Sanitization	303.936.5313
Bancroft-Clover Water District	303.922.1113
Bonvue Water & Sanitization District	303.238.2851
Crestview Water & Sanitation	303.429.1881
Greatrock North Water & Sanitation	303.987.0835
Green Mountain Water District	303.985.1581
High View Water District	303.233.2182
Industrial Park Water District	303.287.1624
Left Hand Water District	303.530.4200
North Lincoln Water District	303.969.9394
North Pecos Water Department	303.429.5770
North Washington Street District	303.288.6664
Valley Water District	303.424.9661
Willowbrook Water & Sanitation	303.986.2275

GLOSSARY OF TERMS

APPRAISAL	An opinion of value based upon a factual analysis.
AMENDMENT	An alteration, addition, or correction to an agreement that does not change the principal idea or essence of the original agreement.
AMORTIZED LOAN	A loan that is completely paid off, interest and principal, by a series of regular payments that are equal or nearly equal. Also called a Level Payments Loan.
APPRECIATION	An increase in value of real estate. C.C. & R's The Covenants, Codes, and Restrictions of a subdivision or master planned community. These regulations grant the association the right to enforce certain aspects of the community (example: exterior colors or plantings).
CLOSING	The final settlement of a real estate transaction between the Buyer and Seller.
CHAIN OF TITLE	A summary or digest of the conveyances, transfers, and any other facts relied on as evidence of Title, together with any other elements of record which may affect the marketability of the Title.
CONDOMINIUM	A system of individual fee ownership of units combined with joint ownership of common area of the structure and the land.
CONVENTIONAL	A mortgage securing a loan made by investors without governmental Mortgage underwriting.
COUNTER OFFER	A rejection of an offer by a Seller along with an agreement to sell the property to the potential Buyer on terms differing from the original offer.
DEED	Written instrument which, when properly executed and delivered, conveys Title.
DEED OF TRUST	An instrument used in Colorado in place of a mortgage to secure the Lenders rights.
DISCOUNT POINTS	Additional charges made by a Lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent. These additional interest charges are paid at the time a loan is closed to increase the rate of return to the lender so as to approximate the market level.
EARNEST MONEY	Down payment made by the buyer as evidence of good faith.
EASEMENT	Created by grant or agreement for a specific purpose, an easement is the right, privilege or interest which one party has in the land of another (example: rights of way, utility companies).
EQUITY	The market value of real property, less the amount of existing liens.
ESCROW	The deposit of instruments and funds with instructions (the Contract) to a third neutral party (Escrow Officer) to carry out the provisions of an agreement or contract; when everything is deposited to enable carrying out the instructions, it is called a complete or perfect escrow.

GLOSSARY OF TERMS

FHA LOAN	A loan which has been insured by the Federal Government.
IMPOUND ACCOUNT	Account held by the lender for payment of taxes, insurance, or other periodic debts against real property.
LEGAL DESCRIPTION	A description of land that complies with government surveys to thoroughly identify a specific parcel so that it, and its boundaries, cannot be mistaken for any other.
LIEN	A form of encumbrance which usually makes property security for the payment of a debt or discharge of an obligation (example: Judgments, taxes, mortgages, Deeds of Trust, etc.).
MORTGAGE	A legal agreement by which a bank or other creditor lends money at interest in exchange for taking title of the debtor's property, with the condition that the conveyance of title becomes void upon the payment of the debt.
ORIGINATION FEE	A fee charged to the borrower by the lending institution.
PERSONAL PROPERTY	Any property which is not real property, e.g. money, appliances, cars, boats, furniture, etc. In real estate, anything not permanently attached to the building is considered personal property.
PITI	A payment that includes Principal, Interest, Taxes, and Insurance.
POWER OF ATTORNEY	A legal document whereby a principal gives authority to another to act on their behalf. A specific form must be used in Colorado to create a Power of Attorney.
PROMISSORY NOTE	Following a loan commitment from the Lender, the borrower signs a note promising to repay the loan under stipulated terms. The Promissory Note establishes personal liability for its repayment.
QUIT CLAIM DEED	A deed operating as a release.
RECORDING	The official filing of documents with the County Recorder, making the transfer of property official.
SPECIAL ASSESSMENT	Legal charge against real estate by a public authority to pay cost of public improvements such as: Street lights, sidewalks, street improvements, etc.
S.P.D.S.	Also referred to as Seller's Property Disclosure Statement. Sellers are required to disclose any problems that they are aware of that affect the property.
SUBDIVISION	A parcel of land that has been divided into smaller parts.
VA LOAN	A loan guaranteed by the Veteran's Administration.
WARRANTY DEED	A deed used to convey fee title to real property.
1031 EXCHANGE	A method enabling property owners to trade an investment property for another investment property (or properties) without paying capital gains taxes on the transaction.

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.



CHICAGO TITLE

303.291.9999 | www.colorado.ctic.com