

# Typical Steps of a Home Refinance Transaction in an Escrow Closing Jurisdiction\*



## OPENING

### Receive Lender Order

1. Review order
2. Clarify questionable provisions
3. Procure legal description and ownership/vesting
4. Determine items required for instructions
5. Assemble and organize information necessary to facilitate communication and coordination with all parties

### Initiate Title Order

6. Confirm identity of properties to be searched and insured
7. Confirm legal description and ownership/vesting
8. Determine Assessor's Parcel Number (APN)
9. Identify transaction type
10. Determine types of title policies to be issued
11. Run names of buyer and seller in compliance with the United States Patriot Act

### Store Transaction Information Electronically

12. Create electronic file which includes all data entry, scanned images of outside documents, file notes, preliminary report/commitment, and all other information and documents that would otherwise be maintained in a hard-copy file

### Compile Opening Packages For All Parties To The Transaction, Including:

13. Opening instructions
14. General provisions
15. Borrower and seller information forms
16. Homeowner's insurance quote
17. Statement of Information form
18. Privacy notice
19. Preliminary report

### Deliver Opening Packages To All Parties Involved In The Transaction

20. Schedule and conduct signing of documents contained in opening package

## TITLE SEARCH

### Perform Geographical Title Search

21. Research historical title and determine prior owners and others having some right of interest in the properties, as well as affect each has had on the title during respective periods of ownership
22. Create chain of ownership and right of interest in the properties, and identify documents that support that chain, over a sufficient period of time, to satisfy acceptable risk parameters established by the title insurance underwriter based upon type of transaction, type of policy requested, amount of insurance to be given, and other data available

### Perform Individual Name Title Search (General Index)

23. Identify documents found in public records over many years that affect parties and the property owned by them, but do not describe any particular property, including pending litigation, bankruptcy, dissolution of marriage, name changes, probate proceedings, guardianship and conservatorship actions, judgment liens, state tax liens, federal tax liens, powers of attorney, and partnership documents

### Procure Images

24. Compile images of geographical chain of title documents
25. Identify and create images of General Index documents
26. Gather images of recorded maps

### Conduct Property Tax Search

27. Compare assessor's maps with legal description and confirm APN
28. Determine primary real estate tax installments, payment status, and other related tax information
29. Determine supplemental real estate tax installments and payment status
30. Determine whether special bonds or assessments affect properties, and obtain lien amounts

### Prepare And Assemble Search Package

31. Summarize tax information
32. Organize all procured images from geographical and General Index search
33. Review search package and determine preliminary title status
34. Review legal description and compare with existing maps

## TITLE EXAMINATION

### Examine title

35. Review and analyze all work prepared by title searcher
36. Make necessary amendments to preliminary title status determination
37. Order land inspections, when deemed necessary
38. Order court case examinations, when deemed necessary
39. Confirm that document images requested by customer are filed
40. Place order for easements to be plotted on property map
41. Determine title status to be reflected- in preliminary report and submit file to word processing for creation of preliminary report

## PRELIMINARY REPORT

### Prepare Preliminary Report/Commitment

42. Prepare report from title search write-up
43. Proofread preliminary report/commitments
44. Deliver finished report, privacy policy, wiring instructions, requested document images, maps, and plotted easements to title department
45. Send finished report, privacy policy, wiring instructions, requested document images, maps, and plotted easements to your closing officer, principals to the transaction, and real estate representatives

## PROCESSING

### Review And Analyze Preliminary Report/Commitment

46. Order payoff information for monetary encumbrances
47. Obtain and send borrower's authorization
48. Procure homeowners' association assessment status
49. Obtain current owner's authorization and fee check

### Prepare Documents

50. Prepare HUD-1 document
51. Prepare HUD-1 subordination agreement
52. Provide in-house notary service

### Prepare Closing Instruction Amendment(S)

53. Organize documentation, including vesting, legal description, credit card payoffs, and lender rate and term

### Prepare Pre-Loan Documentation And Written Estimates (Preliminary Hud-1)

54. Prepare itemized estimate that includes fees and charges anticipated in final HUD-1 dosing statement (e.g., deposits, adjustments, premiums, fees and charges)
55. Conduct review of final closing instructions and estimated HUD-1 with all parties
56. Obtain all final signatures

## LOAN DOCUMENTS

57. Order loan documents
58. Store loan documentation
59. Include receipt of document packages and assembly/verification of component parts prior to making borrower packages or electronic downloads
60. Conduct review of all lender instructions
61. Schedule loan documentation signing either in-house or with an outside service
62. Receive and examine executed package and verify compliance with lender instructions
63. Return lender package to lender
64. Order homeowner's insurance

## TITLE CURATIVE WORK

### Coordinate Title Curative Work With Clients, And Attorneys

65. Establish requirements for title curative work for various title issues, such as foreclosure, probate, bankruptcy, outstanding marital property rights, trusts, child support orders, tax liens, judgments, pending lawsuits, boundary disputes, easement and access rights, and unreleased deeds of trust
66. Provide underwriting support to your closing officer

## CLOSING

### Receive Closing Package And Instructions

67. Negotiate policy coverages, including type of policy and endorsements
68. Review closing package and instructions for compliance and acceptability of underwriting guidelines
69. Review form of the deed for proper signature, notary, APN, grantor and grantee information, return addresses, and legal description
70. Review deed of trust for proper signature, notary, APN, trustor, beneficiary, return addresses, and legal description
71. Review curative documents to clean up title
72. Review subordination agreements for underwriting acceptability

### Order Funding

73. Order borrower's closing funds
74. Order lender's closing funds

### Trust Account Depository For Transaction Funds

75. Document all deposits
76. Conduct good funds verification
77. Determine compliance with IRS cash reporting laws

## Pre-Balance Hud-1 Closing Statement

78. Perform preliminary calculation of disbursements
79. Run all names of principals, depositors, and payees (including realtors and lenders) in compliance with United States Patriot Act
80. Order tax status date down
81. Resolve any issues disclosed by the tax status and title status date downs
82. Authorize recording of documents at County Recorder's office
83. Confirm recording with all parties

## Balance File And Prepare Final Hud-1 Closing Statement

84. Perform final calculation of all disbursements
85. Verify amount due with each payee
86. Provide required instructions to close loan
87. Pay monetary encumbrances by check
88. Prepare and send suspension/close letters for equity loans
89. Pay all tax encumbrances by check
90. Prepare and release borrower's proceeds
91. Prepare and send out new lender disbursements
92. Prepare and send out miscellaneous checks
93. Include homeowners' association disbursements, credit card payments, homeowner's insurance, etc., on closing statement

## Prepare and send out closing packages to borrower and lender

94. Include certified copies of all closing instructions, amendments, and deeds

## Order title date downs

95. Order tax status date down
96. Order title status date down
97. Resolve any issues disclosed by tax status and title status date downs
98. Prepare and send recording package to County Recorder's office for recording
99. Confirm recordation
100. Notify all interested parties
101. Obtain and deliver confirmed, certified copies of various transaction documents
102. Prepare statement for policy premium and recording fees to send to your closing officer

## TITLE POLICY

103. Prepare policy and endorsement write-ups
104. Prepare policy and endorsements from title write-up
105. Proofread policy and endorsements
106. Deliver finished policies and endorsements to title officer
107. Deliver finished policies and endorsements to closing officer

## POST-CLOSING

### Perform post-closing maintenance

108. Process reconveyance documents
109. Process other release documentation
110. Process release of obligation, if necessary

### Perform final accounting audit of file

111. Clear trial balance
112. Follow up on stale-dated checks not cleared within six months
113. Comply with state escheat laws
114. Prepare and distribute year-end 1099 IRS forms to all parties required by law

**\* NOTE:** *This list reflects the collective services of steps to provide title insurance and close a residential real estate transaction in escrow closing states in much of the western U.S. Particular activities may be somewhat different but similar in purpose in non-escrow closing states in the eastern U.S.*