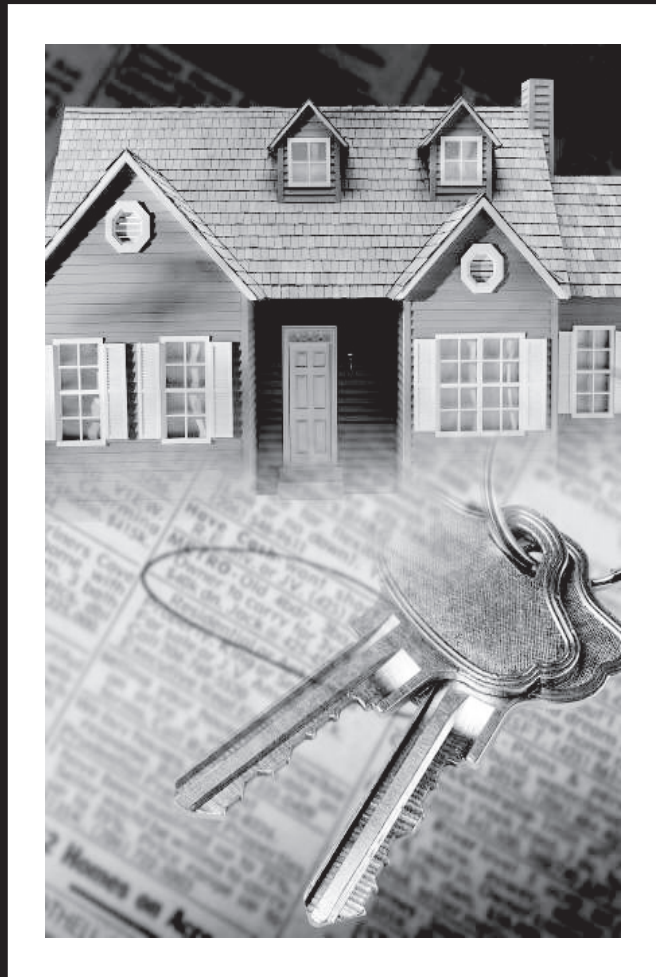


A
Step-By-Step Guide to
Home Buying
in Virginia



MBH
Settlement Group

Congratulations on your new home!

Over twenty-five years' experience in working with first-time home buyers, refinancing, and commercial real estate closings has taught us a lot, but one thing has never changed, Our Clients Are Our #1 Priority.

We're proud of being named a top Title Company in the DC Metro Area by the Washington Business Journal for the 5th consecutive year! Having handled well over 200,000 settlements since opening our doors in 1994 in McLean, VA, we've learned a lot about what it takes to have a quick, error-free closing. Our customers tell us that it's our "can-do" attitude, forward-thinking, and customer-oriented service that keep them coming back to MBH. Whether it's our knowledge, service, or the overall management, we're dedicated to ensuring that your experience is a positive one!

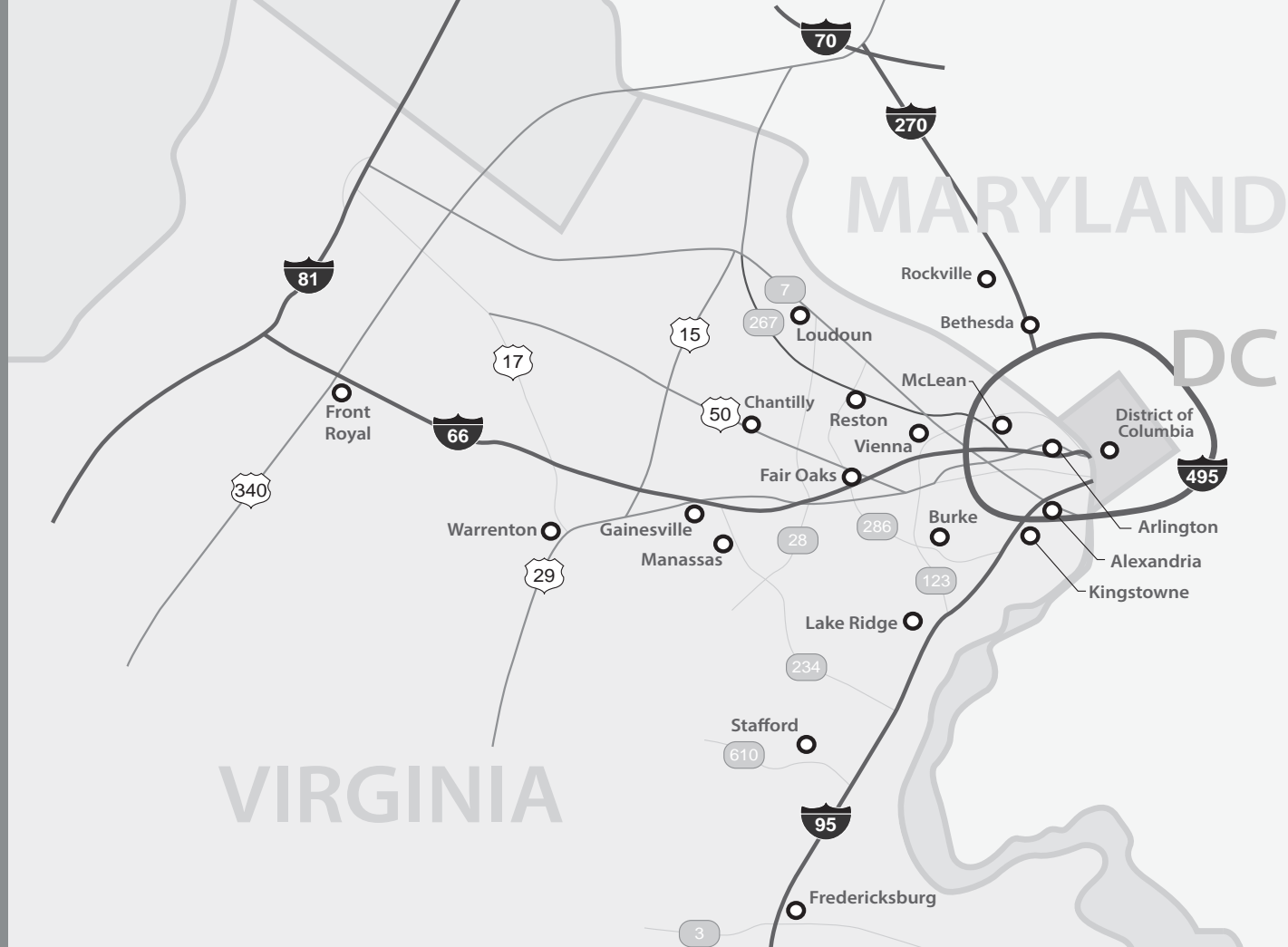
Committed to serving residential and commercial clients, MBH has a real estate settlement attorney available in each of our twenty offices throughout the District of Columbia, Maryland, and Virginia. You can trust MBH for integrity, expertise, strength, and convenience whether you desire digital, hybrid, or traditional closings.

We're focused on investing in innovation to make your closings secure and convenient, expanding our reach and expertise to provide enhanced services where you need them, and maintaining a personal commitment to our communities because it's the people who matter. We look forward to working with you!

Best Regards,

Fred Westerlund
CEO, MBH Settlement Group

Just around the corner



Virginia

Alexandria (Old Town)
228 S. Washington St
Suite 100
Alexandria, VA 22314
703-739-0100
mbholdtown@mbh.com

Arlington
4250 North Fairfax Dr, Suite 600
Arlington, VA 22203
703-237-1100
mbharlington@mbh.com

Burke
9281 Old Keene Mill Rd
Burke, VA 22015
703-913-8080
mbhburke@mbh.com

Chantilly
4230 Lafayette Center Dr
Suite I
Chantilly, VA 20151
703-277-6800
mbhchantilly.com

Fair Oaks
12150 Monument Drive
Suite 850
Fairfax, VA 22033
703-279-1500
mbhfairoaks@mbh.com

Fredericksburg
1956 William St
Fredericksburg, VA 22401
540-373-1300
mbhfredericksburg@mbh.com

Front Royal
824 John Marshall Highway
Front Royal, VA 22630
540-878-4210
mbhfrontroyal@mbh.com

Gainesville
7470 Limestone Dr
Gainesville, VA 20155
703-468-2020
mbhgainesville@mbh.com

Kingstowne
5911 Kingstowne Village Pkwy
Suite 140
Kingstowne, VA 22315
703-417-5000
mbhkingstowne@mbh.com

Lake Ridge
4500 Pond Way
Suite 200
Lake Ridge, VA 22192
703-492-7900
mbhlakeridge@mbh.com

Loudoun County
20135 Lakeview Center Plaza
Suite 150
Ashburn, VA 20147
703-840-2000
mbhloudoun@mbh.com

Manassas
8140 Ashton Ave, Suite 108
Manassas, VA 20109
703-393-0333
mbhmanassas@mbh.com

McLean
6862 Elm St
Suite 200
McLean, VA 22101
703-734-8900
mbhmclean@mbh.com

Reston
12020 Sunrise Valley Drive
Suite 100
Reston, VA 20191
703-318-9333
mbhreston@mbh.com

Stafford
9 Center St
Suite 105
Stafford, VA 22556
540-658-0992
mbhstafford@mbh.com

Vienna
374 Maple Ave E.
Suite 200
Vienna, VA 22180
703-242-2860
mbhvienna@mbh.com

Warrenton
484 Blackwell Rd
Suite 108
Warrenton, VA 20186
540-349-7990
mbhwarrenton@mbh.com

Maryland & D.C.

Bethesda
6701 Democracy Blvd
Suite 300
Bethesda, MD 20817
301-571-9449
mbhmaryland@mbh.com

Rockville
199 E. Montgomery Ave
Suite 100
Rockville, MD 20850
301-571-9449
mbhmaryland@mbh.com

District of Columbia
1300 I Street NW
Suite 400 E
Washington, DC 20005
202-749-8420
mbhdc@mbh.com



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KEY CONTACT LIST

Real Estate Agent

Name _____
Company _____
Address _____
Phone _____
Fax _____
Cell _____
E-mail _____

Lender

Pre-qualify & get pre-approved before you house hunt

Loan Officer _____
Company _____
Loan Processor _____
Address _____
Phone _____
Fax _____
E-mail _____

Title & Settlement

MBH Settlement Group

Processor _____
Branch Manager _____
Address _____
Phone _____
Fax _____
E-mail _____

Hazard Insurance Company

Insurance Agent _____
Company _____
Phone _____
Email _____

Home Inspector

Company _____
Home Inspector _____
Phone _____
E-mail _____
Date/Time _____

Termite Inspector

Designated party to obtain

Company _____
Phone _____
E-mail _____
Date/Time _____

Utility Companies

Coordinate the transfer of utilities with the Sellers & see page 44 for Important Phone Numbers

Electric _____
Water _____
Gas/Oil _____
Telephone _____
Cable/Satellite _____
Internet _____

Pre-Settlement Inspection

Final Walk-Through

Date _____
Time _____

Settlement at MBH Settlement Group

Date _____
Time _____
MBH Location _____

Your Home Buying Process Starts Here!



MORTGAGE COMPANY Responsibilities

Loan Application

Credit Report Pulled

Loan Estimate Delivered to Borrower

Loan Underwriting

Buyer Approved

Did You Know?
You can follow the process online on MBH's Secure Online Document Portal!

What's Happening?
MBH's abstractors are searching past owners of record, judgements, clouds on Title, & Buyer/Seller liens to ensure you are free to buy the home & no surprises come up at closing.

MBH
Settlement Group

Contract Received
Parties Invited to Secure Portal

MBH Abstractor Performs Title Search

Title Insurance Commitment

Now What Happens?

- Title Examination
- Clearance of Underwriting Objections
- Document Delivery
- Obtain Figures for Payoff(s) - Property Tax, Property Association, etc.
- Document Preparation
- Coordinate & Communicate with Buyer, Seller, Lender, & Realtors

Lender & Settlement Company Cooperate to Prepare Closing Disclosure

CD Provided to Borrower 3 Days Prior to Settlement

Loan Closing Package Provided to Settlement Company

Closing & Funding Followed By Recordation & Disbursement



CONGRATULATIONS ON YOUR NEW HOME!

SETTLEMENT PROCESS

YOUR AGENT

A real estate agent is the first stop on the way to buying your new home. The Virginia General Assembly enacted a statute, effective October 1, 1995, which defines a real estate agent's responsibilities with respect to customers and clients. Your real estate agent will provide you with the documents necessary to create an agency relationship, and will make the disclosures required under the statute.

Your agent will help you choose the home that best satisfies your needs, desires, and budget. Your agent will discuss with you the basics of your financial eligibility for loan qualification, and ultimately, the price range you can consider when looking for a home. Your agent will then use a multiple listing service to locate homes on the market that fit within the parameters of your budget and your physical preferences (i.e. location, number of bedrooms, lot size, proximity to schools and churches, etc.).

Once the focus of your search has been narrowed, your agent will begin showing you houses. Your agent will go to great lengths to find exactly what you're looking for in a property. Work with your agent to see any homes in which you are interested. Agents may show you homes listed in the MLS and also homes "for sale by owner."

THE SALES CONTRACT

Once you have chosen a house, your agent will help you write a purchase contract. Through your agent, you will submit the terms of your purchase offer to the Seller and listing agent. The Seller may accept your contract, in which case, you will have a ratified contract.

However, the Seller may counter your offer by changing some terms such as the price, seller paid concessions, settlement date, etc. This counter offer will be presented to you by your agent. You can then accept it, reject it, or counter the Seller's counter offer. These exchanges will continue until the contract is acceptable to both parties, at which time you will have a ratified contract.

KNOW YOUR RIGHTS

The Commonwealth of Virginia's Real Estate Settlement Agents Act (RESAA) and the federal Real Estate Settlement Procedures Act (RESPA) have provisions regarding the buyer's right to choose the settlement agent and the provider of title services.

RESAA

VA. CODE ANN. § 55-525.23 provides that:

- The buyer has the absolute right to choose the settlement agent.
- The buyer's choice of settlement agent may not be varied by agreement and may not be waived.
- The seller may not make the use of a particular settlement agent a condition of sale.

RESPA

Title 12 USC, Section 2608 provides that:

- No seller of property purchased with the assistance of a federally related mortgage loan, shall require directly or indirectly, as a condition to selling the property that the title insurance be purchased from any particular title company.
- Violation will result in the Seller being liable to the Purchaser in an amount equal to three times all charges for Purchaser's title insurance.

CALL **MBH Settlement Group**

Once you have a ratified contract on a home, call the most convenient MBH office. A list of offices and phone numbers are provided on the back cover of this guide.

UNDERSTANDING THE RESIDENTIAL SALES CONTRACT

The following is an overview of each provision of the Residential Sales Contract (Virginia), effective January 1, 2021:

PREAMBLE: The preamble is the section of the Contract containing blanks for the Purchaser to insert the Date of Offer and to identify the parties to the Contract (Purchaser(s) and Seller(s)). This section also provides space for the parties to specify the Listing Company and Selling Company.

1. REAL PROPERTY: The first paragraph of the Contract details, with specificity, the Property that is being conveyed.

2. PRICE AND SPECIFIED FINANCING: The financing terms for the transaction, as well as the sales price and seller subsidy, are outlined in this paragraph. The Purchaser is able to indicate the down payment, and the amount(s) of financing in dollar amounts or percentages of the sales price. There are provisions for the Purchaser to obtain a first Deed of Trust, a second Deed of Trust or a Seller Held Trust. The Seller Subsidy can be a specific dollar amount or a percentage of the sales price. This is also where the parties would give notice that the Financing Contingency is being attached to the Contract.

3. DEPOSIT: This paragraph details the earnest money deposit that the Purchaser provides to the Escrow Agent in the form of a check or promissory note. The Selling Broker is typically chosen as the Escrow Agent; however, the Settlement Agent or another party may be selected. The Purchaser also must select whether the earnest money deposit has been delivered to the Escrow Agent at or prior to contract ratification, or whether it will be delivered a defined number of days following ratification.

4. SETTLEMENT: The Settlement paragraph sets forth the settlement date and the settlement agent. It also gives notice to the Purchasers of their right to choose the settlement agent in accordance with the Real Estate Settlement Agents Act ("RESAA").

5. DOWN PAYMENT: The balance of all money due from the Purchaser must be paid at closing by certified funds or bank wired funds (no personal checks). If the Purchaser is to use an assignment of funds at settlement (typically from the sale of another property immediately prior to their purchase settlement), the Seller's written consent must be obtained.

6. DELIVERY: This paragraph specifies the general delivery requirements under the Contract (except for delivery of documents pursuant to the Virginia Property Owners' Association Act and the Virginia Condominium Act). The parties select the allowable method(s) of delivery and fill in the blanks with the corresponding physical address, email address and/or fax number. (Contrary to prior versions of the contract, there is no longer a mandate that courtesy copies be sent to the Brokers.)

7. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT: The Seller must deliver a disclosure statement prior to acceptance of the Contract (unless the property is exempt). If the disclosure is delivered to the Purchaser after the Date of Ratification, the Purchaser will have a limited right to terminate the contract subject to the provisions of the Act.

8. VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT: The Seller must obtain an Association Disclosure Packet from the association and provide it to the Purchaser. The Purchaser provides in the contract a preferred address for delivery of the Disclosure Packet by both electronic means and hard copy. The seller may then choose the address to which to deliver the Disclosure Packet. This section also provides for the Purchaser's right to cancel the Contract following receipt (or prior to receipt) of the Disclosure Packet, subject to the time periods defined in the Act. More information is available in an additional form entitled "Understanding Your Rights Under the Virginia Condominium Act/Property Owners' Association Act."

9. VIRGINIA CONDOMINIUM ACT: The Seller must obtain a Resale Certificate from the association and provide it to the Purchaser. The Purchaser provides in the contract a preferred address for delivery of the Resale

Certificate by both electronic means and hard copy. The seller may then choose the address to which to deliver the Resale Certificate. This section also provides for the Purchaser's right to cancel the Contract following receipt of the Resale Certificate, subject to the time periods defined in the Act. More information is available in an additional form entitled "Understanding Your Rights Under the Virginia Condominium Act/Property Owners' Association Act."

10. PROPERTY MAINTENANCE AND CONDITION: The Seller must deliver the Property in "substantially the same physical condition" as on the date specified in the contract, and "broom clean with all trash and debris removed." This paragraph also notes that except as otherwise specified in the Contract, "the property, including electrical, plumbing, existing appliances, heating, air conditioning, equipment and fixtures shall convey in its AS-IS condition as of the date specified." Some suggestions for addressing this provision include the following:

- a) The condition of the Property must be verified on the date specified in this paragraph.
- b) The walk-through inspection is intended to be a quick check of major systems/appliances; it is not a new "home inspection."
- c) Don't wait until the very last minute to conduct the walk-through inspection as this may delay your Settlement and does not leave enough time to repair items that may need to be fixed prior to Settlement.
- d) Be sure the Seller leaves utilities on through Settlement.

There are also checkboxes to indicate whether the Contract is contingent on a Home Inspection.

11. ACCESS TO PROPERTY: The Seller must provide reasonable access to the Purchaser, Broker, inspectors, Lender representatives, etc. in order to comply with the Contract. Walk-through inspection(s) may be done within 7 days prior to settlement and/or occupancy.

12. UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING: There are several checkboxes to describe the water system, sewage, disposal system, heating and air conditioning for the Property. If the Seller discloses that a Septic Waiver has been granted on the property, the Purchaser should review the regulatory requirements and cost associated with repairing the sewage system. State Board of Health Septic System Waivers are not transferable.

13. PERSONAL PROPERTY AND FIXTURES: This section contains an itemized list of various personal property and fixtures that will convey with the Property. Check EACH item "Yes" or "No" and if more than one is to convey, fill in the number of each item that will convey.

14. FIRPTA - WITHHOLDING TAXES FOR FOREIGN SELLERS: This section requires the Seller to disclose whether they are a US Citizen or a Lawful Permanent Resident. If not, an additional addendum is required in the contract.

15. BUYER'S REPRESENTATIONS: The correct box should be checked as to whether or not the Purchaser will occupy the Property as a principal residence.

16. SMOKE DETECTORS: The Seller must deliver the Property with smoke detectors installed and functioning pursuant to applicable regulations.

17. TARGET LEAD-BASED PAINT HOUSING: The Seller shall disclose whether any part of the house or condominium was built prior to January 1, 1978. If so, a Lead-Based Paint Disclosure shall be required, and shall be attached to the Contract.

18. WOOD-DESTROYING INSECT INSPECTION: The parties can choose who will be responsible for the initial expense of the Pest Inspection. The Seller shall be responsible for any treatment of any wood-destroying insect infestation, and any repairs noted on the inspection report shall be made at the Seller's expense, with Seller providing written evidence of said treatment or repair prior to Settlement.

19. DAMAGE OR LOSS: The Seller is responsible for the risk of loss or damage to the property until delivery of the deed to the Purchaser at Settlement.

20. TITLE: If the title report and survey are not available on the Settlement Date, the Settlement may be delayed up to 10 business days to obtain the information; thereafter, the Seller has the option to terminate the Contract. If title is not good, marketable and insurable on the Settlement Date, the Purchaser has the option to declare the Contract void or may pursue all available remedies at law. In the alternative, the parties may mutually agree to extend the Settlement Date. If action is required to perfect the title, such action must be taken promptly by the Seller at the Seller's expense.

21. NOTICE OF POSSIBLE FILING OF MECHANICS' LIENS: This section alerts the Purchaser that a mechanics' lien may be filed after settlement for work performed prior to settlement.

22. POSSESSION DATE: Unless otherwise agreed to in writing, the Purchaser gets possession of the property at Settlement and the Seller must deliver any keys, key fobs, codes and digital keys.

23. FEES: This section discusses the settlement and recording fees to be paid by the Seller and the Purchaser at Settlement.

24. BROKER'S FEE: The parties agree that the Brokers' compensation shall be the compensation provided for in the Listing Agreement, and the portion disbursed to the Selling Company shall be that which is set forth as of the Date of Offer (see Preamble section).

25. ADJUSTMENTS: Rent, taxes, sewer, water, HOA/condo dues are prorated as of the Settlement Date.

26. ATTORNEY'S FEES: If a dispute arises concerning the Contract, the non-breaching party is entitled to receive reimbursement of reasonable legal expenses from the breaching party.

27. PERFORMANCE: This paragraph details the sufficient tender of performance under the Contract. Compliance with the Contract can help to preserve a non-breaching party's right to damages. At a minimum, the Purchaser must have:

- A bank-issued check (payable to *MBH Settlement Group*) and/or wired funds DELIVERED on or before the Settlement Date to the Settlement Agent;
- A hazard insurance policy in place and a paid receipt for the insurance DELIVERED to the lender at or before settlement; and
- A loan package and lender funding at Settlement.

28. DEFAULT: Even if the Financing Contingency has not been removed, the Purchaser may be in default if Settlement does not occur on the Settlement Date for any reason other than a default by the Seller. In the event the Purchaser is in default, the Purchaser's deposit may be at risk. Further, the Purchaser should realize that the earnest money deposit may not be the limit of the Purchaser's liability upon default.

29. OTHER DISCLOSURES: The Seller and Purchaser are advised to read the Contract and to verify that the terms marked accurately reflect their intentions. In addition, the parties are advised that the Brokers can provide advice on real estate matters, but that tax and legal advice should be sought from the appropriate professionals.

Subparagraph 31A—Property Condition: This section notifies the Purchaser that there are certain home inspection services and home warranty programs available.

Subparagraph 31B—Legal Requirements: This section reminds the parties that contracts for the sale of real property must be in writing and upon ratification, the Contract must be delivered in order to be legally binding.

Subparagraph 31C—Financing: This section states that the Purchaser has the right to select a lender of his/her choice.

Subparagraph 31D—Broker: This is a disclosure that the real estate broker is solely being retained as a real estate agent and is not an expert in other fields including legal, tax or matters concerning the condition of the property.

Subparagraph 31E—Property Taxes: This section puts the Purchaser on alert that the property tax bill could increase after Settlement.

Subparagraph 31F—Property Insurance: This section puts the Purchaser on notice that property insurance, while typically a requirement for acquiring financing, may be difficult to obtain.

Subparagraph 31G—Title Insurance: This section addresses title insurance and provides that for owner's title insurance, the Purchaser and Seller require that the Purchaser's lender quote rates for the enhanced policy.

30. ASSIGNABILITY: The Contract cannot be assigned without the written permission of the Seller and the Purchaser (an assignment allows the Purchaser to substitute another Purchaser in his/her place).

31. DEFINITION: This section defines certain terms as they are used in the Contract. Of particular importance is the definition of "Days."

32. MISCELLANEOUS: This paragraph notifies the parties that signatures in one or more counterparts can, together, form one document.

33. VOID CONTRACT: If the Contract becomes void and neither party has defaulted, the parties will immediately execute a release and the deposit will be returned to the Purchaser.

34. HOME WARRANTY: A home warranty typically protects the systems and appliances in the home for the term of one year following Settlement. In this section, check "Yes" or "No," indicate the party who is to pay for the home warranty, the party who is to choose the home warranty, and the maximum cost.

35. TIME IS OF THE ESSENCE: This provision means that the parties to the transaction must perform their obligations diligently and in a timely manner. A carve out exists to protect the Purchaser from default if settlement is delayed as a result of the Purchaser's lender's regulatory obligations.

36. ARBITRATION: Arbitration is not precluded.

37. REAL ESTATE LICENSED PARTIES: A disclosure noting whether the Purchaser or the Seller, or someone related to the parties in the transaction, is a licensed real estate agent.

38. ENTIRE AGREEMENT: Pursuant to this provision, the Contract will survive the execution of the deed, meaning that even after Settlement, the provisions within are still legally binding. Verbal statements and agreements may not be enforceable. Finally, the governing law is that of the jurisdiction where the Property is located.

39. ADDITIONS: Lists additional addenda (non-exclusive) with check boxes, which may be part of the Contract.

40. DISCLOSURE OF SALES PRICE TO APPRAISER: Brokers are authorized to release the Sales Price to any appraiser who contacts them.

41. OTHER TERMS: Blanks for the parties to state other terms to the Contract.

RESIDENTIAL SALES CONTRACT (Virginia)

This sales contract ("Contract") is offered on _____ ("Date of Offer") between _____ ("Buyer") and _____ ("Seller") who, among other things, hereby confirm and acknowledge by their initials and signatures herein that by prior disclosure in this real estate transaction _____ ("Listing Brokerage") represents Seller, and _____ ("Cooperating Brokerage") represents Buyer **OR** Seller. The Listing Brokerage and Cooperating Brokerage are collectively referred to as "Broker." (If the brokerage firm is acting as a dual representative for both Seller and Buyer, then the appropriate disclosure form is attached to and made a part of this Contract.) In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. REAL PROPERTY. Buyer will buy and Seller will sell for the sales price ("Sales Price"), Seller's entire interest in the real property (with all improvements, rights and appurtenances) described as follows ("Property"):

TAX Map/ID # _____ Legal Description: Lot(s) _____
Section _____ Subdivision or Condominium _____
Parking Space(s) # _____ County/Municipality _____
Deed Book/Liber # _____ Page/Folio # _____
Street Address _____
Unit # _____ City _____ ZIP Code _____

2. PRICE AND FINANCING. (Any % are percentages of Sales Price)

A. Down Payment. \$ _____ or % _____

B. Financing.

- 1. First Trust (if applicable) \$ _____ or % _____
 Conventional VA FHA
 USDA Other: _____
- 2. Second Trust (if applicable) \$ _____ or % _____
- 3. Seller Held Trust (if applicable) \$ _____ or % _____

TOTAL FINANCING \$ _____ or % _____

SALES PRICE \$ _____

C. Seller Subsidy. (LESS) \$ _____ or % _____

D. Financing Contingency and Application. This Contract is (addendum attached) **OR** is not contingent on financing. If this Contract is contingent on financing: (i) Buyer will make written application for the financing and any lender-required property insurance no later than seven (7) days after Date of Ratification; (ii) Buyer grants permission for Cooperating Brokerage and the lender to disclose to Listing Brokerage and Seller general information available about the progress of the loan application and loan approval process; and (iii) Seller agrees to comply with reasonable lender requirements.



3. **DEPOSIT.** Buyer’s deposit (“Deposit”) in the amount of \$ _____ check/bank-wired funds; and/or \$ _____ by note due and payable on _____ shall be held by _____ (“Escrow Agent”). Buyer has delivered Deposit to Escrow Agent **OR** will deliver Deposit to Escrow Agent by _____ days after Date of Ratification.

If the Escrow Agent is a Virginia Real Estate Board (“VREB”) licensee, the parties direct Escrow Agent to place Deposit in an escrow account by the end of the fifth business banking day following receipt or following Date of Ratification, whichever is later. If Escrow Agent is not a VREB licensee, Deposit will be placed in an escrow account of Escrow Agent after Date of Ratification in conformance with the laws and regulations of Virginia and/or if VA financing applies, as required by Title 38 of the U.S. Code. This account may be interest bearing and all parties waive any claim to interest resulting from Deposit. Deposit will be held in escrow until: (i) credited toward Sales Price at Settlement; (ii) all parties have agreed in writing as to its disposition; (iii) a court of competent jurisdiction orders disbursement and all appeal periods have expired; or, (iv) disposed of in any other manner authorized by law. Seller and Buyer agree that Escrow Agent will have no liability to any party on account of disbursement of Deposit or on account of failure to disburse Deposit, except in the event of Escrow Agent’s gross negligence or willful misconduct.

4. **SETTLEMENT.** Seller and Buyer will make full settlement in accordance with the terms of this Contract (“Settlement”) on, or with mutual consent before, _____ (“Settlement Date”) except as otherwise provided in this Contract. If Settlement Date falls on a Saturday, Sunday, or legal holiday, then Settlement will be on the prior business day.

NOTICE TO BUYER REGARDING THE REAL ESTATE SETTLEMENT AGENTS ACT (“RESAA”) Choice of Settlement Agent: You have the right to select a Settlement agent to handle the closing of this transaction. The Settlement agent’s role in closing your transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, your lender will instruct the Settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No Settlement agent can provide legal advice to any party to the transaction except a Settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

Variation by agreement: The provisions of the Real Estate Settlement Agents Act may not be varied by agreement, and rights conferred by this chapter may not be waived. The Seller may not require the use of a particular settlement agent as a condition of the sale of the property.

Escrow, closing and Settlement service guidelines: The Virginia State Bar issues guidelines to help Settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, Settlement or closing services. As a party to a real estate transaction, you are entitled to receive a copy of these guidelines from your Settlement agent, upon request, in accordance with the provisions of the Real Estate Settlement Agents Act.

Buyer designates _____ (“Settlement Agent”). Buyer agrees to contact Settlement Agent within ten (10) Days of Date of Ratification to schedule Settlement. Settlement Agent shall order the title exam and survey if required. To facilitate Settlement Agent’s preparation of various closing documents, including any Closing Disclosure, Buyer hereby authorizes Settlement Agent to send such Closing Disclosure to Buyer by electronic means and agrees to provide Settlement Agent Buyer’s electronic mail address for that purpose only.

- 5. **DOWN PAYMENT.** The balance of the down payment will be paid on or before Settlement Date by certified or cashier’s check or by bank-wired funds as required by Settlement Agent. An assignment of funds shall not be used without prior written consent of Seller.
- 6. **DELIVERY.** This paragraph specifies the general delivery requirements under this Contract. For delivery of property or condominium owner’s association documents see the VIRGINIA PROPERTY OWNERS’ ASSOCIATION ACT and/or VIRGINIA CONDOMINIUM ACT paragraphs of this Contract. Delivery of the Notice pursuant to the Virginia Residential Property Disclosure Act is addressed in the VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT paragraph.

Delivery (“Delivery,” “delivery,” or “delivered”) methods may include hand-carried, sent by professional courier service, by United States mail, by facsimile, or email transmission. The parties agree that Delivery will be deemed to have occurred on the day: delivered by hand, delivered by a professional courier service (including overnight delivery service) or by United States mail with return receipt requested, or sent by facsimile or email transmission, either of which produces a tangible record of the transmission.

Deliveries will be sent as follows:

A. Addressed to Seller **at Property address unless otherwise specified below** by United States mail, hand delivery or courier service **OR** fax **OR** email (check all that apply):

To Seller: _____

B. Addressed to Buyer by United States mail, hand delivery or courier service **OR** fax **OR** email (check all that apply):

To Buyer: _____

No party to this Contract will refuse Delivery in order to delay or extend any deadline established in this Contract.

- 7. **VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT.** The Virginia Residential Property Disclosure Act requires Seller to deliver a disclosure statement prior to the acceptance of this Contract unless the transfer of Property is exempt. The law requires Seller, on a disclosure statement provided by the Real Estate Board, to state that Seller makes no representations or warranties concerning the physical condition of the Property and to sell the Property “as is,” except as otherwise provided in this Contract.

If the disclosure statement is delivered to Buyer after Date of Ratification, Buyer’s sole remedy shall be to terminate this Contract at or prior to the earliest of (i) three (3) days after delivery of the disclosure statement in person; (ii) five (5) days after the postmark if the disclosure statement is sent by United States mail, postage prepaid, and properly addressed to Buyer; (iii) settlement upon purchase of Property; (iv) occupancy of Property by Buyer; (v) Buyer making written application to a lender for a mortgage loan where such application contains a disclosure that the right of termination shall end upon the application for the mortgage loan; or (vi) the execution by Buyer after receiving the disclosure statement of a written waiver of Buyer’s right of termination separate from this Contract.

Written Notice of termination may be (i) hand delivered; (ii) sent by United States mail, postage prepaid, provided that Buyer retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service confirming that such mailing was prepared by Buyer; (iii) sent by electronic means to the facsimile number or electronic mailing address provided

by Seller in the DELIVERY paragraph, provided that Buyer retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service; (iv) overnight delivery using a commercial service or the United States Postal Service.

Any such termination shall be without penalty to Buyer, and any deposit shall be promptly returned to Buyer.

8. VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT. Seller represents that the Property is **OR** is not located within a development that is subject to the Virginia Property Owners' Association Act ("POA Act" or "Act" solely in this Paragraph).

A. Section 55.1-1808(B) of the Act requires the following contract language:

Subject to the provisions of subsection A of §55.1-1814, an owner selling a lot shall disclose in the contract that (i) the lot is located within a development that is subject to the Virginia Property Owners' Association Act (§55.1-1800 et seq.); (ii) the Property Owners' Association Act (§55.1-1800 et seq.) requires the seller to obtain from the property owners' association an association disclosure packet and provide it to the purchaser; (iii) the purchaser may cancel the contract within three days, or up to seven days if extended by the ratified real estate contract, after receiving the association disclosure packet or being notified that the association disclosure packet will not be available; (iv) if the purchaser has received the association disclosure packet, the purchaser has a right to request an update of such disclosure packet in accordance with subsection H of §55.1-1810 or subsection D of §55.1-1811, as appropriate; and (v) the right to receive the association disclosure packet and the right to cancel the contract are waived conclusively if not exercised before settlement.

Pursuant to §55.1-1808 and for purposes of this Paragraph, "ratified real estate contract" includes any addenda to this Contract.

B. For delivery of the Packet or the Notice of non-availability of the Packet, Buyer prefers delivery at _____ if electronic
or _____ if hard copy.

9. VIRGINIA CONDOMINIUM ACT. Seller represents that the Property is **OR** is not a condominium unit subject to the Virginia Condominium Act (the "Condominium Act" or "Act" solely in this Paragraph).

A. Section §55.1-1990(B) of the Act requires the following contract language:

In the event of any resale of a condominium unit by a unit owner other than the declarant, and subject to the provisions of subsection F and subsection A of §55.1-1972, the unit owner shall disclose in the contract that (i) the unit is located within a development which is subject to the Condominium Act, (ii) the Condominium Act requires the seller to obtain from the unit owners' association a resale certificate and provide it to the purchaser, (iii) the purchaser may cancel the contract within three days, or up to seven days if extended by the ratified real estate contract, after receiving the resale certificate or being notified that the resale certificate will not be available, (iv) if the purchaser has received the resale certificate, the purchaser has a right to request a resale certificate update or financial update in accordance with §55.1-1992, as appropriate, and (v) the right to receive the resale certificate and the right to cancel the contract are waived conclusively if not exercised before settlement.

Pursuant to §55.1-1990 and for purposes of this Paragraph, “ratified real estate contract” includes any addenda to this Contract.

B. For delivery of the Certificate or the Notice of non-availability of the Certificate, Buyer prefers delivery at _____ if electronic or _____ if hard copy.

10. PROPERTY MAINTENANCE AND CONDITION. Except as otherwise specified herein, Seller will deliver Property free and clear of trash and debris, broom clean and in substantially the same physical condition to be determined as of Date of Offer **OR** Date of home inspection **OR** Other: _____. Seller will have all utilities in service through Settlement or as otherwise agreed. Buyer and Seller will not hold Broker liable for any breach of this Paragraph.

Buyer acknowledges, subject to Seller acceptance, that this Contract may be contingent upon home inspection(s) and/or other inspections to ascertain the physical condition of Property. If Buyer desires one or more inspection contingencies, such contingencies must be included in an addendum to this Contract.

This Contract is contingent upon home inspection(s) and/or other inspections. (Addendum attached)

OR

Buyer waives the opportunity to make this Contract contingent upon home inspection(s).

Buyer acknowledges that except as otherwise specified in this Contract, Property, including electrical, plumbing, existing appliances, heating, air conditioning, equipment and fixtures shall convey in its AS-IS condition as of the date specified above.

11. ACCESS TO PROPERTY. Seller will provide Broker, Buyer, inspectors representing Buyer, and representatives of lending institutions for Appraisal purposes reasonable access to the Property to comply with this Contract. In addition, Buyer and/or Buyer’s representative will have the right to make walk-through inspection(s) within seven (7) days prior to Settlement and/or occupancy, unless otherwise agreed to by Buyer and Seller.

12. UTILITIES; MAJOR SYSTEMS. (Check all that apply)

Water Supply: Public Private Well Community Well
Hot Water: Oil Gas Elec. Other _____
Air Conditioning: Oil Gas Elec. Heat Pump Other _____ Zones ____
Heating: Oil Gas Elec. Heat Pump Other _____ Zones ____
Sewage Disposal: Public Septic for # BR _____ Community Septic Alternative Septic for # BR: ____
Septic Waiver Disclosure provided by Seller (if applicable) per VA Code §32.1-164.1:1. State Board of Health septic system waivers are not transferable.

13. PERSONAL PROPERTY AND FIXTURES. Property includes the following personal property and fixtures, if existing: built-in heating and central air conditioning equipment, plumbing and lighting fixtures, sump pump, attic and exhaust fans, storm windows, storm doors, screens, installed wall-to-wall carpeting, window shades, blinds, window treatment hardware, smoke and heat detectors, antennas, exterior trees, and shrubs. Unless otherwise agreed to in writing, all surface or wall mounted electronic components/devices **DO NOT** convey; however, all related mounts, brackets and hardware **DO** convey. If more than one of an item conveys, the number of items is noted.

The items marked YES below are currently installed or offered.

Yes	No	#	Items	Yes	No	#	Items	Yes	No	#	Items
<input type="checkbox"/>	<input type="checkbox"/>	___	Alarm System	<input type="checkbox"/>	<input type="checkbox"/>	___	Freezer	<input type="checkbox"/>	<input type="checkbox"/>	___	Satellite Dish
<input type="checkbox"/>	<input type="checkbox"/>	___	Built-in Microwave	<input type="checkbox"/>	<input type="checkbox"/>	___	Furnace Humidifier	<input type="checkbox"/>	<input type="checkbox"/>	___	Storage Shed
<input type="checkbox"/>	<input type="checkbox"/>	___	Ceiling Fan	<input type="checkbox"/>	<input type="checkbox"/>	___	Garage Opener	<input type="checkbox"/>	<input type="checkbox"/>	___	Stove or Range
<input type="checkbox"/>	<input type="checkbox"/>	___	Central Vacuum	<input type="checkbox"/>	<input type="checkbox"/>	___	w/ remote	<input type="checkbox"/>	<input type="checkbox"/>	___	Trash Compactor
<input type="checkbox"/>	<input type="checkbox"/>	___	Clothes Dryer	<input type="checkbox"/>	<input type="checkbox"/>	___	Gas Log	<input type="checkbox"/>	<input type="checkbox"/>	___	Wall Oven
<input type="checkbox"/>	<input type="checkbox"/>	___	Clothes Washer	<input type="checkbox"/>	<input type="checkbox"/>	___	Hot Tub, Equip & Cover	<input type="checkbox"/>	<input type="checkbox"/>	___	Water Treatment System
<input type="checkbox"/>	<input type="checkbox"/>	___	Cooktop	<input type="checkbox"/>	<input type="checkbox"/>	___	Intercom	<input type="checkbox"/>	<input type="checkbox"/>	___	Window A/C Unit
<input type="checkbox"/>	<input type="checkbox"/>	___	Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>	___	Playground Equipment	<input type="checkbox"/>	<input type="checkbox"/>	___	Window Fan
<input type="checkbox"/>	<input type="checkbox"/>	___	Disposer	<input type="checkbox"/>	<input type="checkbox"/>	___	Pool, Equip, & Cover	<input type="checkbox"/>	<input type="checkbox"/>	___	Window Treatments
<input type="checkbox"/>	<input type="checkbox"/>	___	Electronic Air Filter	<input type="checkbox"/>	<input type="checkbox"/>	___	Refrigerator	<input type="checkbox"/>	<input type="checkbox"/>	___	Wood Stove
<input type="checkbox"/>	<input type="checkbox"/>	___	Fireplace Screen/Door	<input type="checkbox"/>	<input type="checkbox"/>	___	w/ ice maker				

OTHER _____

FUEL TANKS. Fuel Tank(s) Leased # ____ Fuel Tank(s) Owned (Fuel Tank(s), if owned, convey) # ____ . Unless otherwise agreed to in writing, any heating or cooking fuels remaining in supply tank(s) at Settlement will become the property of Buyer. _____

LEASED ITEMS. Any leased items, systems or service contracts (including, but not limited to, fuel tanks, water treatment systems, lawn contracts, security system monitoring, and satellite contracts) **DO NOT** convey absent an express written agreement by Buyer and Seller. The following is a list of the leased items within Property: _____

14. IRS/FIRPTA – WITHHOLDING TAXES FOR FOREIGN SELLER. Seller is **OR** is not a “Foreign Person,” as defined by the Foreign Investment in Real Property Tax Act (FIRPTA). If Seller is a Foreign Person, Buyer may be required to withhold and pay to the Internal Revenue Service (IRS) up to fifteen percent (15%) of the Sales Price on behalf of the Seller and file an IRS form which includes both Seller and Buyer tax identification numbers. The parties agree to cooperate with each other and Settlement Agent to effectuate the legal requirements. If Seller’s proceeds are not sufficient to cover the withholding obligations under FIRPTA, Seller may be required to pay at Settlement such additional certified funds necessary for the purpose of making such withholding payment.

15. BUYER’S REPRESENTATIONS. Buyer will **OR** will not occupy Property as Buyer’s principal residence. **Unless specified in a written contingency, neither this Contract nor the financing is dependent or contingent on the sale and settlement or lease of other real property.** Buyer acknowledges that Seller is relying upon all of Buyer’s representations, including without limitation, the accuracy of financial or credit information given to Seller, Broker, or the lender by Buyer.

16. SMOKE DETECTORS. Seller shall deliver Property with smoke detectors installed and functioning in accordance with the laws and regulations of Virginia.

17. TARGET LEAD-BASED PAINT HOUSING. Seller represents that any residential dwellings at Property were **OR** were not constructed before 1978. If the dwellings were constructed before

1978, then, unless exempt under 42 U.S.C. 4852d, Property is considered “target housing” under the statute and a copy of the “Sale: Disclosure and Acknowledgment of Information on Lead-Based Paint and/or Lead-Based Paint Hazards” has been attached and made a part of the Contract as required by law. Buyer does **OR** does not waive the right to a risk assessment or inspection of Property for the presence of lead-based paint and/or lead-based paint hazards. If not, a copy of the Sales Contract Addendum for Lead-Based Paint Testing is attached to establish the conditions for a lead-based paint risk assessment or inspections.

18. WOOD-DESTROYING INSECT INSPECTION. None Buyer at Buyer’s expense **OR** Seller at Seller’s expense will furnish a written report from a pest control firm dated not more than 90 days prior to Settlement showing that all dwelling(s) and/or garage(s) within Property (excluding fences or shrubs not abutting garage(s) or dwelling(s)) are free of visible evidence of live wood-destroying insects and free from visible damage. Any treatment and repairs for damage identified in the inspection report will be made at Seller’s expense and Seller will provide written evidence of such treatment and/or repair prior to date of Settlement which shall satisfy the requirements of this Paragraph.

19. DAMAGE OR LOSS. The risk of damage or loss to Property by fire, act of God, or other casualty remains with Seller until the execution and delivery of the deed of conveyance to Buyer at Settlement.

20. TITLE. The title report and survey, if required, will be ordered promptly and, if not available on the Settlement Date, then Settlement may be delayed for up to ten (10) business days to obtain the title report and survey after which this Contract, at the option of Seller, may be terminated and Deposit will be refunded in full to Buyer according to the terms of the DEPOSIT paragraph. Fee simple title to Property, and everything that conveys with it, will be sold free of liens except for any loans assumed by Buyer.

Seller will convey title which is good, marketable, and insurable by a licensed title insurance company with no additional risk premium. In case action is required to perfect the title, such action must be taken promptly by Seller at Seller’s expense. Title may be subject to commonly acceptable easements, covenants, conditions and restrictions of record, if any, as of Settlement Date. If title is not good and marketable, and insurable by a licensed title insurance company with no additional risk premium, on Settlement Date, Buyer may at Buyer’s option either (a) declare the Contract void in writing, or (b) pursue all available legal and equitable remedies. Nothing herein shall prohibit the parties from mutually agreeing to extend Settlement Date under terms acceptable by both parties.

Seller will convey Property by general warranty deed with English covenants of title (“Deed”). The manner of taking title may have significant legal and tax consequences. Buyer is advised to seek the appropriate professional advice concerning the manner of taking title.

Seller will sign such affidavits, lien waivers, tax certifications, and other documents as may be required by the lender, title insurance company, Settlement Agent, or government authority, and authorizes Settlement Agent to obtain pay-off or assumption information from any existing lenders. Unless otherwise agreed to in writing, Seller will pay any special assessments and will comply with all orders or notices of violations of any county or local authority, condominium unit owners’ association, homeowners’ or property owners’ association or actions in any court on account thereof, against or affecting Property on Settlement Date. Broker is hereby expressly released from all liability for damages by reason of any defect in the title.

- 21. NOTICE OF POSSIBLE FILING OF MECHANICS' LIEN.** Code of Virginia Section 43-1 et seq. permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against Property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 Days from the last day of the month in which the lienor last performed work or furnished materials; or (ii) 90 Days from the time the construction, removal, repair or improvement is terminated. AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.
- 22. POSSESSION DATE.** Unless otherwise agreed to in writing between Seller and Buyer, Seller will give possession of Property at Settlement, including delivery of keys, key fobs, codes, digital keys, if any. If Seller fails to do so and occupies Property beyond Settlement, Seller will be a tenant at sufferance of Buyer and hereby expressly waives all notice to quit as provided by law. Buyer will have the right to proceed by any legal means available to obtain possession of Property. Seller will pay any damages and costs incurred by Buyer including reasonable attorney fees.
- 23. FEES.** Fees for the preparation of the Deed, that portion of Settlement Agent's fee billed to Seller, costs of releasing existing encumbrances, Seller's legal fees and any other proper charges assessed to Seller will be paid by Seller. Fees for the title exam (except as otherwise provided), survey, recording (including those for any purchase money trusts) and that portion of Settlement Agent's fee billed to Buyer, Buyer's legal fees and any other proper charges assessed to Buyer will be paid by Buyer. Fees to be charged will be reasonable and customary for the jurisdiction in which Property is located. Grantor's tax, as well as any Regional Congestion Relief Fee and Regional WMATA Capital Fee (applicable in Alexandria City, Arlington, Fairfax, Loudoun and Prince William Counties and all cities contained within) shall be paid by Seller. Buyer shall pay recording charges for the Deed and any purchase money trusts.
- 24. BROKER'S FEE.** Seller irrevocably instructs Settlement Agent to pay Broker compensation ("Broker's Fee") at Settlement as set forth in the listing agreement and to disburse the compensation offered by Listing Brokerage to Cooperating Brokerage in writing as of the Date of Offer, and the remaining amount of Broker's compensation to Listing Brokerage.
- 25. ADJUSTMENTS.** Rents, taxes, water and sewer charges, condominium unit owners' association, homeowners' and/or property owners' association regular periodic assessments (if any) and any other operating charges, are to be adjusted to the Date of Settlement. Taxes, general and special, are to be adjusted according to the most recent property tax bill(s) for Property issued prior to Settlement Date, except that recorded assessments for improvements completed prior to Settlement, whether assessments have been levied or not, will be paid by Seller or allowance made at Settlement. If a loan is assumed, interest will be adjusted to the Settlement Date and Buyer will reimburse Seller for existing escrow accounts, if any.
- 26. ATTORNEY'S FEES.**
- A.** If any Party breaches this Contract and a non-breaching Party retains legal counsel to enforce its rights hereunder, the non-breaching Party shall be entitled to recover against the breaching Party, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under this Contract, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto. Should any tribunal of competent jurisdiction determine that more than one party to the dispute has breached this Contract, then all such

breaching Parties shall bear their own costs, unless the tribunal determines that one or more parties is a “Substantially Prevailing Party,” in which case any such Substantially Prevailing Party shall be entitled to recover from any of the breaching parties, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under this Agreement, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto.

B. In the event a dispute arises resulting in the Broker (as used in this paragraph to include any agent, licensee, or employee of Broker) being made a party to any litigation by Buyer or by Seller, the Parties agree that the Party who brought Broker into litigation shall indemnify the Broker for all of its reasonable Legal Expenses incurred, unless the litigation results in a judgment against the Broker.

27. PERFORMANCE. Delivery of the required funds and executed documents to the Settlement Agent will constitute sufficient tender of performance. Funds from this transaction at Settlement may be used to pay off any existing liens and encumbrances, including interest, as required by lender(s) or lienholders.

28. DEFAULT. If Buyer fails to complete Settlement for any reason other than Default by Seller, Buyer shall be in Default and, at the option of Seller, Deposit may be forfeited to Seller as liquidated damages and not as a penalty. In such event, Buyer shall be relieved from further liability to Seller. If Seller does not elect to accept Deposit as liquidated damages, Deposit may not be the limit of Buyer’s liability in the event of a Default. Buyer and Seller knowingly, freely and voluntarily waive any defense as to the validity of liquidated damages under this Contract, including Seller’s option to elect liquidated damages or pursue actual damages, or that such liquidated damages are void as penalties or are not reasonably related to actual damages.

If Deposit is forfeited, or if there is an award of damages by a court or a compromise agreement between Seller and Buyer, Broker may accept, and Seller agrees to pay, Broker one-half of Deposit in lieu of Broker’s Fee (provided Broker’s share of any forfeited Deposit will not exceed the amount due under the listing agreement).

If Seller fails to perform or comply with any of the terms and conditions of this Contract or fails to complete Settlement for any reason other than Default by Buyer, Seller shall be in Default and Buyer will have the right to pursue all legal or equitable remedies, including specific performance and/or damages.

If either Seller or Buyer refuses to execute a release of Deposit (“Release”) when requested to do so in writing and a court finds that such party should have executed the Release, the party who so refused to execute the Release will pay the expenses, including, without limitation, reasonable attorney’s fees, incurred by the other party in the litigation. Seller and Buyer agree that no Escrow Agent will have any liability to any party on account of disbursement of Deposit or on account of failure to disburse Deposit, except only in the event of Escrow Agent’s gross negligence or willful misconduct. The parties further agree that Escrow Agent will not be liable for the failure of any depository in which Deposit is placed and that Seller and Buyer each will indemnify, defend and save harmless Escrow Agent from any loss or expense arising out of the holding, disbursement or failure to disburse Deposit, except in the case of Escrow Agent’s gross negligence or willful misconduct.

If either Buyer or Seller is in Default, then in addition to all other damages, the defaulting party will immediately pay the costs incurred for the title examination, Appraisal, survey and the Broker’s Fee in full.

29. OTHER DISCLOSURES. Buyer and Seller should carefully read this Contract to be sure that the terms accurately express their respective understanding as to their intentions and agreements. Broker can counsel on real estate matters, but if legal advice is desired by either party, such party is advised to seek legal counsel. Buyer and Seller are further advised to seek appropriate professional advice concerning the condition of Property or tax and insurance matters. The following provisions of this Paragraph disclose some matters which the parties may investigate further. These disclosures are not intended to create a contingency. Any contingency must be specified by adding appropriate terms to this Contract. The parties acknowledge the following disclosures:

A. Property Condition. Various inspection services and home warranty insurance programs are available. Broker is not advising the parties as to certain other issues, including without limitation: water quality and quantity (including but not limited to, lead and other contaminants); sewer or septic; soil condition; flood hazard areas; possible restrictions of the use of Property due to restrictive covenants, zoning, subdivision, or environmental laws, easements or other documents; airport or aircraft noise; planned land use, roads or highways; and construction materials and/or hazardous materials, including but without limitation flame retardant treated plywood (FRT), radon, urea formaldehyde foam insulation (UFFI), mold, polybutylene pipes, synthetic stucco (EIFS), underground storage tanks, defective drywall, asbestos and lead-based paint. Information relating to these issues may be available from appropriate government authorities.

B. Legal Requirements. All contracts for the sale of real property must be in writing to be enforceable. Upon ratification and Delivery, this Contract becomes a legally binding agreement. Any changes to this Contract must be made in writing for such changes to be enforceable.

C. Financing. Mortgage rates and associated charges vary with financial institutions and the marketplace. Buyer has the opportunity to select the lender and the right to negotiate terms and conditions of the financing subject to the terms of this Contract. The financing may require substantial lump sum (balloon) payments on the due dates. Buyer has not relied upon any representations regarding the future availability of mortgage money or interest rates for the refinancing of any such lump sum payments.

D. Broker. Buyer and Seller acknowledge that Broker is being retained solely as a real estate agent and not as an attorney, tax advisor, lender, appraiser, surveyor, structural engineer, mold or air quality expert, home inspector, or other professional service provider. Broker may from time to time engage in the general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services. Therefore, in addition to Broker's Fee specified herein, Broker may receive compensation related to other services provided in the course of this transaction pursuant to the terms of a separate agreement/disclosure.

E. Property Taxes. Your property tax bill could substantially increase following settlement. For more information on property taxes, contact the appropriate taxing authority in the jurisdiction where Property is located.

F. Property Insurance. Obtaining property insurance is typically a requirement of the lender in order to secure financing. Insurance rates and availability are determined in part by the number and nature of claims and inquiries made on a property's policy as well as the number and nature of claims made by a prospective Buyer. Property insurance has become difficult to secure in some cases. Seller should consult an insurance professional regarding maintaining and/or terminating insurance coverage.

G. Title Insurance. Buyer may, at Buyer's expense, purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage

against possible mechanics' and materialmen's liens for labor and materials performed prior to Settlement and which, though not recorded at the time of recordation of Buyer's deed, could be subsequently recorded and would adversely affect Buyer's title to Property. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage will be determined by its coverage.

Buyer may purchase title insurance at either "standard" or "enhanced" coverage rates. For purposes of owner's policy premium rate disclosure by Buyer's lender(s), if any, Buyer and Seller require that enhanced rates be quoted by Buyer's lender(s). Buyer understands that nothing herein obligates Buyer to obtain any owner's title insurance coverage at any time, including at Settlement, and that the availability of enhanced coverage is subject to underwriting criteria of the title insurer.

30. ASSIGNABILITY. This Contract may not be assigned without the written consent of Buyer and Seller. If Buyer and Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until Settlement.

31. DEFINITIONS.

A. "Date of Ratification" means the date of Delivery of the final acceptance in writing by Buyer and Seller of all the terms of this Contract to Buyer and Seller (not the date of the expiration or removal of any contingencies).

B. "Appraisal" means a written appraised valuation of Property.

C. "Day(s)" or "day(s)" means calendar day(s) unless otherwise specified in this Contract.

D. All reference to time of day shall refer to the time of day in the Eastern Time Zone of the United States.

E. For the purpose of computing time periods, the first Day will be the Day following Delivery and the time period will end at 9:00 p.m. on the Day specified.

F. The masculine includes the feminine and the singular includes the plural.

G. "Legal Expenses" means attorney fees, court costs, and litigation expenses, if any, including, but not limited to, expert witness fees and court reporter fees.

H. "Notices" ("Notice," "notice," or "notify") means a unilateral communication from one party to another. All Notices required under this Contract will be in writing and will be effective as of Delivery. Written acknowledgment of receipt of Notice is a courtesy but is not a requirement.

I. "Buyer" and "Purchaser" may be used interchangeably in this Contract and any accompanying addenda or notices.

J. "Seller Subsidy" is a payment from Seller towards Buyer's charges (including but not limited to loan origination fees, discount points, buy down or subsidy fees, prepaids or other charges) as allowed by lender(s), if any. It is Buyer's responsibility to confirm with any lender(s) that the entire credit provided herein may be utilized. If lender(s) prohibits Seller from the payment of any portion of this credit, then said credit shall be reduced to the amount allowed by lender(s).

32. MISCELLANEOUS. This Contract may be signed in one or more counterparts, each of which is deemed to be an original, and all of which together constitute one and the same instrument. Documents obtained via facsimile machines will also be considered as originals. Typewritten or handwritten provisions included in this Contract will control all pre-printed provisions that are in conflict.

33. VOID CONTRACT. If this Contract becomes void and of no further force and effect, without Default by either party, both parties will immediately execute a release directing that Deposit be refunded in full to Buyer according to the terms of the DEPOSIT paragraph.

34. HOME WARRANTY. Yes **OR** No

Home Warranty Policy selected by Buyer or Seller and paid for and provided at Settlement by: Buyer or Seller. Cost not to exceed \$_____. Warranty provider to be _____.

35. TIME IS OF THE ESSENCE. Time is of the essence means that the dates and time frames agreed to by the parties must be met. Failure to meet stated dates or time frames will result in waiver of contractual rights or will be a Default under the terms of the Contract.

If this Contract is contingent on financing, and the contingency has not been removed or satisfied, any delay of the Settlement Date necessary to comply with Buyer's lender's obligations pursuant to the RESPA-TILA Integrated Disclosure rule, is not a Default by Buyer; but, Seller may declare the Contract void in writing. Nothing herein shall prohibit the parties from mutually agreeing in writing to extend Settlement Date under terms acceptable by both parties.

36. ARBITRATION. Nothing in this Contract shall preclude arbitration under the Code of Ethics and Standards of Practice of the National Association of REALTORS®.

37. REAL ESTATE LICENSED PARTIES. The parties acknowledge that _____ is an active **OR** inactive licensed real estate agent in Virginia and/or Other _____ and is either the Buyer **OR** Seller **OR** is related to one of the parties in this transaction.

38. ENTIRE AGREEMENT. This Contract will be binding upon the parties and each of their respective heirs, executors, administrators, successors, and permitted assigns. The provisions not satisfied at Settlement will survive the delivery of the deed and will not be merged therein. This Contract, unless amended in writing, contains the final and entire agreement of the parties and the parties will not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. The interpretation of this Contract will be governed by the laws of the Commonwealth of Virginia.

39. ADDITIONS. The following forms, if ratified and attached, are made a part of this Contract. (This list is not all inclusive of addenda that may need to be attached).

- Yes No Home Inspection/Radon Testing Contingency
- Yes No Lead-Based Paint Inspection Contingency
- Yes No Contingency and Clauses Yes No Private Well and/or Septic
- Yes No Pre-Settlement Occupancy Yes No Post-Settlement Occupancy
- Yes No Residential Property Disclosure Yes No Lead-Based Paint Disclosure
- Yes No FHA Home Inspection Notice Yes No VA/FHA/USDA Financing
- Yes No Conventional Financing Yes No Other (specify): _____
- Yes No New Home Sales Addendum
- Yes No Extension of Review Period For Condominium Resale Certificate/ Property Owners' Association Disclosure Packet

40. DISCLOSURE OF SALES PRICE TO APPRAISER. Listing Broker and Selling Broker are hereby authorized to release the Sales Price listed in PRICE AND FINANCING Paragraph to any appraiser who contacts them to obtain the information.

41. OTHER TERMS. _____

Date of Ratification (see DEFINITIONS)

SELLER:

BUYER:

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

_____/_____
Date Signature

For information purposes only:

Listing Brokerage's Name and Address:

Cooperating Brokerage's Name and Address:

Brokerage Phone #: _____

Brokerage Phone #: _____

Bright MLS Broker Code: _____

Bright MLS Broker Code: _____

VA Firm License #: _____

VA Firm License #: _____

Agent Name: _____

Agent Name: _____

Agent Email: _____

Agent Email: _____

Agent Phone #: _____

Agent Phone #: _____

MLS Agent ID #: _____

MLS Agent ID #: _____

VA Agent License #: _____

VA Agent License #: _____

Team Name: _____

Team Name: _____

Team Business Entity License #: _____

Team Business Entity License #: _____

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WIRE FRAUD NOTICE

To our Valued Clients,

In an effort to advise you of the rise in real estate transaction related email hacking and fraud we are providing you with this notice.

At MBH, we will NEVER request that you use any wiring instructions other than those received in the initial and official correspondence from one of our branch offices. In an effort to further secure any funds received via wire from our offices during the course of this transaction, we will also NOT accept any alteration of any pre or post-closing email delivery of wiring instructions that differ from those provided in original form in the presence of an MBH Settlement Agent.

Should you EVER receive an email correspondence appearing to be from an MBH representative asking you to initiate a wire to an account (either matching the account noted in this correspondence or not matching the account noted in this correspondence), please contact that office and representative using a number from a verified source (not one provided in the body of an email you receive) and verbally confirm the validity of the request.

We understand that this may sometimes be inconvenient, however, it is for your protection.

While we at MBH have taken all measures currently available to us to secure our systems, we can't confirm or be responsible for the security of any other system that parties participating in the transaction use to communicate.

Below you will find a summary of our wire policy noted above that will also appear on email correspondence that you receive from an MBH representative:

WARNING-FRAUDULENT WIRE INSTRUCTIONS

Email hacking and fraud are on the rise to fraudulently misdirect funds for real estate transactions. Please call this office immediately, using reliable contact information found from an independent source, to verbally verify any wire or funding instructions received. We are not responsible for any wires sent by you to an incorrect bank account.

WE DO NOT ACCEPT OR REQUEST CHANGES TO WIRING INSTRUCTIONS VIA EMAIL OR FAX.

Thank you for your business and your partnership in our efforts to safeguard your information.

OBTAINING A LOAN

When choosing a lender, rates and points are important, but you are also wise to shop for a lender with a good reputation. Your agent will help you by recommending a loan officer with whom they have dealt successfully in the past. Your loan officer will then take your loan application and work to get your loan approved. Your loan officer is required by law to provide you with a Loan Estimate (“LE”) form within three (3) days of receiving your mortgage application. The LE summarizes the terms of your loan and provides an estimate of your settlement costs. The LE indicates which loan and settlement charges cannot increase at settlement, which can increase up to 10% at settlement, and which can increase by more than 10% at settlement. In addition, it includes a chart which may be used to compare LEs from other lenders so you may shop for the best loan. You will get to know your loan officer, as well as the loan processor, who will coordinate the preparation of your loan documents and organize all necessary information for final loan approval (i.e. verify employment, verify assets, and obtain all documents such as your credit report and appraisal).

We recommend that you speak to your lender to get pre-qualified for the loan on your new home before beginning your home search. Most lenders use formulas to determine how much you can afford. It is important to start looking for homes within your price range.

HOW MUCH CAN I AFFORD?

Interest Rate Per Annum	Monthly Principal and Interest Payment per \$100,000 borrowed for a 30 year fixed rate loan.
3.00 %	\$ 421.60
3.25 %	\$ 435.21
3.50 %	\$ 449.04
3.75 %	\$ 463.12
4.00 %	\$ 477.42
4.25 %	\$ 491.94
4.50 %	\$ 506.69
4.75 %	\$ 521.65
5.00 %	\$ 536.82
5.25 %	\$ 552.20
5.50 %	\$ 567.79
5.75 %	\$ 583.57
6.00 %	\$ 599.55
6.25 %	\$ 615.72
6.50 %	\$ 632.07
6.75 %	\$ 648.60
7.00 %	\$ 665.30
Above chart does not include taxes and insurance.	

LOAN ESTIMATE

This top section describes your loan program. Confirm all the details are correct and what you discussed with your lender.

FICUS BANK

4321 Random Boulevard • Somcity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 7/02/2019
APPLICANTS Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
 Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE Conventional FHA VA _____
LOAN ID # 123456789
RATE LOCK NO YES, until 9/02/19 at 5:00 p.m. EDT

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 9/02/19 at 5:00 p.m. EDT

This payment contains no escrow items such as hazard insurance, taxes or mortgage insurance.

Loan Terms	Can this amount increase after closing?
Loan Amount \$162,000	NO
Interest Rate 3.875%	NO
Monthly Principal & Interest \$761.78 <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	NO
Does the loan have these features?	
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during first 2 years
Balloon Payment	NO

If "Yes" your interest rate is adjustable.

This feature could cost you a significant amount if you decide to refinance or pay off the loan early.

Total amount of your monthly payments including escrow items.

Projected Payments	Years 1-7	Years 8-30
Payment Calculation		
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

These are additional recurring monthly costs associated with the purchase of the home.

Estimated Taxes, Insurance & Assessments	Estimated Total	This estimate includes	In escrow?
\$206 a month <i>Amount can increase over time</i>		<input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for property costs separately.</i>	YES YES

If these costs are not marked "Yes" contact your lender to make sure you are aware of what these costs are and how they are to be paid.

Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

A detail of these costs is on page 2 of the LE.

The estimated amount you will have to pay at closing. Usually this amount is required in a Cashier's Check or wire made payable to your settlement provider.

Filing fees to the Clerk of Court to record the deed and mortgage.

Loan Costs	
A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

Upfront costs charged by your lender to make the loan.

B. Services You Cannot Shop For	\$672
Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

Third-party services required by your lender in order to obtain a loan.

C. Services You Can Shop For	\$ 1,955
Pest Inspection Fee	\$ 135
Survey fee	\$ 350
Title- Insurance Binder	\$ 125
Title- Lender's Title Policy	\$ 470
Title- Settlement Fee	\$ 695
Title- Title Search Fee	\$ 135
Title- Digital Archive Fee	\$ 25
Title- CPL Fee	\$ 20

Third-party services you can shop for that are required by the lender to obtain a loan.

D. TOTAL LOAN COSTS (A + B + C)	\$ 4,429
--	-----------------

Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

Costs due and payable at the time of settlement.

F. Prepays	\$867
Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	

Amounts collected by lender and placed in escrow for future payments.

G. Initial Escrow Payment at Closing	\$413
Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211

H. Other	\$ 612
Title - Owner's Title Policy (optional)	\$ 612

Cost of title insurance which protects the Buyer in the event a third party makes a claim against the title of the property.

I. TOTAL OTHER COSTS (E + F + G + H)	\$ 1,977
---	-----------------

J. TOTAL CLOSING COSTS	\$ 6,406
D + I	\$6,406
Lender Credits	

Calculating Cash to Close	
Total Closing Costs (J)	\$6,406
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	- \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$14,406

Estimate of how much money you will need to bring to closing. This amount may not include some costs or credits not yet known by your lender.

This page is the tool that allows you to compare loan estimates from various lenders.

Additional Information About This Loan

LENDER Ficus Bank
 NMLS/_ LICENSE ID
 LOAN OFFICER Joe Smith
 NMLS/_ LICENSE ID 12345
 EMAIL joesmith@ficusbank.com
 PHONE 123-456-7890

MORTGAGE BROKER
 NMLS/_ LICENSE ID
 LOAN OFFICER
 NMLS/_ LICENSE ID
 EMAIL
 PHONE

Comparisons	Use these measures to compare this loan with other loans.
In 5 Years	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

A broader measure of the cost to you of borrowing money. The percentage reflects the interest rate but also the points, mortgage broker fees and other charges to get the loan. This rate represents the true cost of your loan over its term.

Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Servicing means handling the loan on a day-to-day basis – for example, accepting payments and answering questions from borrowers.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

PROPERTY CONDITION

CONDITION: NEW VS. RESALE

Most new homes come with a builder warranty (one year or longer) covering structure and finish, plus a manufacturer's warranties for all appliances.

On homes that are being resold, "broom clean condition" is typically all that is required. The Residential Sales Contract (Virginia) is intended to represent Buyers and Sellers from all walks of life, each with different standards and expectations. If your standards exceed those set forth in the contract, make your feelings known to your agent prior to contract ratification.

AGENT'S KNOWLEDGE

Although the Listing agent represents the Seller, he or she owes certain ethical duties to the Buyer throughout the transaction. By statute the Listing agent must disclose known material adverse facts regarding the physical condition of the property. Utilize your agent's assistance in determining responsibility for repairs. Your agent is a valuable resource for contractor referrals if repairs prove necessary. Every effort should be made to resolve issues prior to arriving at settlement.

HOME INSPECTION

The purpose of a home inspection is to educate and inform the Buyer as to the specific physical condition of the property. Generally, these inspections will focus on the physical structure including any additions, decks, garages, etc. A home inspection can identify potential problem areas which may, or may not, be of concern to the Buyer. The Buyer may still want the home, but not at the original terms. The home inspector can also offer possible advice on routine/preventative maintenance. Utilize your agent's assistance in determining responsibility for repairs.

THE WALK-THROUGH

Not looking forward to the walk-through? We'd like to pass on a few facts and tips to help make the process as painless as possible.

You will conduct a walk-through inspection accompanied by your real estate agent, typically 5-7 days before settlement. At the walk-through, you verify that the house is in substantially the same physical condition as it was on a date specified in Paragraph 10 of the Residential Sales Contract. Bring a copy of the Contract, and your home inspection report, if applicable, with you for reference.

- Are all the items you have contracted for still there?
- The light fixtures?
- The appliances?
- Are the window treatments there?
- Have all agreed upon repairs been made?

This is the time to make sure the house is as you expected it to be. Check the house from basement to attic to make sure the property is in the condition required by the contract. Pay close attention to those items that are important to you. If something is missing or not working, or if there is trash left behind, discuss the matter with your agent. If you do find any problems at the walk-through, you and your agent can begin to work with the Seller immediately to reach a satisfactory solution before settlement. Conduct a second and final walk-through inspection immediately prior to settlement to verify all items found at the initial walk-through inspection have been addressed.

CONFLICTS

If conflicts arise, parties must work together toward an agreeable conclusion. The process of buying and selling a home is filled with emotional peaks and valleys. Trust your agent's judgment. Don't wait until closing to let the Seller know of any conflicts.

APPRAISAL

The appraisal is an assessment of the property's value. The appraiser will go to the home to inspect the condition of the home, review current listings in the area, and review sales prices in the community. You will pay for the appraisal prior to or at settlement. The lender is required to provide a copy of the appraisal to the Borrower at least three (3) business days prior to closing.

WHAT IS TITLE INSURANCE?

Your home is likely to be the biggest investment you will make.

Title Insurance is how you protect it.

PROTECTION

Title insurance is your best protection against defects (a potential risk) to a current owner's full right or claim to sell a property. It protects against defects, which could remain hidden, despite the most thorough search of the public land records.

Lender's Title Insurance, which covers your mortgage lender, is typically paid for by the homebuyer. It is required by the lender and protects the lender's interest.

Owner's Title Insurance is purchased by the home buyer. It is the best way to protect your property rights, as well as your inheritors, beneficiaries, and trustees.

DEFENSE

In the event of a claim or lawsuit challenging ownership, Title Insurance covers the policy owner for:

1. Legal Defense of your ownership interest
2. Claim Settlement if it proves valid

Owner's Title Insurance can be home buyer's primary defense.

MBH HAS YOU COVERED

MBH is a licensed agent for some of the nation's largest and most trusted title insurance underwriters. Delivering the best protection against unknown risks, MBH has you covered!

Your MBH team is available to discuss the best options for you.

Contact MBH today to protect your investment!

COVERAGE COMPARISON

Coverage comparison of ALTA's standard Owner's policy and enhanced Homeowner's policy



VIRGINIA Loudoun County
703-840-2000

Alexandria (Old Town)
703-739-0100

Arlington McLean
703-237-1100

Burke Reston
703-913-8080

Chantilly Stafford
703-277-6800

Fair Oaks Vienna
703-279-1500

Fredericksburg Warrenton
540-373-1300

Front Royal MARYLAND
540-878-4210

Gainesville Bethesda
703-468-2020

Kingstowne Rockville
703-417-5000

Lake Ridge DISTRICT OF COLUMBIA
703-492-7900

Standard ALTA Residential
Enhanced ALTA Homeowner's

Covered Risks

Covered Risks	Standard ALTA Residential	Enhanced ALTA Homeowner's
Third party claims an interest in the title	✓	✓
Prior forgery, fraud or duress affecting the title	✓	✓
Liens or encumbrances on the title (e.g., prior mortgage, or deed of trust, state or federal tax lien, condominium or homeowners' association lien)	✓	✓
Improperly executed documents	✓	✓
Defective recording of documents	✓	✓
Unmarketability of the title	✓	✓
Lack of a right of legal access to and from the land	✓	✓
Restrictive covenants limiting your use of the land	✓	✓
Gap Coverage (extending coverage from the closing to the recording of the deed)	✓	✓

Duration

Coverage continues as long as you own the property	✓	✓
Policy insures anyone who inherits the property from you	✓	✓
Policy insures the trustee of an estate-planning trust	✓	✓
Policy insures the beneficiaries of a trust upon your death	✓	✓

Extended Coverage

Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors)	*	✓
Unrecorded easements (e.g., prescriptive easements) affecting the property	*	✓
Encroachments and boundary line disputes that would be disclosed by a survey	*	✓
Mechanic's liens (a lien against the property due to non-payment of work)	*	✓
Taxes or special assessments that are non shown as liens by the public records	*	✓

Additional Coverages

Actual vehicular and pedestrian access, based upon a legal right		✓
You must correct or remove an existing violation of certain covenants, conditions, or restrictions		✓
Loss of your title resulting from a prior violation of a covenant, condition or restriction		✓
Up to \$10,000 if you are unable to obtain a building permit due to an existing violation of a subdivision law or regulation or you must correct an existing violation (subject to a deductible)		✓
Up to \$25,000 if you must remedy or remove an existing structure because it was built without a proper building permit (subject to a deductible)		✓
Up to \$25,000 if you must remedy or remove an existing structure due to an existing violation of a zoning law or zoning regulation (subject to a deductible)		✓
Up to \$5,000 if you must remove your existing structures if they encroach into your neighbor's land (subject to a deductible)		✓
You cannot use the land as a single-family residence because such use violates an existing zoning law or zoning regulation		✓
You are forced to remove existing structures because they encroach into an easement affecting the land		✓
Damage to existing structures due to an exercise of an existing right to use any easement affecting the land		✓
Damage to existing improvements due to an exercise of an existing right to use the surface of the land for the extraction or development of minerals, water or any other substance		✓
Attempted enforcement of a discriminatory covenant		✓
Supplemental taxes because of a prior construction or change of ownership or use		✓
Damages if the residence is not located at the address stated in the policy		✓
Pays substitute rent and relocation expenses, if you cannot use your home because of a claim covered by the policy		✓
Automatic increase in policy amount up to 150% of policy amount over 5 years		✓

Post Policy Coverages

Forgery affecting the title		✓
Unauthorized leases, contracts or options		✓
Ownership claims		✓
Easements or restrictions affecting your use of the land		✓
Encroachment of neighbor's buildings onto your land		✓

*Not automatically included in the basic policy, but may be available by extended coverage



Purchasers still have the option to decline the additional coverages. This is a basic comparison of title insurance policies. Call your MBH branch manager for all of the details and available coverages.

SETTLEMENT

The staff at **MBH Settlement Group** will work to coordinate all the details of your closing. Your settlement will be conducted by an attorney or licensed title agent. The duties of the attorney or settlement agent include obtaining the loan documentation and verifying that the terms of your loan are accurate, explaining all documents to your satisfaction, confirming that your lender's documents are properly executed, providing your lender with a title insurance commitment as per their instruction, verifying that the seller's loans, liabilities and property taxes on the property are paid and released, and insuring that the deed transferring the property to you is accurate, properly executed, and recorded.

With no complications, settlement will take about an hour. Should special accommodations be required, please contact your **MBH** branch as soon as possible. After the money and the deed change hands, the seller will transfer to you the keys to the house. Upon completion of settlement, you are the new owner of the property! Congratulations!

SETTLEMENT CHECKLIST

- Schedule the settlement date and time through your agent and/or MBH. If you cannot attend settlement, it is imperative that you contact MBH and your lender (if any) to arrange for an approved Power of Attorney. Our attorneys can arrange for preparation of a Power of Attorney on your behalf.
- Satisfy all remaining lender requirements (if any) necessary for final loan approval. The lender may require original documents in advance or may allow you to remedy final closing conditions at settlement.
- Obtain and provide a policy of hazard insurance acceptable to your lender. The lender may require an original policy in advance or may allow you to bring the policy to settlement.
- Transfer all utilities into your name as of the date of settlement (or another date if mutually agreed on with the Seller) A list of local utilities and their phone numbers are provided on page 42.
- Bring unexpired government issued photo identification and certified funds to settlement. Make sure your check is payable to MBH Settlement Group, L.C. for the remainder of the down payment and estimated closing costs. If you wish to have funds wire transferred to MBH, please contact us prior to closing.
- Any other documents required by your lender.

WHAT NOT TO PACK WHEN YOU ARE MOVING

- All settlement documents and title policies from any properties you have owned (including the property you are currently selling)
- Copy of checks written for your earnest money deposit
- Cancelled checks for your mortgage or rental payments (last 12 months)
- Bank statements for all accounts; savings, investments, retirement (last 12 months)
- Separation agreements or divorce decrees
- Pay statements for last three months
- Completed tax returns for the last two years (with W2s)

CLOSING DISCLOSURE

Check the spelling of your name.

Transaction Information

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Verify your loan information is accurate.

Closing Information		Transaction Information		Loan Information	
Date Issued	7/02/2019	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	7/02/2019		123 Anywhere Street	Purpose	Purchase
Disbursement Date	7/02/2019		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	MBH Settlement Group, L.C.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456		321 Somewhere Drive		<input type="checkbox"/> VA <input type="checkbox"/>
Property	456 Somewhere Ave	Lender	Anytown, ST 12345	Loan ID #	123456789
			Ficus Bank	MIC #	000654321
Sale Price	\$180,000				

Basic Loan Terms

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
	Does the loan have these features?	
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Verify the loan amount and interest rate are accurate.

Does your loan have a prepayment penalty?

An overview of Mortgage Payments Over the Life of the Loan.

Projected Payments			
Payment Calculation	Years 1-7		Years 8-30
Principal & Interest	\$761.78		\$761.78
Mortgage Insurance	+	82.35	+ —
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26		\$967.91

Check that your Estimated Total Monthly Payment matches your most recent Loan Estimate.

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	In escrow? YES YES NO
--	------------------	---	---------------------------------------

Check to see if you have items not in escrow.

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

Check to make sure your Costs at Closing match your most recent Loan Estimate.

Up front charges from your lender for making the loan.

Costs associated with transferring the property to you.

Prepaid interest and your first year's homeowners insurance premium.

This payment will establish an initial balance in your escrow account.

An itemized accounting of the Buyer's Closing Costs.

An itemized accounting of the Seller's Closing Costs.

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Info Co.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$1,954.80				
01 Pest Inspection Fee to Pests Co.	\$135.00				
02 Survey Fee to Surveys Co.	\$350.00				
03 Title - Insurance Binder to MBH Settlement Group, L.C.	\$125.00				
04 Title - Lender's Title Policy to MBH Settlement Group, L.C.	\$469.80				
05 Title - Settlement Fee to MBH Settlement Group, L.C.	\$695.00				
06 Title - Title Search Fee to JML Abstracts, LLC	\$135.00				
07 Title - Digital Archive Fee to MBH Settlement Group, L.C.	\$25.00				
08 Title - CPL Fee to Title Insurance Company	\$20.00				
D. TOTAL LOAN COSTS (Borrower-Paid)	\$3,993.35				
Loan Costs Subtotals (A + B + C)	\$3,993.35	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,012.20				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00	
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title - Owner's Title Insurance (optional) to MBH Settlement Group, L.C.	\$612.20				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$4,630.25				
Other Costs Subtotals (E + F + G + H)	\$4,630.25				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$8,623.60				
Closing Costs Subtotals (D + I)	\$8,623.60	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

Costs for other services you have chosen. Review these amounts to make sure they match what you are expecting.

A comparison of the Loan Estimate vs. the Closing Disclosure.

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.	
	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$6,406	\$8,623.60	YES • See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$285.04	YES • See details in Sections K and L
Cash to Close	\$14,406.00	\$13,808.76	

Total cost of home purchase. It includes your house price and closing costs.

Borrower's Transaction		Seller's Transaction	
K. Due from Borrower at Closing \$188,703.60		M. Due to Seller at Closing \$180,080.00	
01 Sale Price of Property	\$180,000.00	01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$8,623.60	03	
04		04	
Adjustments		05	
05		06	
06		07	
07		08	
Adjustments for Items Paid by Seller in Advance		Adjustments for Items Paid by Seller in Advance	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
12		13	
13		14	
14		15	
15		16	
L. Paid Already by or on Behalf of Borrower at Closing \$174,894.84		N. Due from Seller at Closing \$115,665.04	
01 Deposit	\$10,000.00	01 Excess Deposit	
02 Loan Amount	\$162,000.00	02 Closing Costs Paid at Closing (J)	\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04 Credit Report Fee	\$29.80	04 Payoff of First Mortgage Loan	\$100,000.00
05 Seller Credit	\$2,500.00	05 Payoff of Second Mortgage Loan	
Other Credits		06	
06		07	
07		08 Seller Credit	\$2,500.00
Adjustments		09	
08		10	
09		11	
10		12	
11		13	
Adjustments for Items Unpaid by Seller		Adjustments for Items Unpaid by Seller	
12 City/Town Taxes 1/1/13 to 4/14/13	\$365.04	14 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13 County Taxes to		15 County Taxes to	
14 Assessments to		16 Assessments to	
15		17	
16		18	
17		19	
CALCULATION		CALCULATION	
Total Due from Borrower at Closing (K)	\$188,703.60	Total Due to Seller at Closing (M)	\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	– \$174,894.84	Total Due from Seller at Closing (N)	– \$115,665.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$13,808.76	Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	\$64,414.96

Costs that have been prepaid by the Seller that you are now reimbursing the Seller for.

Check that your Seller Credit reflects what you agreed upon with the Seller.

Prior taxes and other fees owed by the Seller that you will pay in the future. The Seller is reimbursing you now to cover these expenses.

Actual amount you will have to pay at closing.

If you sell the home the buyer may be allowed to take over your loan on the same terms.

A demand feature allows the lender to demand immediate payment of the entire loan at any time.

Negative amortization means your loan balance can increase even if you make your payments on time and in full.

The security interest allows the lender to foreclose on your home if you don't pay back the money you borrowed.

Additional Information About This Loan

Loan Disclosures

Assumption

If your payment or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner's Association Dues</i> You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Amount of money you will pay over the life of the loan.

Interest and loan fees you will pay over the life of the loan.

Net amount of money you are borrowing.

Loan Calculations	
Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	MBH Settlement Group, L.C.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	4230 Lafayette Center Dr., Suite I, Chantilly, VA 20151
NMLS ID					
ST License ID			Z765416	Z61456	
Contact	Joe Smith		Samuel Green	Joseph Cain	John Smith
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	mbhinfo@mbh.com
Phone	123-456-7890		123-555-1717	321-555-7171	703-277-6800

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

ALTA SETTLEMENT STATEMENT

In addition to the Loan Estimate and the Closing Disclosure, the settlement will also require a Settlement and Disbursement Statement. The American Land Title Association (ALTA) has designed a standardized industry form that can be used with transactions involving a lender.

This additional document may satisfy Settlement Agent state and regulatory compliance. The statement shows the actual disbursement of funds in the transaction pursuant to the Residential Sales Contract. The Settlement Statement will be signed and acknowledged by the Buyers and the Sellers. The Settlement Statement is a document that is able to be shared with all parties to the transaction and shows all fees involved in the transaction without disclosing nonpublic information.

ALTA SETTLEMENT STATEMENT

American Land Title Association	ALTA Settlement Statement - Combined Adopted 05-01-2015
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File No./Escrow No.: MBH123456 Print Date & Time: 07/01/2019 Officer/Escrow Officer: MBH Settlement Location: MBH	MBH Settlement Group, L.C.	
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Property Address: 1111 Dreamhouse Lane, Dreamville, VA 12345 Buyer: Robert L. Brown, Mary H. Brown Seller: William T. Jones, Julie H. Jones Lender: Dreamtown Lending Settlement Date: 07/12/2019 Disbursement Date: 07/12/2019 Additional dates per state requirements:	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; background-color: #f0f0f0;"> Debits = Charges Credits = Deposits </div>
--	---

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Financial		
	429,500.00	Sales Price of Property	429,500.00	
		Deposit including earnest money		2,000.00
		Loan Amount		339,500.00
		Prorations/Adjustments		
791.66		County Taxes from 7/1/2019 to 9/1/2019		791.66
250.00		HOA dues from 7/1/2019 to 9/1/2019		250.00
		Loan Charges to Dreamtown Lending		
		Application Fee to Dream Mortgage POC – B \$200.00		
		Origination Fee	3,395.00	
		Underwriting Fee	295.00	
		Prepaid Interest	1,905.90	

POC = Paid Outside of Closing and refers to a fee that is not being disbursed at closing.

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Other Loan Charges		
		Appraisal Fee to Appraiseit! LLC	450.00	
		Credit Report Fee to Equifax POC – B \$29.50		
		Flood Determination Fee to NoFloodTownCompany, Co.	11.00	
		Impounds		
		Homeowner's Insurance 2 mo @ \$ \$76.66/mo	153.32	
		County Taxes 2 mo @ \$ 395.83/mo	791.66	
		Aggregate Adjustment		23.45
		Title Charges & Escrow / Settlement Charges		
		ALTA Homeowner's Title Insurance to MBH Settlement Group	1294.00	
		ALTA 2006 Loan Policy to MBH Settlement Group	968.00	
		Title Search to JML Abstractors, LLC	135.00	
		Insurance Binder to MBH Settlement Group, L.C.	125.00	
		Settlement Fee to MBH Settlement Group, L.C.	695.00	
		Closing Protection Letter Fee to Title Insurance Company	20.00	
		Digital Archive Fee	25.00	
		Commission		
12,885.00		Real Estate Commission to A1SellerListing Broker		
12,885.00		Real Estate Commission to AAA Real Estate Company		
		Other – Credit for Home Warranty Fee to ABC Warranty		485.00
		Government Recording and Transfer Charges		
		Recording Fees (Deed) to Clerk of Court	43.00	
		Recording Fees (Mortgage/Deed of Trust) to Clerk of Court	56.00	
		City/County tax to Clerk of Court	640.84	
		State Tax to Clerk of Court	1922.50	
429.50		Grantors Tax to Clerk of Court		
		Payoff(s)		
250,766.00		Lender: Payoff Lender Co.		
		Principal Balance as of 7/01/2019 \$250,766.00		
		Interest on Payoff Loan 0 days @ \$31.25/day		

As disclosed on the Closing Disclosure (CD)

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		Miscellaneous		
35.00		Pest Inspection Fee to Bad Bugs Inc.		
		Survey Fee to ABC Survey, Inc.	350.00	
		Homeowner's insurance premium to Insure me! Inc.	919.92	
695.00		Settlement Services Fee to MBH Settlement Group, L.C.		
150.00		Lien Release Processing Fee to MBH Settlement Group, L.C.		
175.00		Seller Attorney fees to DeedFeeFirm, LLC		
		Home Warranty fee to ABC Warranty	485.00	
Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
\$279,087.16	\$429,500.00	Subtotals	\$444,181.14	\$343,050.11
		Due From Borrower	\$101,131.03	
\$150,412.84		Due To Seller		
\$429,500.00	\$429,500.00	Totals	\$444,181.14	\$444,181.14

← Total of Funds →

Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize _____ MBH Settlement Group, L.C. _____ to cause the funds to be disbursed in accordance with this statement.

_____ Buyer

_____ Buyer

_____ Seller

Signatures need to be obtained from both the Buyer and Seller to authorize disbursements related to the transaction.

Escrow Officer

AFTER SETTLEMENT

CONGRATULATIONS ON YOUR NEW HOME!

We're honored to be part of one of the most exciting times in your life. At MBH Settlement Group we continue to work for you even after the settlement. We record your documents in the appropriate jurisdiction, send your lender a signed settlement package, disburse the settlement funds as per the settlement statement, pay off any loans or debts and obtain releases for liens on title.

Within a few months you will receive your original recorded deed and your owner's title insurance policy from MBH. Please keep your settlement statement and title insurance policy in a safe place. You may need them in the future. Do not hesitate to contact MBH Settlement Group with any questions or settlement needs - including future refinancing! We look forward to serving all of your future real estate settlement needs!

Change of Address

After closing, alert your friends, family, account holders, and subscription services of your new address. The U.S. Postal Service will forward first class mail for one year, but magazines and newspapers are only forwarded for a short time.

IMPORTANT PHONE NUMBERS

UTILITIES

Columbia Gas Emergency Number	800-543-8911
Culpeper Light & Power	540-825-8165
Dominion Energy.....	866-366-4357
First Energy (formally known as Allegheny Power)	888-544-4877
Gas emergency	800-544-5606
Manassas City (20110 zip only)	703-257-8245
(electric, water, sewer & trash service)	
Miss Utility (call before digging)	800-522-7001
Northern Neck Electric Cooperative (NNEC).....	800-243-2860
Northern Virginia Electric Cooperative (NOVEC).....	888-335-0500
Rappahannock Electric Cooperative (REC).....	800-552-3904
(Services part of Stafford County)	
Shenandoah Valley Electric Cooperative (SVEC).....	800-234-7832
Washington gas	703-750-1000

TELEPHONE / DATA SERVICES

Century Link	888-723-8010
Comcast	800-266-2278
Cox	800-818-0679
Ntelos	877-468-3567
Verizon	855-480-4789

WATER SERVICES

Alexandria	703-549-7080
Arlington	703-228-6570
Caroline County	804-633-4390
Culpeper	540-825-0285
Dale City	800-452-6863
Fairfax	703-698-5800
Falls Church	703-698-5800
Fauquier	540-349-2092
Fredericksburg	540-372-1182
Herndon	703-435-6814
King George County	540-775-1657
Lake of the Woods	540-972-2133
Leesburg	703-771-2701
Loudoun	571-291-7880
(Sterling, Ashburn, South Riding, parts of Leesburg)	
Lovettsville	540-822-5788
Manassas Utility Department	703-257-8245
Manassas Park	703-335-8805
Prince William & Manassas	703-335-7900
Purcellville	540-338-7093
Spotsylvania	540-507-7300
(22407, 22408, 22553 zips only)	
Stafford	540-658-8616
(22405, 22406, 22554, 22555 zips only)	
Vienna	703-255-6385
Warrenton	540-347-1101

COUNTY SERVICES

Well/Septic Inspection	
Alexandria	703-246-2201
Arlington	703-228-7400
Clarke County	540-955-1033
Culpeper	540-829-7466
Fairfax	703-246-2201
Fauquier	540-347-6363
Fredericksburg	540-899-4797
Loudoun	703-771-5808
Manassas	703-257-8278
Page County	540-743-6528
Prince William	703-792-6310
Spotsylvania	540-507-7386
Stafford	540-288-9018

HOME BUYING CHECKLIST

Property Address: _____

Date of Inspection: _____ Source: _____

NEIGHBORHOOD

Consider each of the following to determine whether the location of the property will satisfy your needs

- Proximity to work _____
- Stores conveniently located _____
- Schools conveniently located _____
- Proximity to freeways _____
- Community amenities (pool, spa, clubhouse) _____
- Play area available for children _____
- Fire and police protection close by _____
- Condition of surrounding properties _____

LOT

Consider each of the following to determine whether the lot is sufficiently large and properly improved

- Size of front yard satisfactory _____
- Size of rear and side yards satisfactory _____
- Walkways for access to front and rear entrances _____
- Room for expansion or addition of a pool/spa? _____
- Lot appears to drain satisfactorily _____
- Lawn, landscaping & planting satisfactory _____
- Septic tank (if any) in good operating condition _____
- Areas surrounding property clear of dry brush _____
- Well (if any) provides an adequate supply of safe drinking water _____

EXTERIOR DETAIL

Observe the exterior detail of the home and determine the overall condition and "curb appeal"

- Color and condition of paint _____
- Landscaping, grass areas, and shrubbery _____
- Garage, driveway, and outside doors _____
- Patios, porches, terraces, balconies _____
- Glass windows (bright & airy, dark, decorative) _____
- Roofing material (asphalt, tile, shake, etc.) _____
- Exterior lighting, stand, and security _____
- Views (scenic, obstructed, private, etc.) _____

TIP: If the property has security bars on any windows be sure that each has an inside "quick release" feature in working condition on case of fire or emergency.

HOME BUYING CHECKLIST

INTERIOR DETAIL

Consider each of the following to determine whether the house will provide living accommodations sufficient for the needs and comfort of your family:

- Rooms will accommodate desired furniture _____
- Condition, color and type of carpeting _____
- Condition and color of interior paint & wallpaper _____
- Size and closet space of master bedroom _____
- Convenient access to bathrooms _____
- Sufficient storage and parking space in garage _____
- Kitchen well-arranged and equipped _____
- Laundry space ample and well located _____
- Windows provide sufficient light and air _____
- Sufficient number of electrical/cable/phone outlets _____

EXTERIOR CONSTRUCTION

- Stucco, block or wood/composite siding _____
- Windows, doors, and screens _____
- Sprinkling or irrigation system _____
- Roofing, skylights, chimneys and gutters _____
- Driveway, patios, porches, balconies _____
- Block walls, wood fences, gates _____
- Air conditioners, solar panels, TV dishes _____
- Paint on exterior walls and trim _____

TIP: Be sure to check the condition of any in-ground pool or Jacuzzi, including the condition of the pumps, filters, pipes, heating unit, etc. Maintenance and utility costs should be calculated into your monthly expenses.

INTERIOR CONSTRUCTION

- Plaster is free of excessive cracks or leak stains _____
- Condition of kitchen appliances _____
- Door locks in operating condition _____
- Condition of sinks, faucets and countertops _____
- Fireplace works properly _____
- Attic and walls are well-insulated _____
- Adequate lighting and fixtures _____
- Heating and AC equipment in working condition _____
- Plumbing in kitchen and baths working OK _____
- Condition of carpeting _____
- Linoleum, tile and hardwood floor condition _____
- Condition of draperies, shutters or blinds _____

HOME SEARCH COMPARISON CHART

Use this chart to make notes about the homes you visit during your search. Remember, it's important to get a feel for the neighborhood; the best way to do this is to get out of the car and walk a few blocks. Make notes as you go, as it is much more difficult to remember specifics after your visit.

FEATURES	HOUSE #1	HOUSE #2	HOUSE #3
Address			
Price			
Location			
# Bedrooms			
# Baths			
Square Feet			
# Garages			
Family Room			
Air Conditioning			
Formal Dining Room			
Pool			
Spa/Jacuzzi			
Lot Size			
Landscaping			
Kitchen			
Floor Plan			
Storage Space			
Condition			
Extras (specify)			
Curb Appeal			
Commute Time			

HOME SEARCH COMPARISON CHART

NEIGHBORHOOD	HOUSE #1	HOUSE #2	HOUSE #3
Crime Rate			
Quality of Schools			
Traffic			
Proximity To:			
Schools			
Hospitals			
Shops			
Transportation			
Cultural Activities			

OVERALL OPINION

	HOUSE #1	HOUSE #2	HOUSE #3
Thoughts & Comments			

GLOSSARY & DEFINITIONS

Acceleration Clause - A clause in your mortgage which allows the lender to demand payment of the outstanding loan balance for various reasons. The most common reasons for accelerating a loan are if the borrower defaults on the loan or transfers title to another individual without informing the lender.

Adjustable-Rate Mortgage (ARM) - A mortgage in which the interest changes periodically, according to corresponding fluctuations in an index.

Amortization - Most loan payments consist of a portion which will be applied to pay the accruing interest on a loan, with the remainder being applied to the principal. Over time, the interest portion decreases as the loan balance decreases, and the amount applied to principal increases so that the loan is paid off (amortized) in the specified time.

Annual Percentage Rate (APR) - This is not the note rate on your loan. It is a value created according to a government formula intended to reflect the true annual cost of borrowing, expressed as a percentage. The APR is always higher than the actual note rate on your loan.

Appraisal - A written valuation of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

Appreciation - The increase in the value of a property due to changes in market conditions, inflation, or other causes.

Assessed Value - The valuation placed on property by a public tax assessor for purposes of taxation.

Assignment - When ownership of your mortgage is transferred from one company or individual to another.

Assumable Mortgage - A mortgage that can be assumed by the buyer when a home is sold. Usually, the borrower must “qualify” in order to assume the loan.

Balloon Mortgage - A mortgage loan that requires the remaining principal balance be paid at a specific point in time. For example, a loan may be amortized as if it would be paid over a thirty year period, but requires that at the end of the tenth year the entire remaining balance must be paid.

Bankruptcy - By filing in federal bankruptcy court, an individual or individuals can restructure or relieve themselves of debts and liabilities. Bankruptcies are of various types, but the most common for an individual seem to be a “Chapter 7 No Asset” bankruptcy which relieves the borrower of most types of debts.

Bridge Loan - Not used much anymore, bridge loans are obtained by those who have not yet sold their previous property, but must close on a purchase property. The bridge loan becomes the source of their funds for the down payment. One reason for their fall from favor is that there are more and more second mortgage lenders now that will lend at a high loan to value. In addition, sellers often prefer to accept offers from buyers who have already sold their property.

Broker - Broker has several meanings in different situations. Most Realtors are “agents” who work under a “broker.” Some agents are brokers as well, either working for themselves or under another broker. In the mortgage industry, broker usually refers to a company or individual that does not lend the money for the loans themselves, but broker

loans to larger lenders or investors. As a normal definition, a broker is anyone who acts as an agent, bringing two parties together for any type of transaction and earns a fee for doing so.

Cap - Adjustable Rate Mortgages have fluctuating interest rates, but those fluctuations are usually limited to a certain amount. Those limitations may apply to how much the loan may adjust over a six month period, an annual period, and over the life of the loan, and are referred to as “caps.” Some ARMs, although they may have a life cap, allow the interest rate to fluctuate freely, but require a certain minimum payment which can change once a year. There is a limit on how much that payment can change each year, and that limit is also referred to as a cap.

Cash-Out Refinance - When a borrower refinances his mortgage at a higher amount than the current loan balance with the intention of pulling out money for personal use, it is referred to as a “cash out refinance.”

Chain of Title - An analysis of the transfers of title to a piece of property over the years.

Clear Title - A title that is free of liens or legal questions as to ownership of the property.

Closing - The “closing” is a meeting where all of the documents are signed and money changes hands.

Closing Costs - Closing costs are separated into what are called “non-recurring closing costs” and “pre-paid items.” Non-recurring closing costs are any items which are paid just once as a result of buying the property or obtaining a loan. “Pre-paids” are items which recur over time, such as property taxes and homeowners insurance. A lender makes an attempt to estimate the amount of non-recurring closing costs and prepaid items on the Good Faith Estimate which they must issue to the borrower within three days of receiving a home loan application.

Closing Disclosure (CD) - A form designed to provide disclosures that will be helpful to consumers in understanding all the costs of the transaction. Items that appear on the statement include real estate commissions, loan fees, points, and initial escrow (impound) amounts. The CD will provide totals for the seller’s net proceeds and the buyer’s net payment at closing. The lender is required to provide the CD to the borrower at least 3 days prior to the settlement.

Cloud on Title - Any conditions revealed by a title search that adversely affect the title to real estate. Usually clouds on title cannot be removed except by deed, release, or court action.

Collateral - In a home loan, the property is the collateral. The borrower risks losing the property if the loan is not repaid according to the terms of the mortgage or deed of trust.

Commission - Most salespeople earn commissions for the work that they do and there are many sales professionals involved in each transaction, including Realtors® and loan officers.

Common Area Assessments - In some areas they are called Homeowners Association Fees. They are charges paid to the Homeowners Association by the owners of the individual units in a condominium or planned unit development (PUD) and are generally used to maintain the property and common areas.

Common Areas - Those portions of a building, land, and amenities owned (or managed) by a planned unit development (PUD) or condominium project’s homeowners’ association (or a cooperative project’s cooperative corporation) that are used by all of the unit owners, who share in the common expenses of their operation and maintenance. Common areas include swimming pools, tennis courts, and other recreational facilities, as well as common corridors of buildings, parking areas, means of ingress and egress, etc.

Comparable Sales - Recent sales of similar properties in nearby areas typically used to help determine the market value of a property. Also referred to as “comps.”

Condominium - A type of ownership in real property where all of the owners own the property, common areas and buildings together, with the exception of the interior of the unit to which they have title. Often mistakenly referred to as a type of construction or development, it actually refers to the type of ownership.

Construction Loan - A short-term, interim loan for financing the cost of construction. The lender makes payments to the builder at periodic intervals as the work progresses.

Contingency - A condition that must be met before a contract is legally binding. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

Contract - An oral or written agreement to do or not to do a certain thing.

Conventional Mortgage - Home loans other than government loans (VA and FHA).

Cooperative (co-op) - A type of multiple ownership in which the residents of a multi-unit housing complex own shares in the cooperative corporation that owns the property, giving each resident the right to occupy a specific apartment or unit.

Credit History - A record of an individual’s repayment of debt. Credit histories are typically reviewed by mortgage lenders as one of the underwriting criteria in determining credit risk.

Creditor - A person to whom money is owed.

Credit Report - A report of an individual’s credit history prepared by a credit bureau and used by a lender in determining a loan applicant’s creditworthiness.

Deed - The legal document conveying title to a property.

Deed of trust - Some states, like Virginia, do not record mortgages. Instead, they record a deed of trust which pledges a property to the lender as security for payment of a debt.

Default - Failure to make the mortgage payment within a specified period of time. For first mortgages or first trust deeds, if a payment has still not been made within 30 days of the due date, the loan is considered to be in default.

Deposit - A sum of money given in advance of a larger amount expected in the future. Often referred in real estate as an “earnest money deposit.”

Discount Points - In the mortgage industry, this term is usually used in reference to government loans, meaning FHA and VA loans. Discount points refer to any “points” paid in addition to the one percent loan origination fee. A “point” is one percent of the loan amount.

Down Payment - The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

Due-on-sale Provision - A provision in a mortgage that allows the lender to demand repayment in full if the borrower sells the property that serves as security for the mortgage.

Earnest Money Deposit - A deposit made by the potential home buyer.

Easement - A right of way giving persons other than the owner access to or over a property.

Eminent Domain - The right of a government to take private property for public use upon payment of its fair market value. Eminent domain is the basis for condemnation proceedings.

Encroachment - An improvement that intrudes illegally on another's property.

Encumbrance - Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

Equal Credit Opportunity Act (ECOA) - A federal law that requires lenders and other creditors to make credit equally available without discrimination based on race, color, religion, national origin, age, sex, marital status, or receipt of income from public assistance programs.

Equity - A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

Escrow Account - Once you close your purchase transaction, you may have an escrow account or impound account with your lender. This means the amount you pay each month includes an amount above what would be required if you were only paying your principal and interest. The extra money is held in your impound account (escrow account) for the payment of items like property taxes and homeowner's insurance when they come due. The lender pays them with your money instead of you paying them yourself.

Escrow Analysis - Once each year your lender will perform an "escrow analysis" to make sure they are collecting the correct amount of money for the anticipated expenditures.

Escrow Disbursements - The use of escrow funds to pay real estate taxes, hazard insurance, mortgage insurance, and other property expenses as they become due.

Executor - A person named in a will to administer an estate. The court will appoint an administrator if no executor is named. "Executrix" is the feminine form.

Fair Credit Reporting Act - A consumer protection law that regulates the disclosure of consumer credit reports by consumer/credit reporting agencies and establishes procedures for correcting mistakes on one's credit record.

Fair Market Value - The highest price that a buyer, willing but not compelled to buy, would pay, and the lowest a seller, willing but not compelled to sell, would accept.

Fannie Mae (FNMA) - The Federal National Mortgage Association, which is a congressionally chartered, shareholder-owned company that is the nation's largest supplier of home mortgage funds.

Federal Housing Administration (FHA) - An agency of the U.S. Department of Housing and Urban Development (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets

standards for construction and underwriting but does not lend money or plan or construct housing.

Fee Simple - The greatest possible interest a person can have in real estate.

FHA mortgage - A mortgage that is insured by the Federal Housing Administration (FHA). Along with VA loans, an FHA loan will often be referred to as a government loan.

First Mortgage - The mortgage that is in first place among any loans recorded against a property. Usually refers to the date in which loans are recorded, but there are exceptions.

Fixed-rate Mortgage - A mortgage in which the interest rate does not change during the entire term of the loan.

Fixture - Personal property that becomes real property when attached in a permanent manner to real estate.

Flood Insurance - Insurance that compensates for physical property damage resulting from flooding. It is required for properties located in federally designated flood areas.

Foreclosure - The legal process by which a borrower in default under a mortgage is deprived of his or her interest in the mortgaged property. This usually involves a forced sale of the property at public auction with the proceeds of the sale being applied to the mortgage debt.

Government loan (mortgage) - A mortgage that is insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) or the Rural Housing Service (RHS). Mortgages that are not government loans are classified as conventional loans.

Government National Mortgage Association (Ginnie Mae) - A government-owned corporation within the U.S. Department of Housing and Urban Development (HUD). Created by Congress on September 1, 1968, GNMA performs the same role as Fannie Mae and Freddie Mac in providing funds to lenders for making home loans. The difference is that Ginnie Mae provides funds for government loans (FHA and VA)

Grantee - The person to whom an interest in real property is conveyed.

Grantor - The person conveying an interest in real property.

Hazard Insurance - Insurance coverage that in the event of physical damage to a property from fire, wind, vandalism, or other hazards.

Home Equity Line of Credit - A mortgage loan, usually in second position, that allows the borrower to obtain cash drawn against the equity of his home, up to a predetermined amount.

Home Inspection - A thorough inspection by a professional that evaluates the structural and mechanical condition of a property. A satisfactory home inspection is often included as a contingency by the purchaser.

Homeowners' Association - An association that manages the common areas of a planned unit development (PUD) or condominium project. In a condominium project, it has no ownership interest in the common elements. In a PUD project, it holds title to the common elements.

Homeowner's Insurance - An insurance policy that combines personal liability insurance and hazard insurance

coverage for a dwelling and its contents.

Homeowner's Warranty - A type of insurance often purchased by homebuyers that will cover repairs to certain items, such as heating or air conditioning, should they break down within the coverage period. The buyer often requests the seller to pay for this coverage as a condition of the sale, but either party can pay.

Joint Tenancy - A form of ownership or taking title to property which means each party owns the whole property and that ownership is not separate. In the event of the death of one party, the survivor owns the property in its entirety.

Judgment - A decision made by a court of law. In judgments that require the repayment of a debt, the court may place a lien against the debtor's real property as collateral for the judgment's creditor.

Late Charge - The penalty a borrower must pay when a payment is made a stated number of days. On a first trust deed or mortgage, this is usually fifteen days.

Legal Description - A property description, recognized by law, that is sufficient to locate and identify the property without oral testimony.

Lender - A term which can refer to the institution making the loan or to the individual representing the firm.

Lien - A legal claim against a property that must be paid off when the property is sold. A mortgage or first trust deed is considered a lien.

Life Cap - For an adjustable-rate mortgage (ARM), a limit on the amount that the interest rate can increase or decrease over the life of the mortgage.

Loan - A sum of borrowed money (principal) that is generally repaid with interest.

Loan Estimate - A form designed to provide disclosures that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying. The form must be provided to consumers no later than three business days after they submit a loan application.

Loan Officer - Also referred to by a variety of other terms, such as lender, loan representative, loan "rep," account executive, and others. The loan officer serves several functions and has various responsibilities: they solicit loans, they are the representative of the lending institution, and they represent the borrower to the lending institution.

Loan Origination - How a lender refers to the process of obtaining new loans.

Loan Servicing - After you obtain a loan, the company you make the payments to is "servicing" your loan. They process payments, send statements, manage the escrow/impound account, provide collection efforts on delinquent loans, ensure that insurance and property taxes are made on the property, handle pay-offs and assumptions, and provide a variety of other services.

Loan-to-Value (LTV) - The percentage relationship between the amount of the loan and the appraised value or sales price (whichever is lower).

Lock-in - An agreement in which the lender guarantees a specified interest rate for a certain amount of time at a

certain cost.

Margin - The difference between the interest rate and the index on an adjustable rate mortgage. The margin remains stable over the life of the loan. It is the index which moves up and down.

Maturity - The date on which the principal balance of a loan, bond, or other financial instrument becomes due and payable.

Modification - Occasionally, a lender will agree to modify the terms of your mortgage without requiring you to refinance. If any changes are made, it is called a modification.

Mortgage - A legal document that pledges a property to the lender as security for payment of a debt. Instead of mortgages, some states use Deeds of Trust.

Mortgage Broker - A mortgage company that originates loans, then places those loans with a variety of other lending institutions with whom they usually have pre-established relationships.

Mortgagee - The lender in a mortgage agreement.

Mortgage Insurance (MI) - Insurance that covers the lender against some of the losses incurred as a result of a default on a home loan. Often mistakenly referred to as PMI, which is actually the name of one of the larger mortgage insurers. Mortgage insurance is usually required in one form or another on all loans that have a loan-to-value higher than eighty percent. Mortgages above 80% LTV that call themselves "No MI" are usually made at a higher interest rate. Instead of the borrower paying the mortgage insurance premiums directly, they pay a higher interest rate to the lender, which then pays the mortgage insurance themselves. Also, FHA loans and certain first-time homebuyer programs require mortgage insurance regardless of the loan-to-value.

Mortgage Insurance Premium (MIP) - The amount paid by a mortgagor for mortgage insurance, either to a government agency such as the Federal Housing Administration (FHA) or to a private mortgage insurance (MI) company.

Mortgagor - The borrower in a mortgage agreement.

No Cash-Out Refinance - A refinance transaction which is not intended to put cash in the hand of the borrower. Instead, the new balance is calculated to cover the balance due on the current loan and any costs associated with obtaining the new mortgage. Often referred to as a "rate and term refinance."

Note - A legal document that obligates a borrower to repay a mortgage loan at a stated interest rate during a specified period of time.

Notice of Default - A formal written notice to a borrower that a default has occurred and that legal action may be taken.

Original Principal Balance - The total amount of principal owed on a mortgage before any payments are made.

Origination Fee - On a government loan the loan origination fee is one percent of the loan amount, but additional points may be charged which are called "discount points." One point equals one percent of the loan amount. On a conventional loan, the loan origination fee refers to the total number of points a borrower pays.

Owner Financing - A property purchase transaction in which the property seller provides all or part of the financing.

Payment Change Date - The date when a new monthly payment amount takes effect on an adjustable-rate mortgage (ARM) or a graduated-payment mortgage (GPM). Generally, the payment change date occurs in the month immediately after the interest rate adjustment date.

Periodic Rate Cap - For an adjustable-rate mortgage, a limit on the amount that the interest rate can increase or decrease during any one adjustment period, regardless of how high or low the index might be.

Personal Property - Any property that is not real property.

PITI - This stands for principal, interest, taxes and insurance. If you have an “impounded” loan, then your monthly payment to the lender includes all of these and probably includes mortgage insurance as well. If you do not have an impounded account, then the lender still calculates this amount and uses it as part of determining your debt-to-income ratio.

Planned Unit Development (PUD) - A type of ownership where individuals actually own the building or unit they live in, but common areas are owned jointly with the other members of the development or association. Contrast with condominium, where an individual actually owns the airspace of his unit, but the buildings and common areas are owned jointly with the others in the development or association.

Point - A point is 1 percent of the amount of the mortgage.

Power of Attorney - A legal document that authorizes another person to act on one’s behalf. A power of attorney can grant complete authority or can be limited to certain acts and/or certain periods of time.

Pre-approval - A loosely used term which is generally taken to mean that a borrower has completed a loan application and provided debt, income, and savings documentation which an underwriter has reviewed and approved. A pre-approval is usually done at a certain loan amount and making assumptions about what the interest rate will actually be at the time the loan is actually made, as well as estimates for the amount that will be paid for property taxes, insurance and others. A pre-approval applies only to the borrower. Once a property is chosen, it must also meet the underwriting guidelines of the lender. Contrast with pre-qualification

Prepayment - Any amount paid to reduce the principal balance of a loan before the due date. Payment in full on a mortgage that may result from a sale of the property, the owner’s decision to pay off the loan in full, or a foreclosure. In each case, prepayment means payment occurs before the loan has been fully amortized.

Prepayment penalty - A fee that may be charged to a borrower who pays off a loan before it is due.

Pre-qualification - This usually refers to the loan officer’s written opinion of the ability of a borrower to qualify for a home loan, after the loan officer has made inquiries about debt, income, and savings. The information provided to the loan officer may have been presented verbally or in the form of documentation, and the loan officer may or may not have reviewed a credit report on the borrower.

Principal - The amount borrowed or remaining unpaid. The part of the monthly payment that reduces the remaining balance of a mortgage.

Principal Balance - The outstanding balance of principal on a mortgage. The principal balance does not include interest or any other charges. See remaining balance.

Promissory Note - A written promise to repay a specified amount over a specified period of time.

Public Auction - A meeting in an announced public location to sell property to repay a mortgage that is in default.

Planned Unit Development (PUD) - A project or subdivision that includes common property that is owned and maintained by a homeowners' association for the benefit and use of the individual PUD unit owners.

Purchase Agreement - A written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold.

Purchase Money Transaction - The acquisition of property through the payment of money or its equivalent.

Qualifying Ratios - Calculations that are used in determining whether a borrower can qualify for a mortgage.

Quitclaim Deed - A deed that transfers without warranty whatever interest or title a grantor may have at the time the conveyance is made.

Rate Lock - A commitment issued by a lender to a borrower or other mortgage originator guaranteeing a specified interest rate for a specified period of time at a specific cost.

Real Estate Agent - A person licensed to negotiate and transact the sale of real estate.

Real Estate Settlement Procedures Act (RESPA) - A Federal consumer protection law.

Real Property - Land and appurtenances, including anything of a permanent nature such as structures, trees, minerals, and the interest, benefits, and inherent rights thereof.

Realtor® - A real estate agent, broker or an associate who holds active membership in a local real estate board that is affiliated with the National Association of Realtors.

Recording - The noting in the registrar's office of the details of a properly executed legal document, such as a deed, a mortgage note, a satisfaction of mortgage, or an extension of mortgage, thereby making it a part of the public record.

Refinance Transaction - The process of paying off one loan with the proceeds from a new loan using the same property as security.

Right of First Refusal - A provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before he or she offers it for sale or lease to others.

Right of Ingress or Egress - The right to enter or leave designated premises.

Right of Survivorship - In joint tenancy, the right of survivors to acquire the interest of a deceased joint tenant.

Second Mortgage - A mortgage that has a lien position subordinate to the first mortgage.

Secondary Market - The buying and selling of existing mortgages, usually as part of a “pool” of mortgages.

Secured Loan - A loan that is backed by collateral.

Security - The property that will be pledged as collateral for a loan.

Servicer - An organization that collects principal and interest payments from borrowers and manages borrowers’ escrow accounts. The servicer often services mortgages that have been purchased by an investor in the secondary mortgage market.

Servicing - The collection of mortgage payments from borrowers and related responsibilities of a loan servicer.

Subdivision - A housing development that is created by dividing a tract of land into individual lots for sale or lease.

Survey - A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, rights of way, encroachments, and other physical features.

Tenancy in Common - As opposed to joint tenancy, when there are two or more individuals on title to a piece of property, this type of ownership does not pass ownership to the others in the event of death.

Title - A legal document evidencing a person’s right to or ownership of a property.

Title Company - A company that specializes in examining and insuring titles to real estate.

Title Insurance - Insurance that protects the lender (lender’s policy) or the buyer (owner’s policy) against loss arising from disputes over ownership of a property.

Title Search - A check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

Transfer Tax - State or local tax payable when title passes from one owner to another.

Truth-in-Lending - A federal law that requires lenders to fully disclose, in writing, the terms and conditions of a mortgage, including the annual percentage rate (APR) and other charges.

Trustee - A fiduciary who holds or controls property for the benefit of another.

VA Mortgage - A mortgage that is guaranteed by the U.S. Department of Veterans Affairs (VA).

