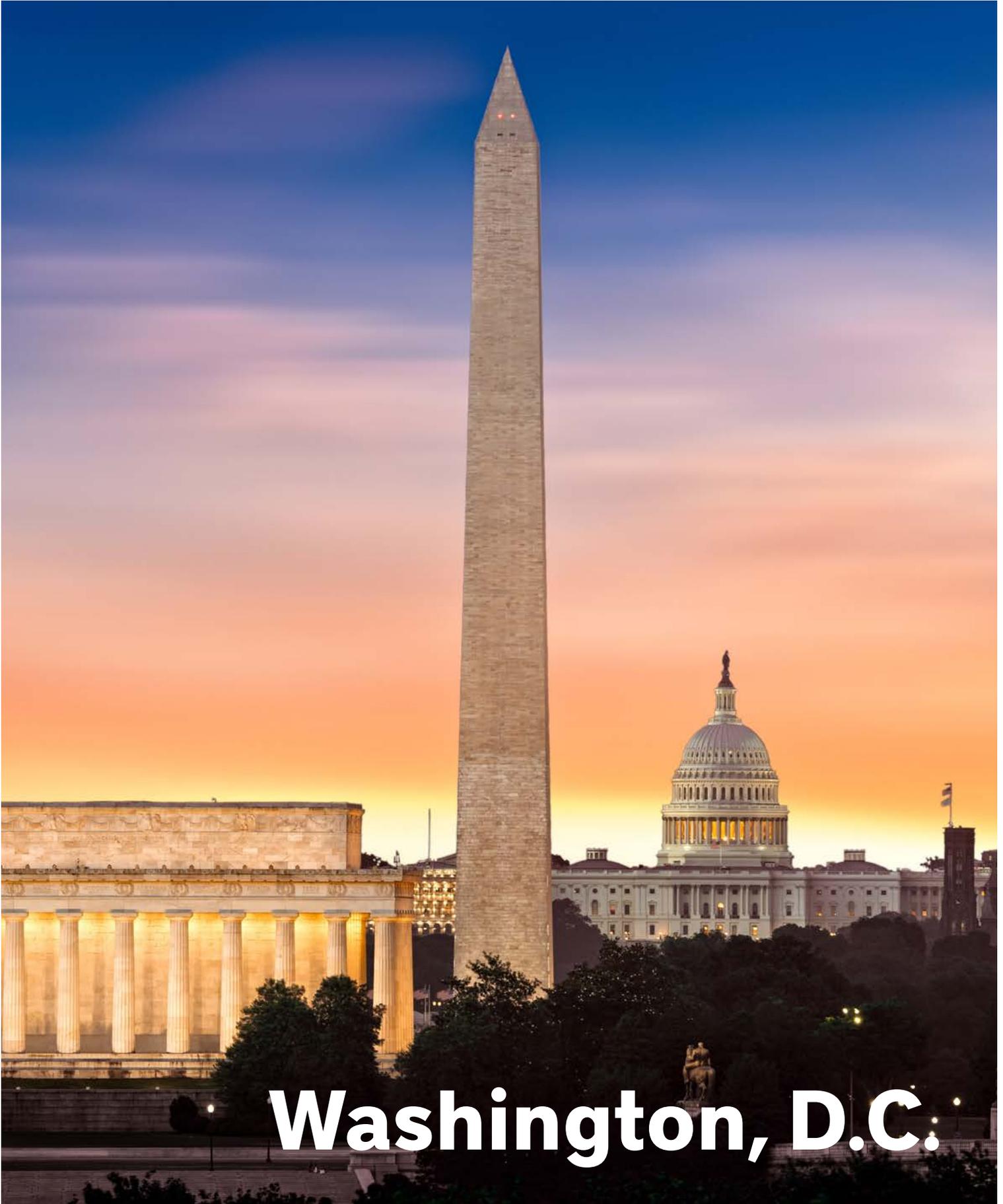


# **MBH** HOME BUYER GUIDE

*Settlement Group*



**Washington, D.C.**



# Congratulations!

*Over twenty-five years' experience in working with first-time home buyers, refinancers, 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 5 years. 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. From contract to keys, MBH has you covered. We look forward to working with you!

Best Regards,  
Fred Westerlund  
CEO, MBH Settlement Group



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# Key Contact List

## Real Estate Agent

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_  
Fax \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_

## Lender

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

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Loan Processor \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_  
Fax \_\_\_\_\_  
Email \_\_\_\_\_

## Title & Settlement

Processor \_\_\_\_\_  
Branch Manager \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_  
Fax \_\_\_\_\_  
Email \_\_\_\_\_

## Hazard Insurance Company

Insurance Agent \_\_\_\_\_  
Company \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_

## Home Inspector

Home Inspector \_\_\_\_\_  
Company \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_  
Date/Time \_\_\_\_\_

## Termite Inspector

*Designated party to obtain*

Company \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_  
Date/Time \_\_\_\_\_

## Utility Companies

Electric \_\_\_\_\_  
Water \_\_\_\_\_  
Gas/Oil \_\_\_\_\_  
Phone \_\_\_\_\_  
Cable/Satellite \_\_\_\_\_  
Internet \_\_\_\_\_

## Pre-Settlement Inspection

*Final Walk-Through*

Date \_\_\_\_\_  
Time \_\_\_\_\_

## Settlement Date, Time & Location

Date \_\_\_\_\_  
Time \_\_\_\_\_  
MBH Location \_\_\_\_\_

# What You Need to Know Before Buying a Home



## Review Your Finances

Take time to review your finances before the bank does. It will pay off!

**Income:** Your lender will review employer information, time at job, and paystubs.

**Credit Scores:** Request your full credit report (including your credit score) from Experian, Equifax, and TransUnion. Most companies will provide these once a year at no cost. Outside sources may not provide everything you need so, be sure to get them from the source.

**Understand Your Credit Score:** Your credit score will be reported on as a number between 300 and 850. Your score will impact your qualification for a mortgage loan and your interest rate. Higher scores really do win here.

**Check Your Balances:** You'll need money for a down payment as well as insurance. If you can't currently qualify for a loan, or will barely qualify, take steps to improve your credit score so you'll be ready in the future.



## Gather Your Documents

If you do this now, it will save time in the future. You'll need to submit documentation to your lender and your title and settlement company. Better to plan ahead and avoid the last minute scramble.

### Some of the info you will need:

- The last two years' tax returns.
- Pay stubs or proof of income. (3 months)
- Bank statements, brokerage, and investment account statements. (last 12 months)
- Proof of funds for down payment and closing.
- Unexpired Government Issued Photo Identification.
- If you are currently a renter you may need a letter of recommendation from previous landlord.



## Set A Budget

Make a list of your regular monthly expenses (credit card payments, student loans, car payments and other recurring expenses as well as average food, transportation, utilities, cell phone bills, etc.). When you see what you spend, you can set a realistic budget.



## Know Your DTI (Debt to Income Ratio)

Determine your DTI by taking your total monthly expenses and dividing that number by your total monthly income. This percentage helps determine how much you can afford to spend for a house. Your lender can provide a target. Rule of thumb: 43% is the number you'll want to be below. At lower numbers, you may receive better terms and interest rates.



## Talk With Lenders

After assessing your finances and you believe you're ready to buy, talk to a few lenders! Lenders will help you understand the types of mortgages you may be able to qualify for and can answer questions about terms, interest rates, and requirements for credit scores and DTI. Talk with a few and decide where you are comfortable.



## Pre-Qualify

You've gotten all of your questions answered and collected data. Did you find a lender you are comfortable with? Great! Ask the lender for a mortgage pre-approval. Pre-approval is not a guarantee that you'll get a loan; and it does not commit you as the buyer. It's a statement that you're financially qualified to receive one, based on a preliminary examination of your finances. This will also give you a maximum loan amount, so you know what you can afford to spend. It's a great sign for your agent and the home seller that you are ready and able to buy.



## Choose A Real Estate Agent

When it's time to get serious, you'll want an experienced real estate agent. Agents can provide valuable information on neighborhoods, schools, and have valuable insights including market conditions, comparable sales, and time on market. You'll be happy to have an agent to negotiate on your behalf, prepare your offer, and to help work through any issues that might arise.



## Choose Your Title Company

Who you work with for your title and closing, matters. For over 27 years, through more than 200,000 closings, in our 20 offices across Maryland, Virginia, & Washington, D.C., MBH brings the expertise needed to handle any transaction. We'd love to work with you, contact any MBH office to get started!

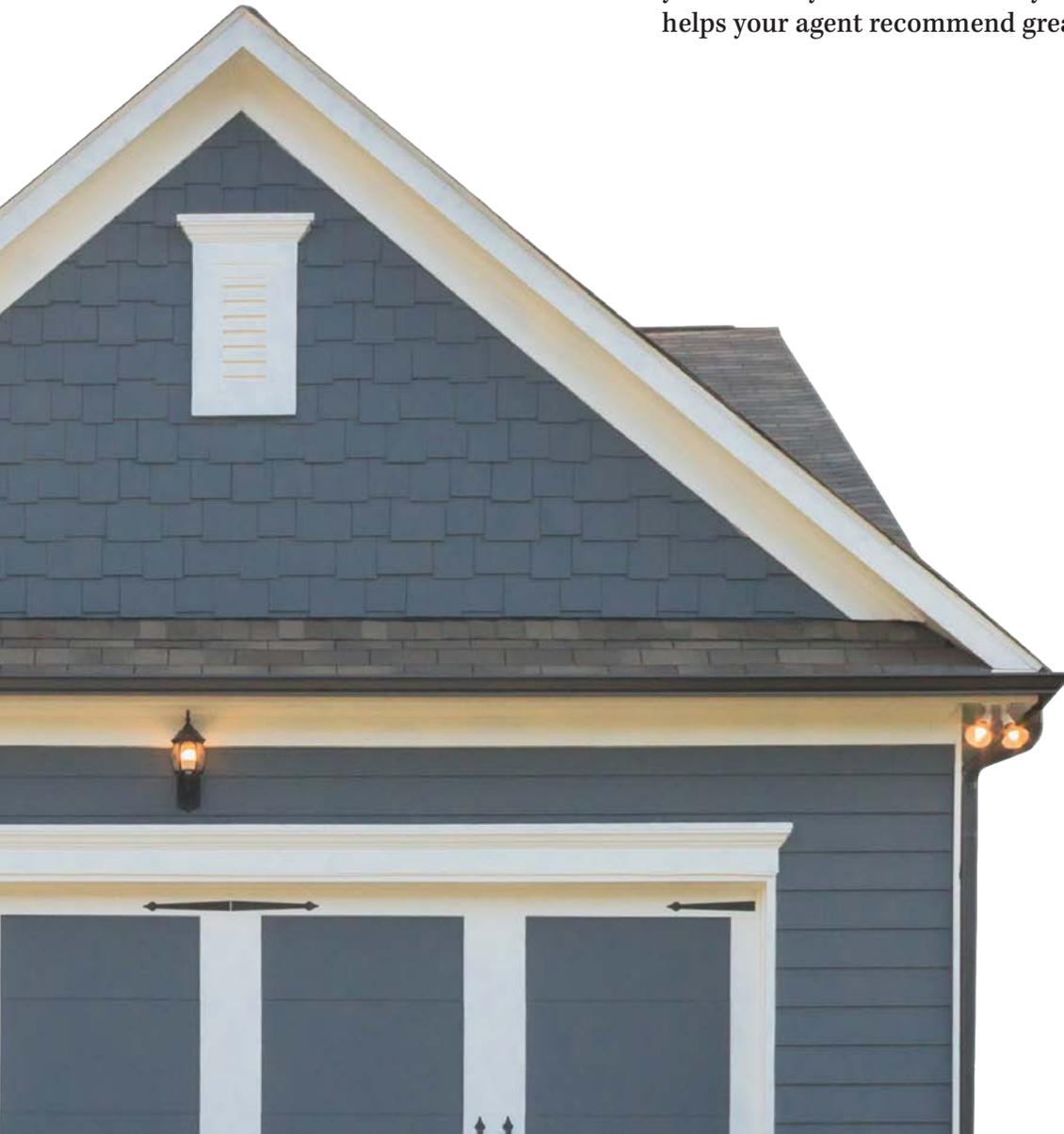
# Stress-Free House Hunting

You've done the homework, now it's almost time to start house hunting!

The best way to reduce stress?

Keep your priorities top of mind. This will help you eliminate the homes and neighborhoods that are not right for you and help you narrow down your list to the ones that are!

Before you start looking, take some time to determine your needs, your "wants", and your top priorities. This helps your agent recommend great options!



# Find Your Ideal Home

What are your priorities?

Priority

Need

Want

Don't Want

## NEIGHBORHOOD

Proximity to:

Work

Stores

Schools

Freeways

Community Amenities

Parks / Play Area

Fire & Police

## LOT

Curb Appeal

Size of Front Yard

Size of Rear & Side Yards

Walls / Fences / Gates

Front Walkway

Back Walkway

Room for Home Expansion

Room for Pool / Spa

Satisfactory Drainage

Lawn & Landscaping

Septic Tank / Sewer

Water Well / City Water

## EXTERIOR

Facade (brick, siding)

Color / Exterior Condition

Garage, Driveway, & Doors

Patios, Porches, Balconies

Windows, Doors, Screens

Roofing / Lights / Chimneys

Exterior Lighting

View & Traffic (scenic, private)

Garage (attached, # cars)

Sprinkler or Irrigation system

Air Conditioners

Solar Panels

TV Dishes

# Find Your Ideal Home

What are your priorities?

Priority

Need

Want

Don't Want

## INTERIOR DETAIL

Consider each of the following to determine whether the home 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/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 \_\_\_\_\_

# Evaluating Your Options

You've done the homework, determined your priorities, and prequalified for financing – it's time to find your ideal home!

You are likely to be looking at several homes. After a while it's easy to forget the details. **The MBH Home Evaluation Tool** makes it easy to do a consistent, well-thought-out comparison. You'll want to make a copy for each home you'll be viewing.

As you drive through the neighborhood and up to the house, note what you see (parks, restaurants, shopping) and your first impressions of the curb appeal. While you tour the home, take time to record the specific features, as well as your thoughts regarding necessary changes, upkeep, and maintenance. Most importantly, make notes about how this home measures up to your priorities and your budget! Be sure to capture plenty of details and take pictures or video with your thoughts if it is allowed!

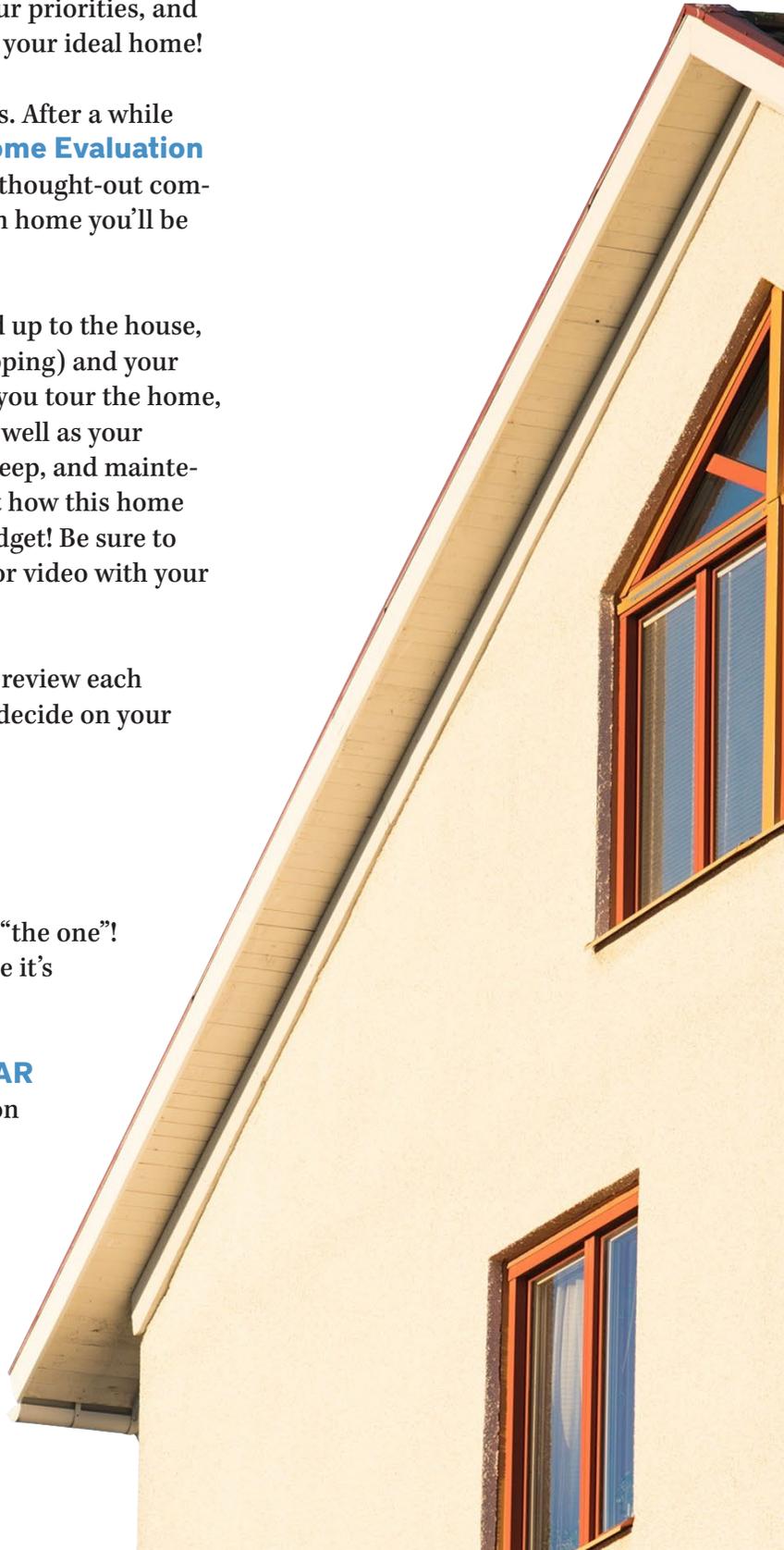
After a day of house hunting, you'll want to review each Home Evaluation to eliminate options and decide on your next steps.

Good luck!

## ***The Contract:***

It's an exciting moment when you've found "the one"! Your agent will help you make an offer. Once it's been accepted, it's time for the contract.

You can familiarize yourself with the **GCAAR Residential Sales Contract** beginning on **page 24** of this guide.



# Home Evaluation Tool

Address \_\_\_\_\_

Consider Y/N Price \_\_\_\_\_ Sq Ft \_\_\_\_\_ # Bedrooms \_\_\_\_\_ # Bathrooms \_\_\_\_\_

**NEIGHBORHOOD**

	YES	OK	NO
Proximity to:			
Work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stores	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Schools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freeways	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community Amenities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parks / Play Area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire & Police	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**INTERIOR**

	YES	OK	NO
Dining Area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Formal Living Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fireplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Basement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kitchen Layout & Space	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cabinets & Countertops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kitchen Appliances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pantry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Laundry (space / location)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Master Bedroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Master Bathroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Master Closet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional Bedrooms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional Bathrooms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Closets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flooring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interior Paint & Wallpaper	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sufficient Storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows (good light & air)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sufficient Outlets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heat / Air Conditioning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accommodate Current	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**LOT**

	YES	OK	NO
Curb Appeal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of Front Yard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of Rear & Side Yards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Walls / Fences / Gates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Front Walkway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back Walkway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Room for Home Expansion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Room Room for Pool/Spa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Satisfactory Drainage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lawn & Landscaping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Septic Tank / Sewer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water Well / City Water	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**EXTERIOR**

	YES	OK	NO
Facade (brick, wood)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Color / Exterior Condition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Garage, Driveway, & Doors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patios, Porches, Balconies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows, Doors, Screens	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roofing / Lights / Chimneys	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exterior Lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
View & Traffic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Garage (attached, # cars)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sprinkler or Irrigation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air Conditioners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Solar Panels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV Dishes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Home Evaluation Tool

Address \_\_\_\_\_

Consider Y/N    Price \_\_\_\_\_    Sq Ft \_\_\_\_\_    # Bedrooms \_\_\_\_\_    # Bathrooms \_\_\_\_\_

**NEIGHBORHOOD**

	YES	OK	NO
Proximity to:			
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Community Amenities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parks / Play Area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire & Police	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**INTERIOR**

	YES	OK	NO
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Laundry (space / location)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Master Closet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional Bedrooms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Flooring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interior Paint & Wallpaper	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sufficient Storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows (good light & air)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sufficient Outlets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heat / Air Conditioning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accommodate Current	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Furniture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**LOT**

	YES	OK	NO
Curb Appeal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of Front Yard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of Rear & Side Yards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Walls / Fences / Gates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Front Walkway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Back Walkway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Room for Home Expansion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Room Room for Pool/Spa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Satisfactory Drainage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lawn & Landscaping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Septic Tank / Sewer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water Well / City Water	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**EXTERIOR**

	YES	OK	NO
Facade (brick, wood)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Garage, Driveway, & Doors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patios, Porches, Balconies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows, Doors, Screens	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roofing / Lights / Chimneys	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exterior Lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
View & Traffic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Garage (attached, # cars)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sprinkler or Irrigation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air Conditioners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Solar Panels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV Dishes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



# Wire Fraud

## *Safeguard your information*

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 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:

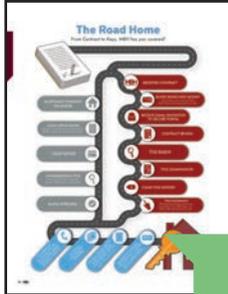
### **WARNING-FRAUDULENT WIRE INSTRUCTIONS:**

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.**

# What To Expect

A lot will happen between now and your closing date. Understanding the process and what MBH Settlement Group is doing to protect you in the purchase of your new home will help ensure a smooth transaction!



## Keeping It Smooth, Secure, & Convenient

Once MBH receives your contract, the process begins.

The Road Home infographic, provides a summary of the general timeline and what is happening during each part of the process. You, your lender, and MBH each play a role in ensuring a smooth, secure, on-time closing.

Process Overview The Road Home pages 16 & 17



## STEP 1: Send Earnest Money Deposit ASAP

An earnest money deposit (EMD) is money that you put down as a good faith deposit. It shows the seller you are serious about closing the transaction. Most often your EMD money is due within 3 days of the contract! Your contract may note otherwise, check to be certain. If your contract stipulates that MBH is to hold the EMD, you have options to send to MBH: electronic deposit, wire, or check (drop off at office or overnight).

Electronic EMD Instructions page 18



## STEP 2: Secure Document Portal

Within the first week, you'll receive an email inviting you to create your account in MBH's secure closing document portal. It's how we ensure all communication and transactions are safe. With the instructions provided in that email:

Create Your Account:

- Review the files in the Documents tab and complete the Tasks as outlined in the portal.
- Track your closing progress online OR in the app.

Email hacking & fraud are on the rise to fraudulently misdirect funds for real estate. Wire Fraud Notice page 13



## STEP 3: Gather Important Information

Take note of the information you will need to provide to MBH and what you'll need to bring to your closing. Collecting the required information, and keeping it in a safe, accessible location will help expedite the process.

Get It Together page 19

## STEP 4: Regularly Check Your Portal To Maintain Communication

Set deadline reminders on your calendar so you don't delay your closing!

## STEP 5: Complete the Mortgage Loan Process

There is a lot happening with your loan provider as well! Be sure to follow up regularly with your lender to ensure there is no missing information.



## STEP 6: Protect Your Investment

Your home is likely to be the biggest investment you will make. Now is the time to take action to protect it! Title Insurance and property surveys are two of the most important steps you can take. Your MBH team is available to discuss the best options for you.

Title Insurance / Coverage Comparison pages 20 - 22  
Property Survey page 23

## STEP 7: Get Ready For Closing

It's almost closing day! One of the most important things you can do is to gather all of your documents and secure your closing funds. Your Lender will send your Closing Disclosure (CD) to you 3 business days before your scheduled closing date. Please review and acknowledge this document right away! This document includes:

- Your loan terms.
- Your projected monthly payments.
- How much you will pay in fees and other costs to get your mortgage (closing costs).

Your closing costs cannot be paid with a personal check. AHEAD of your closing date, you will need either a cashier's check or wire transfer. Your MBH representative can provide wire transfer information.



## AT YOUR CLOSING

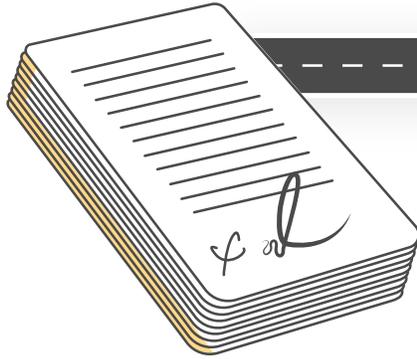
Closing day has arrived! For all of us, this is a GREAT DAY! Expect to Read & Sign several pages of documents, including your mortgage documents and all of the paperwork you've received and reviewed.

ALTA Settlement pages 38 - 39  
Closing Disclosure pages 40 - 42

If you have any questions, your MBH Settlement team is happy to answer! From Contract to Keys, MBH has you covered!

# The Road Home

From Contract to Keys, MBH has you covered!



**MORTGAGE COMPANY OR LENDER**

**LOAN APPLICATION**  
Make sure you send all requested info ASAP in order to meet the closing date!

**CREDIT REPORT**

**LOAN UNDERWRITING**  
Missing info? Get it in quickly! This can hold up your closing date.

**BUYER APPROVED**

**MBH Settlement Group** **CONTRACT RECEIVED**

**BUYER SENDS EMD MONEY**  
Most buyers can now send their EMD (Earnest Money) Electronically.

**RECEIVE EMAIL INVITATION TO SECURE PORTAL**

**CONTRACT REVIEW**

**TITLE SEARCH**

**TITLE EXAMINATION**

**CLEAR TITLE HISTORY**

**TITLE INSURANCE**  
Title Insurance helps protect your investment. Your MBH team can discuss the best options for you.

**COORDINATE & COMMUNICATE WITH BUYER, SELLER, LENDER, & AGENTS**

**CLOSING DOCUMENTS PREPARED**

**CLOSING DISCLOSURE TO BUYER (LENDER SENDS 3 DAYS BEFORE CLOSING)**  
Look at this, right away!

**BUYERS GET CLOSING FUNDS BEFORE CLOSING**  
Make sure you wire or get your cashier's check BEFORE CLOSING.



# The Road Home Explained

A lot will happen between now and your closing date. Understanding the process, what's needed from you, and what MBH Settlement Group is doing to protect you in the purchase of your new home will help ensure a smooth, secure, timely transaction!



## **MBH RECEIVES CONTRACT**

Once your offer has been accepted, your real estate agent can begin the process by sending your contract to MBH!



## **BUYER SENDS EMD MONEY**

Most buyers can now send their EMD (Earnest Money Deposit) electronically! Contact your MBH team for instructions.



## **BUYER RECEIVES EMAIL INVITATION TO SECURE PORTAL**

Once you receive your login & password, follow the process in MBH's Secure Online Document Portal! NOTE: You can Log In from the MBH Buyer & Seller Resource Hub at MBH.com.



## **CONTRACT REVIEW**

MBH Settlement Group will review your contract to ensure everything is in order.



## **COMMUNICATION & COORDINATION**

Coordinate final details & communicate with buyers, sellers, lenders, & agents regarding missing info, closing times, etc.



## **PREPARE CLOSING DOCUMENTS**



## **TITLE SEARCH**

MBH's abstractors will research 40 – 50 years of historical records to review the "chain of title" to ensure you are free to buy the home.



## **TITLE EXAMINATION**

MBH does a final examination and thorough review of the title search to ensure that the property being purchased is suitable for sale.



## **CLEAR TITLE HISTORY**

MBH is making sure that any underwriting requirements are satisfied.



## **TITLE INSURANCE**

Your home is one of your biggest investments. Title insurance is how you protect it! MBH is a licensed agent for some of the nation's largest and most trusted title insurance underwriters.



## **CLOSING DISCLOSURE TO BUYER**

This comes from your Lender! NOTE: Lender sends 3 business days before closing. Review and acknowledge this right away!



## **BUYERS GET CLOSING FUNDS BEFORE CLOSING**

NOTE: Your bank may require time to process either option be sure to contact them right away to understand their process and timing.

## The Lender's Process

The lender's process happens simultaneously and in conjunction with the title and settlement process.



## **LOAN APPLICATION**

Make sure you send all info requested by your lender ASAP. NOTE: Delays in your lender receiving all necessary information can impact your closing date.



## **LOAN UNDERWRITING**

Still Missing Info? Check to be sure your lender has everything they need in order to process your loan.



## **CREDIT REPORT**

Your lender is responsible for checking your credit report. Have questions? Your lender will be happy to answer them.



## **BUYER APPROVED**

Your approved loan is a big step in getting the keys to your new home!

# Electronic Earnest Money Deposit

An earnest money deposit (EMD) is money that you put down as a good faith deposit. It shows the seller you are serious about closing the transaction.

*You must get your money to the entity designated in your contract by the date noted in the contract.*

Often your EMD money is due within 3 days of the contract. Your contract may note otherwise, check to be certain.

If your contract stipulates that MBH is to hold the EMD, you have options to send to MBH:

- electronic deposit
- wire
- check (drop off at office or overnight)

*Because it's so convenient, most buyers now send their EMD (Earnest Money Deposit) electronically!*

If you are not able to send the EMD electronically, your check must be received by MBH by the date detailed in your contract.

Ready to send your electronic EMD via your smart phone?

- Download the BankShot App at your App Store.
- Follow the Instructions to Send your EMD to MBH

\*At this time BankShot does not accept NFCU Cashiers Checks.



## How to Send Funds to MBH With Your iPhone

1. Download Bank Shot App from App Store
2. Sign-Up to Use Bank Shot (MBH Code: 4950098)
3. Login
4. Select: "Earnest Money" as the Payment Type
5. Enter: The Property Address
6. Select: MBH (To Receive Funds)
7. Enter: Listing Agent, Selling Agent, Buyer Names, Seller Names
8. Role: Identify Your Role (i.e. selling agent, etc.)
9. Enter: Closing and Binding Dates (Ratification Date)
10. Enter Check Amount (WITHOUT \$ signs or Commas)
11. Special Instructions: Enter the MBH Office Handling Your File
12. Write: "For Deposit Only" on the back of the check
13. Turn on the Camera Flash
14. Capture the image of the FRONT of the check
15. Capture the image of the BACK of the check
16. Press: SUBMIT ITEM

## How to Send Funds to MBH With Your Android

1. Download Bank Shot App from Google Play Store
2. Sign-Up to Use Bank Shot (MBH Code: 4950098)
3. Login
4. Select: "Earnest Money" as the Payment Type
5. Select: New Item
6. Select: MBH (To Receive Funds)
7. The Property Address
8. Enter: Listing Agent, Selling Agent, Buyer Names, Seller Names
9. Role: Identify Your Role (i.e. selling agent, etc.)
10. Enter: Closing and Binding Dates (Ratification Date)
11. Enter Check Amount (WITHOUT \$ signs or Commas)
12. Write: "For Deposit Only" on the back of the check
13. Turn on the Camera Flash
14. Capture the image of the FRONT of the check
15. Click: "Convert to Photo"
16. Capture the image of the BACK of the check
17. Click: "Convert to Photo"
18. Special Instructions: Enter the MBH Office Handling to your file
19. Click: "Convert to Photo"

# Get It Together

You've found your home and the offer has been accepted! Before you start packing, gather the important documents you'll need for the secure document portal and closing.

## SECURE PORTAL INFO

- Unexpired Drivers' License or Legal Form of Photo ID
- Social Security Number
- Citizenship
- Lender Information
- Property Survey Preference
- Notification of Closing Using a Power of Attorney (Let MBH know this right away!)
- Date of Birth
- Marital Status
- HOA Information
- How You Will Take Ownership or Title
- Current Address / Forwarding Address
- Separated or Divorced? Upload your legal documents.
- Purchasing as a Trust, LLC or Corporation? Upload your legal documents.

## WHAT TO BRING TO CLOSING

- Unexpired, Legal Photo ID (your lender may require 2 forms of identification).
- Social Security number.
- If Pre-Approved for a POA Closing: Original Power of Attorney documents.
- Closing Funds (for the amount specified in the most recent Closing Disclosure).
  - Wire Transfer Receipt (wired funds must be sent prior to closing; get wiring instructions from MBH), OR
  - Cashier's Check (no personal checks).
- Checkbook (there can be variances in the amount noted on the Closing Disclosure or incidental charges).
- A big smile! We'll be celebrating with lots of pictures.

# Protect Your Investment

## *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 heirs, 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 a 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

Standard  
ALTA  
Residential

Enhanced  
ALTA  
Homeowner's

## Covered Risks

- 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 not shown as liens by the public records

## 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.

# Coverage Comparison

Standard  
ALTA  
Residential

Enhanced  
ALTA  
Homeowner's

## Additional Coverages

- |                          |                                                                                                                                                                                                  |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Actual vehicular and pedestrian access, based upon a legal right                                                                                                                                 |
| <input type="checkbox"/> | You must correct or remove an existing violation of certain covenants, conditions, or restrictions                                                                                               |
| <input type="checkbox"/> | Loss of your title resulting from a prior violation of a covenant, condition or restriction                                                                                                      |
| <input type="checkbox"/> | 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) |
| <input type="checkbox"/> | 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)                                                |
| <input type="checkbox"/> | 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)                                    |
| <input type="checkbox"/> | Up to \$5,000 if you must remove your existing structures if they encroach into your neighbor's land (subject to a deductible)                                                                   |
| <input type="checkbox"/> | You cannot use the land as a single-family residence because such use violates an existing zoning law or zoning regulation                                                                       |
| <input type="checkbox"/> | You are forced to remove existing structures because they encroach into an easement affecting the land                                                                                           |
| <input type="checkbox"/> | Damage to existing structures due to an exercise of an existing right to use any easement affecting the land                                                                                     |
| <input type="checkbox"/> | 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               |
| <input type="checkbox"/> | Attempted enforcement of a discriminatory covenant                                                                                                                                               |
| <input type="checkbox"/> | Supplemental taxes because of a prior construction or change of ownership or use                                                                                                                 |
| <input type="checkbox"/> | Damages if the residence is not located at the address stated in the policy                                                                                                                      |
| <input type="checkbox"/> | Pays substitute rent and relocation expenses, if you cannot use your home because of a claim covered by the policy                                                                               |
| <input type="checkbox"/> | Automatic increase in policy amount up to 150% of policy amount over 5 year                                                                                                                      |
| <input type="checkbox"/> | Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors)                                                                           |

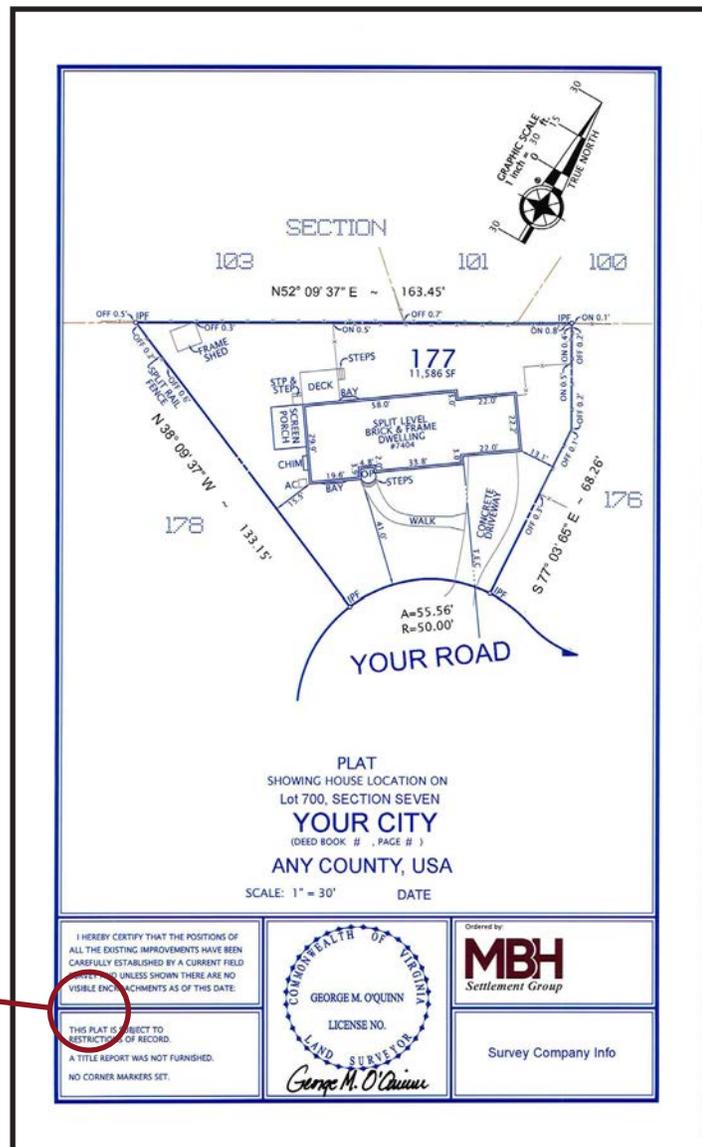
# Protecting Your Investment: Property Survey

## What Is A Survey?

A survey is a document which illustrates the property boundary lines, including structures, fences, possible encroachments onto or from neighboring properties, and easements on the property. A survey can affirm property size and make you aware of major issues concerning the property in time to have them remedied by the seller prior to closing.

## Why Do You Need a Survey?

It is generally believed to be in your best interest to have a survey done, even if it's not required. Improperly placed fences, encroachment of neighboring structures, and development restrictions are a few of the potential issues that would be brought to light by a survey. All of which would be important to understand before you purchase. When a survey is done, the title insurance policy will contain an exception for anything that shows up when the survey is done.



# Understanding The Residential GCAAR Sales Contract

*The following is an overview of each provision of the Residential GCAAR Sales Contract (District of Columbia and Montgomery County, Maryland), effective July 2020:*

## **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. JURISDICTIONAL ADDENDUM.**

The GCAAR contract covers both the District of Columbia and Montgomery County, Maryland. In this section, the Buyer indicates the jurisdiction the property is located, and what jurisdictional addendum will be attached to the contract to cover some of the specifics of closing in that locality.

## **3. 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.

## **4. 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.

## **5. FUNDS DUE AT SETTLEMENT:**

The balance of all money due from the Buyer must be paid at or before closing in a manner acceptable to the settlement agent. MBH accepts certified funds or bank wired funds (no personal checks). If the Buyer 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. SETTLEMENT:** The Settlement paragraph sets forth the settlement date and the settlement agent.

## **7. 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.

#### **8. ACCESS TO PROPERTY:**

The Seller must provide reasonable access to the Buyer, Broker, inspectors, Lender representatives, etc. Walk-through inspection(s) may be done within 5 days prior to settlement and/or occupancy.

#### **9. INCLUSIONS/EXCLUSIONS:**

This paragraph refers to an addendum which contains an itemized list of various personal property and fixtures that will convey with the Property.

#### **10. 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.

#### **11. BUYER’S REPRESENTATIONS:**

The correct boxes should be checked as to whether or not the Buyer will occupy the Property as a principal residence, and whether the selling agent is allowed to disclose financial or credit information to the Seller, listing agent or lender.

#### **12. WOOD-DESTROYING INSECT INSPECTION:**

The Buyer is responsible for the initial expense of the Pest Inspection unless the Buyer is obtaining a VA loan. 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.

#### **13. LEAD-BASED PAINT REGULATIONS:**

The Seller shall disclose whether any part of the house or condominium was built prior to January 1, 1978. If so, a GCAAR form “Lead Paint--Federal Disclosure,” the EPA pamphlet “Protect Your Family from Lead in Your Home” and, if the property is located in DC, the District of Columbia Lead Disclosure (GCAAR form “Lead Paint-- DC Disclosure”), shall be required to be delivered to the Buyer as part of the contract. A Seller who fails to provide the forms, if required to do so, may face civil or criminal liability, and the Buyer has the right to void the contract until he has acknowledged receipt of the forms. The acknowledgement should be initialed, and the appropriate box should be checked.

#### **14. FINANCING APPLICATION:**

If applicable, Buyer will apply for financing and insurance no later 7 days after the contract is signed, and the lender will keep Seller/listing agent informed of the general progress of the loan. The Seller will try to comply with lender requirements except those dealing with repairs, which are covered in the financing addendum.

#### **15. 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.

**16. 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.

**17. 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.

**18. FEES:**

This section discusses the settlement and recording fees to be paid by the Seller and the Buyer at Settlement.

**19. 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.

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

**21. DISPUTES:**

The Parties agree to indemnify and hold the real estate agent(s) harmless from any liability in any dispute that does not result in a judgment or decision against the agent(s).

**22. LEGAL EXPENSES:**

If a dispute arises concerning the Contract, the non-breaching party is entitled to receive reimbursement of reasonable legal expenses from the breaching party.

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

**24. SELLER RESPONSIBILITY:** Seller will keep existing mortgages free of default through Settlement.

**25. DEFAULT:**

Even if the Financing Contingency has not been removed, the Buyer 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 Buyer is in default, the Buyer's deposit may be at risk. Further, the Buyer should realize that the earnest money deposit may not be the limit of the Buyer's liability upon default.

**26. DISCLOSURES TO THE PARTIES:**

The Seller and Buyer 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 26A** — Property Condition: This section notifies the Buyer that there are certain home inspection services and home warranty programs available.

**Subparagraph 26B** — 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 26C** — Financing: This section states that the Purchaser has the right to select a lender of his/her choice.

**Subparagraph 26D** — 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 26E** — Property Taxes: This section puts the Buyer on alert that the property tax bill could increase after Settlement.

**Subparagraph 26F** — Property Insurance: This section puts the Buyer on notice that property insurance, while typically a requirement for acquiring financing, may be difficult to obtain.

**Subparagraph 26G** — Title Insurance: This section addresses title insurance and provides that for owner's title insurance, the Buyer and Seller require that the Buyer's lender quote rates for the enhanced policy.

#### **27. 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).

#### **28. FIRPTA - WITHHOLDING TAXES FOR FOREIGN SELLERS:**

This paragraph advises Buyers about withholding requirements for "foreign person" Sellers. If a Seller is not a US Citizen or Lawful Permanent Residence, they should let the Settlement Agent know immediately.

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

**30. NOTICES AND DELIVERY:** This paragraph specifies the general notice and delivery requirements under the Contract. Condo/HOA resale packages may be delivered through an electronic link provided by the association to the Buyer or the Buyer's Agent, as specified in the addendum to the contract.

#### **31. MISCELLANEOUS:**

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

#### **32. 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.

#### **33. 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.



### GCAAR Sales Contract

#### TIME IS OF THE ESSENCE AS TO ALL TERMS OF THIS CONTRACT.

The SALES CONTRACT ("Contract") is made 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 Company") represents Seller, and \_\_\_\_\_ ("Selling Company") represents  Buyer OR  Seller. The Listing Company and Selling Company are collectively referred to as "Broker." (If Broker 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 is 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"):

Street Address \_\_\_\_\_  
 Unit # \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
 Condominium/Cooperative Project Name \_\_\_\_\_  
 Parking Space(s) # \_\_\_\_\_ Storage Unit(s) # \_\_\_\_\_  
 Legal Description: Lot(s) \_\_\_\_\_ Block/Square \_\_\_\_\_ Section \_\_\_\_\_  
 Subdivision \_\_\_\_\_ Tax Account # \_\_\_\_\_

2. **JURISDICTIONAL ADDENDUM:** The following Jurisdictional Addendum, if ratified and attached, is made a part of this Contract. Jurisdictional Addendum for  District of Columbia  Montgomery County, MD

3. **PRICE AND FINANCING:** (All percentages refer to percent of Sales Price.)

A. **Down Payment** \_\_\_\_\_ %  
 B. **Financing**  
     1. First Trust (if applicable) \_\_\_\_\_ %  
     2. Second Trust (if applicable) \_\_\_\_\_ %  
     3. Seller Held Trust \_\_\_\_\_ %  
     (if applicable, addendum attached)  
**TOTAL FINANCING** \_\_\_\_\_ %  
**SALES PRICE** \$ \_\_\_\_\_

C. **First Deed of Trust** Purchaser will  Obtain OR  Assume a  Fixed OR an  Adjustable rate First Deed of Trust loan of the following type:

**Conventional** See Addendum Attached  **This Contract is not contingent on Financing.**  
 **FHA** See Addendum Attached  Other: \_\_\_\_\_  
 **VA** See Addendum Attached

D. **Second Deed of Trust** Purchaser will  Obtain OR  Assume a  Fixed OR an  Adjustable rate Second Deed of Trust loan.

E. **Assumption** Assumption fee, if any, and all charges related to the assumption will be paid by the Buyer. If Buyer assumes Seller's loan(s): (i) Buyer and Seller  will OR  will not obtain a release of Seller's liability to the financial institution or U.S. Government for the repayment of the loan by Settlement, (ii) Buyer and Seller  will OR  will not obtain substitution of Seller's VA entitlement by Settlement. Balances of any assumed loans, secondary financing and cash down payments are approximate.

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4. **DEPOSIT:** Buyer's deposit ("Deposit") in the amount of \_\_\_\_\_ shall be held by \_\_\_\_\_ ("Escrow Agent"). Buyer  has delivered OR  will deliver the Deposit within \_\_\_\_\_ days after Date of Ratification. (If the Property is in Maryland and Broker is the Escrow Agent, the Deposit must be delivered to Escrow Agent within 3 days of the Date of Ratification.) The Deposit will be placed in an escrow account of the Escrow Agent after Date of Ratification in conformance with the laws and regulations of the appropriate jurisdiction 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 the Deposit. The Deposit will be held in escrow until: (i) credited toward the 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 the laws and regulations of the appropriate jurisdiction. Seller and Buyer agree that Escrow Agent will have no liability to any party on account of disbursement of the Deposit or on account of failure to disburse the Deposit, except in the event of the Escrow Agent's gross negligence or willful misconduct.

5. **FUNDS DUE AT SETTLEMENT:** The balance of the funds due at Settlement from Buyer and/or Seller will be paid on or before the Settlement Date. Buyer and/or Seller shall verify with Settlement Agent how funds due at Settlement are to be paid. An assignment of funds shall not be used without prior written consent of all parties to the transaction.

6. **SETTLEMENT:** Seller and Buyer will perform in accordance with the terms of this Contract ("Settlement") on \_\_\_\_\_ ("Settlement Date") except as otherwise provided in this Contract. Buyer selects \_\_\_\_\_ ("Settlement Agent") to conduct the Settlement. Buyer agrees to contact the Settlement Agent within 10 Days after the Date of Ratification to schedule Settlement and to place a title order.

7. **PROPERTY MAINTENANCE AND CONDITION:** Except as otherwise specified herein, Seller will deliver the Property at Settlement vacant, 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: \_\_\_\_\_. Failure to select an option in the preceding sentence shall be deemed an agreement to select the Date of Offer option. Seller will have all utilities in service through Settlement or as otherwise agreed. Seller will have smoke detectors and carbon monoxide detectors installed and operational prior to Settlement in accordance with the requirements of the jurisdiction in which the Property is located. 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 the 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 declines the opportunity to make Contract contingent upon home inspection(s) and/or other inspections.

Buyer acknowledges that except as otherwise specified in this 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 above. Buyer further acknowledges that neither Brokers and/or their agents nor subagents are responsible for Property defects.

8. **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 a final inspection within 5 days prior to Settlement and/or occupancy, unless otherwise agreed to by Buyer and Seller.

9. **INCLUSIONS/EXCLUSIONS:** The Property includes the personal property and fixtures as defined and identified in the attached Inclusions/Exclusions Disclosure and Addendum.

10. **HOME WARRANTY:**  Yes OR  No

Home warranty policy paid for and provided at Settlement by:  Buyer OR  Seller

Cost not to exceed \$ \_\_\_\_\_. Warranty provider to be \_\_\_\_\_.

11. **BUYER'S REPRESENTATIONS:** Buyer  will OR  will not occupy the 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.** The Selling Company  is OR  is not authorized to disclose to the Listing Company, Seller and any lender the appropriate financial or credit information statement provided to the Selling Company by Buyer. 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.

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**12. WOOD-DESTROYING INSECT INSPECTION:** Buyer at Buyer's expense (except under VA financing, then at Seller's expense) may choose to obtain a wood-destroying insect ("WDI") inspection of the Property by a licensed pest control firm. If Buyer elects to do so, Buyer will furnish to Seller a written report from the licensed pest control firm showing that all dwelling(s) and/or garage(s) within the Property are free of visible evidence of any live WDI, and free from visible WDI damage. Any treatment for live WDI and/or repairs for WDI damage recommended in the licensed pest control firm's report will be made at Seller's expense. Said treatment shall be completed by a licensed pest control firm and said repairs shall be completed by a contractor licensed in the appropriate jurisdiction. Seller will provide written evidence of such treatment and/or repair prior to Settlement which shall satisfy the requirements of this Paragraph.

**13. LEAD-BASED PAINT REGULATIONS:** Federal law requires sellers of properties built before 1978 to provide buyers with the required federal disclosure regarding lead paint (GCAAR form "Lead Paint--Federal Disclosure") and the EPA pamphlet "Protect Your Family from Lead in Your Home". In addition, for District of Columbia properties built before 1978, sellers are required to provide buyers the District of Columbia Lead Disclosure (GCAAR form "Lead Paint-- DC Disclosure"). A seller who fails to provide the required local and federal lead-based paint forms, including the EPA pamphlet, may be liable under the law for three times the amount of damages and may be subject to both civil and criminal penalties. Seller and any agent involved in the transaction are required to retain a copy of the completed lead-based paint disclosure forms for a period of six (6) years following the date of Settlement. If the dwelling(s) was built prior to 1978 or if the building date is uncertain and the Property is not exempt from the Residential Federal Lead-Based Paint Hazard Reduction Act of 1992, this Contract is voidable by Buyer until Buyer acknowledges receipt of the required federal lead- based paint form, including the EPA pamphlet, and DC Lead Disclosure if applicable, and has either taken the opportunity to incorporate a Lead-Based Paint Inspection contingency or waived such right. Buyer retains the right to unconditionally, and without risk of loss of Deposit or other adverse effects, declare Contract void until said acknowledgement occurs. Seller and Buyer acknowledge by their respective initials below that they have read and understand the provisions of this paragraph.

Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

**Completed Lead-Based Paint forms are attached.**       Yes       No       N/A

In accordance with the Lead Renovation, Repair and Painting Rule ("RRP") as adopted by the Environmental Protection Agency ("the EPA"), effective April 22, 2010, if the improvements on the Property were built before 1978, contractor(s) engaged by Seller to renovate, repair or paint the Property must be certified by the EPA where such work will disturb more than six square feet of lead-based paint per room for interior projects, more than 20 square feet of lead-based paint for any exterior project, or includes window replacement or demolition ("Covered Work"). Before and during any Covered Work, contractor(s) must comply with all requirements of the RRP. A seller who personally performs any Covered Work on a rental property is required to be certified by the EPA prior to performing such Covered Work. No certification is required for a seller who personally performs Covered Work on a seller's principal residence. However, seller has the ultimate responsibility for the safety of seller's family or children while performing such Covered Work. For detailed information regarding the RRP, Seller should visit <http://www2.epa.gov/lead/renovation-repair-and-painting-program>. The Seller and Buyer acknowledge that they have read and understand the provisions of this section.

Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

**14. FINANCING APPLICATION:** If this Contract is contingent on financing, Buyer will make written application for the Specified Financing and any Lender required property insurance no later than 7 days after the Date of Ratification. Buyer grants permission for the Selling Company and the Lender to disclose to the Listing Company and Seller general information about the progress of the loan application and loan approval process. If Buyer fails to settle except due to any Default by Seller, then the provisions of the DEFAULT paragraph shall apply. Seller agrees to comply with reasonable Lender requirements except as otherwise provided in the LENDER REQUIRED REPAIRS paragraph of the applicable financing contingency addendum.

**15. DAMAGE OR LOSS:** The risk of damage or loss to the 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.

**16. TITLE:** The title report and survey if required, will be ordered pursuant to the terms in the Settlement Paragraph. If such report and survey are not available on the Settlement Date, and were ordered as required, Settlement may be delayed for up to 10 Business Days to obtain the title report and survey after which date this Contract, at the option of Seller, may be declared void, and the Deposit will be refunded in full to Buyer. Fee simple title to the Property, and everything that conveys with it, will be sold free of liens, except for any loans assumed by Buyer. Title is to be good of record, marketable, and insurable by a licensed title insurance company with no additional risk premium. Title will be subject to easements, covenants, conditions and restrictions of record in existence as of Date of Ratification ("Required Condition"). If, as determined by the Settlement Agent, title is not in the Required Condition by the Settlement Date, said date shall automatically be extended by 30 days ("Extended Settlement Date"), and Seller shall promptly take all action necessary to place title

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in the Required Condition prior thereto at Seller's expense. If title is not in the Required Condition by the Extended Settlement Date, then Buyer may Deliver Notice to Seller declaring this Contract void.

Broker or any agents, subagents or employees of Broker, and Settlement Agent are not advising the parties as to certain issues, including without limitation: land use; lot size and exact location; and possible restrictions of the use of the Property due to restrictive covenants, easements, zoning, subdivision, or environmental laws. Broker or any agents, subagents or employees of Broker, and Settlement Agent are hereby expressly released from all liability for damages by reason of any defect in the title.

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 convey the Property by Special Warranty Deed or by Personal Representative's Deed in the event Seller is a decedent's estate. 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 the Settlement Agent to obtain payoff or assumption information from any existing lenders.

Unless otherwise agreed to in writing, Seller will pay any governmental special assessments and will comply with all orders or notices of violations of any county or local authority, condominium unit owners' association, and/or homeowners' association or actions in any court on account thereof, against or affecting the Property on the Settlement Date. The parties authorize and direct the Settlement Agent to provide a copy of the Combined Settlement Statement to Seller, Buyer, Listing Company, Selling Company, Homeowner/Condominium Association, Relocation Company and/or any third-party payees reflected on the Settlement Statement.

The parties acknowledge that, under certain circumstances, when a property is substantially renovated or modified or its usage is changed, a Certificate of Occupancy or a Final Inspection Certification may be required prior to use and occupancy of the property. Additional information on these requirements can be obtained at <https://code.dccouncil.us/dc/council/code/sections/6-641.09.html> for properties located in the District of Columbia and at [https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco\\_md/0-0-0-3515#JD\\_8-28](https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md/0-0-0-3515#JD_8-28) for properties located in Montgomery County, MD. In the event a local authority requires the issuance of a Certificate of Occupancy or a Final Inspection Certificate, the Seller agrees to provide evidence thereof.

17. **POSSESSION DATE:** Unless otherwise agreed to in writing between Seller and Buyer, Seller will give possession of the Property at Settlement, including delivery of keys, fobs, and codes, if any. If Seller fails to do so and occupies the 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 the Property. Seller will pay any damages and costs incurred by Buyer including reasonable Legal Expenses.
18. **FEES:** Fees for the preparation of the Deed, that portion of the 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 the 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 the Property is located. (Recording and Transfer Taxes are covered in the appropriate jurisdictional addendum.)
19. **BROKER'S FEE:** Seller irrevocably instructs the Settlement Agent to pay the Broker compensation ("Broker's Fee") at Settlement as set forth in the listing agreement and to disburse the Broker's Fee offered by the Listing Company to the Selling Company as set forth in the multiple listing service as of the Date of Offer, and any remaining amount of the Broker's Fee to the Listing Company.
20. **ADJUSTMENTS:** Proratable charges, including but not limited to, rents, taxes, water and sewer charges, front foot benefit and house connection charges, condominium/cooperative unit owners' association and/or homeowners' association regular periodic assessments, are to be adjusted to the Settlement Date. Any heating or cooking fuels remaining in supply tank(s) at Settlement will become the property of Buyer. Taxes are to be adjusted according to the information provided by the collector of taxes. If a loan is assumed, interest will be adjusted to the Settlement Date and Buyer will reimburse Seller for any existing escrow accounts.
21. **DISPUTES:** In the event of any dispute between Seller and Broker and/or Buyer and Broker resulting in Broker or any agents, subagents or employees of Broker being made a party to such dispute, including but not limited to, any litigation, arbitration, or complaint and claim before the applicable Real Estate Commission, whether as defendant, cross-defendant, third-party defendant or respondent, Seller and Buyer, jointly and severally, agree to indemnify and hold Broker and any agents, subagents and employees of Broker harmless from any liability, loss, cost, damage or expense (including but not limited to, filing fees, service of process fees, transcript fees and Legal Expenses), resulting therefrom, provided that such dispute does not result in a judgment or decision against Broker, Broker's agents, subagents or employees for acting improperly.

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**22. LEGAL EXPENSES:**

- A. In any action or proceeding between Buyer and Seller based, in whole or in part, upon the performance or non-performance of the terms and conditions of this Contract, including but not limited to, breach of contract, negligence, misrepresentation or fraud, the prevailing party in such action or proceeding shall be entitled to receive reasonable Legal Expenses from the other party as determined by the Court or arbitrator.
- B. In the event a dispute arises resulting in Broker (as used in this paragraph to include any agent, subagent or employee of Broker) and/or Settlement Agent being made a party to any litigation by Buyer or by Seller, the parties agree that the party who brought Broker and/or Settlement Agent into litigation shall indemnify Broker and/or Settlement Agent for all reasonable Legal Expenses incurred, unless the litigation results in a judgment against Broker and/or Settlement Agent.

**23. 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.

**24. SELLER RESPONSIBILITY:** Seller agrees to keep existing mortgages free of default through Settlement. All violations of requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the Property at Settlement, shall be complied with by Seller and the Property conveyed free thereof.

**25. DEFAULT:** Buyer and Seller agree to perform at Settlement in accordance with the terms of this Contract and acknowledge that failure to do so constitutes a breach hereof. If Buyer fails to complete Settlement for any reason other than Default by Seller, at the option of Seller, the Deposit may be forfeited as liquidated damages (not as a penalty) in which event Buyer will be relieved from further liability to Seller. If Seller does not elect to accept the Deposit as liquidated damages, the Deposit may not be the limit of Buyer's liability in the event of a Default. If the 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 the Deposit in lieu of the 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, 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 Legal Expenses, incurred by the other party in the litigation. Seller and Buyer agree that Escrow Agent will have no liability to any party on account of disbursement of the Deposit or on account of failure to disburse the Deposit, except in the event of the Escrow Agent's gross negligence or willful misconduct. The parties further agree that the Escrow Agent will not be liable for the failure of any depository in which the Deposit is placed and that Seller and Buyer each will indemnify, defend and save harmless the Escrow Agent from any loss or expense arising out of the holding, disbursement or failure to disburse the Deposit, except in the case of the 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 Broker's Fee in full, as well as the costs incurred for the title examination, Appraisal, and survey.

**26. DISCLOSURES TO THE PARTIES:** 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. By signing this Contract, Buyer and Seller acknowledge that they have not relied on any representations made by Brokers, or any agents, subagents or employees of Brokers, except those representations expressly set forth in this Contract. Further, Brokers or any agents, subagents or employees of Broker, and Settlement Agent do not assume any responsibility for the performance of this Contract by any or all parties hereto. 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 the Property or tax and insurance matters. The following provisions 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 disclosures contained herein and that Broker or any agents, subagents or employees of Broker, and Settlement Agent make no representations nor assume any responsibility with respect to the following:

- 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: condition of real or personal property, water quality and quantity (including but not limited to, lead and other contaminants); sewer or septic; public utilities; soil condition; flood hazard areas; airport or aircraft noise; roads or highways; and construction materials and/or hazardous materials, including without limitation, flame-retardant treated plywood (FRT), radon, urea formaldehyde foam insulation (UFFI), mold, polybutylene pipes, synthetic stucco (EIFS), underground storage tanks, defective Chinese drywall, asbestos and lead-based paint. Information relating to these issues may be available from appropriate government authorities.

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- 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, agreed to by all parties to the Contract, and Delivered to all parties 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.
- 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 the 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** Buyer is advised that the property tax bill could substantially increase following Settlement. For more information on property taxes, contact the appropriate taxing authority in the jurisdiction where the 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. 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 the extent of its coverage. Buyer may purchase title insurance at either "standard" or "enhanced" coverage and rates. For purposes of owner's policy premium rate disclosure by Buyer's Lender(s), if any, and Settlement Agent, Buyer and Seller require that enhanced rates be quoted. 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.

27. **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.

28. **FOREIGN INVESTMENT TAXES – FIRPTA:** Section 1445 of the United States Internal Revenue Code of 1986 provides that a buyer of a residential real property located in the United States must withhold federal income taxes from the payment of the purchase price if (a) the purchase price exceeds Three Hundred Thousand Dollars (\$300,000.00) or the purchase price is less than or equal to Three Hundred Thousand Dollars (\$300,000.00) and the property will not be owner occupied, and (b) seller is a foreign person for purposes of U.S. income taxation. A foreign person includes, but is not limited to, a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined by the Internal Revenue Code and applicable regulations). In the event Seller is a foreign person (as described above), the Seller will be subject to the withholding provisions of FIRPTA. If Seller is not a foreign person, Seller agrees to execute an affidavit to this effect at Settlement.

29. **DEFINITIONS:**

- A. "Appraisal" means a written appraised valuation of the Property.
- B. "Day(s)" or "day(s)" means calendar day(s) unless otherwise specified in this Contract.
- C. "Business Days", whenever used, means Monday through Friday, excluding federal holidays.
- D. For the purpose of computing time periods, the first Day will be the Day following Delivery and the time period will end at 6 p.m. on the Day specified.
- E. If the Settlement Date falls on a Saturday, Sunday, or legal holiday, then the Settlement will be on the prior Business Day.
- F. "Date of Ratification" This Contract shall be deemed ratified when the Contract, all addenda and any modifications thereto have been signed and initialed, where required, by all parties, and Delivered to the other party pursuant to the Notices paragraph.
- G. The masculine includes the feminine and the singular includes the plural. "Buyer" means "Purchaser" and vice versa.
- H. "Legal Expenses" means attorney fees, court costs, and litigation expenses, if any, including but not limited to, expert witness fees and court reporter fees.
- I. "Specified Financing" means the financing as set forth in the financing addendum attached hereto.

30. **NOTICES AND DELIVERY:** "Notice" means a unilateral communication from one party to another. All Notices required under this Contract will be in writing. Notices to Seller shall be effective when Delivered to Seller or Seller's Agent named in the Contract or that Agent's supervising manager. Notices to Buyer shall be effective when Delivered to Buyer or Buyer's Agent named in the Contract or that Agent's supervising manager.

"Delivery" means sent by wired or electronic medium which produces a tangible record of the transmission (such as fax or e-mail which includes an attachment with an actual copy of the executed instruments being transmitted), hand carried, sent by overnight delivery service or U.S. Postal mailing. In the event of overnight delivery service, Delivery will be deemed to have been made on the next

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Business Day following the sending, unless earlier receipt is acknowledged in writing. In the event of U.S. Postal mailing, Delivery will be deemed to have been made on the third Business Day following the mailing, unless earlier receipt is acknowledged in writing.

Resale packages may be Delivered by Seller or Seller's Agent through an electronic link provided by the management association. For the purposes of Delivery of resale packages for Condominiums, Cooperatives and/or Homeowner's Associations as may be required in a separate addendum, Delivery may be made to Buyer or Buyer's Agent named in the Contract or to that Agent's supervising manager.

- 31. **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 fax or as a PDF attachment to an email will also be considered as originals. Typewritten or handwritten provisions included in this Contract will supersede all pre-printed provisions that are in conflict.
- 32. **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 the Deposit be refunded in full to Buyer according to the terms of the DEPOSIT paragraph.
- 33. **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 jurisdiction where the Property is located.

Seller	Date	Buyer	Date
Seller	Date	Buyer	Date

\*\*\*\*\*

**For informational purposes only:**

**Date of Ratification (see DEFINITIONS)**

\_\_\_\_\_

Seller's Address \_\_\_\_\_ Buyer's Address \_\_\_\_\_

Seller's Email Address \_\_\_\_\_ Buyer's Email Address \_\_\_\_\_

Seller's Telephone Number \_\_\_\_\_ Buyer's Telephone Number \_\_\_\_\_

Listing Company's Name and Address: \_\_\_\_\_ Selling Company's Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Office # \_\_\_\_\_ Office # \_\_\_\_\_

Agent Name \_\_\_\_\_ Agent Name \_\_\_\_\_

Agent Cell # \_\_\_\_\_ Agent Cell # \_\_\_\_\_

Agent Email Address \_\_\_\_\_ Agent Email Address \_\_\_\_\_

Agent License # and Jurisdiction \_\_\_\_\_ Agent License # and Jurisdiction \_\_\_\_\_

Broker License # and Jurisdiction \_\_\_\_\_ Broker License # and Jurisdiction \_\_\_\_\_

Team Leader/Agent \_\_\_\_\_ Team Leader/Agent \_\_\_\_\_

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# Required Addendum:

*Jurisdictional Disclosure And Addendum To The Sales Contract for the District of Columbia*

## **PREAMBLE:**

The preamble is the section of the DC Jurisdictional Addendum containing blanks for the Buyer to again insert the date of offer, the parties to the Contract (Buyer(s) and Seller(s)) and identify the Property that is being conveyed.

## **Part 1: SELLER DISCLOSURE – AT THE TIME OF LISTING**

### **1. SELLER DISCLOSURE:**

The Seller must deliver a disclosure statement prior to acceptance of the Contract (unless the transaction is exempt.) The Seller must check the appropriate box to confirm regarding whether they are exempt from providing the disclosure.

### **2. DC SOIL DISCLOSURE REQUIREMENTS:**

Here the Seller informs the Buyer where to find the Soil Survey pertaining to the land being conveyed.

### **3. TENANCY:**

In this paragraph, the Seller represents whether the property is or was subject to a residential lease at the time of listing. If the Property is/was subject to a lease, the applicable Contract addendum needs to be attached, and the transaction may be subject to the Tenant Opportunity to Purchase Act (TOPA) which gives tenants a right of first refusal, or a right to purchase the property on the same terms as the current Buyer, in some circumstances.

### **4. CONDOMINIUM/CO-OPERATIVE/HOMEOWNERS ASSOCIATION:**

The Seller must confirm whether the property is part of one of the above-mentioned associations, and, if applicable, check the box for which type of association is applicable and attach the corresponding addendum.

### **5. UNDERGROUND STORAGE TANKS:**

If applicable, the Seller must inform the Buyer of any underground storage tanks located on the property.

### **6. PROPERTY TAXES:**

This paragraph gives links regarding property tax information and tax relief programs.

## **Part II. RESALE ADDENDUM**

### **1. SELLER DISCLOSURE:**

Buyer checks whether they have received the Property disclosure or whether the disclosure is not applicable because the Seller is exempt.

### **2. RECORDATION AND TRANSFER TAXES:**

In this Paragraph, unless otherwise agreed, the parties agree that the Recordation Tax will be paid by the Buyer and the Transfer Tax will be paid by the Seller. The Buyer can also check whether they qualify, and intend to apply, for the First Time Homebuyer or Abatement Programs.

3. This untitled paragraph states the provisions of this addendum shall not merge with the Deed.



**Jurisdictional Disclosure and Addendum to the Sales Contract for District of Columbia**  
*(Required for the Listing Agreement and required for the GCAAR Sales Contract)*

The Contract of Sale dated \_\_\_\_\_, between \_\_\_\_\_  
 \_\_\_\_\_ (Buyer) and \_\_\_\_\_ (Seller)  
 for the purchase of the real property located at Address \_\_\_\_\_  
 Unit # \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_, Parking Space(s) # \_\_\_\_\_  
 Storage Unit # \_\_\_\_\_ with the legal description of Lot \_\_\_\_\_ Block/Square \_\_\_\_\_  
 Section \_\_\_\_\_ Subdivision/Project Name \_\_\_\_\_ Tax Account # \_\_\_\_\_  
 is hereby amended by the incorporation of this Addendum, which shall supersede any provisions to the contrary in this Contract.

**PART I. SELLER DISCLOSURE - AT TIME OF LISTING:**

The information contained in this Disclosure was completed by Seller, is based on the Seller's actual knowledge and belief, and is current as of the date hereof.

**1. SELLER DISCLOSURE:** Pursuant to D.C. Code §42-1301, Seller is exempt from property condition disclosure.  
 Yes  No

**2. DC SOIL DISCLOSURE REQUIREMENTS:** The characteristic of the soil on the Property as described by the Soil Conservation Service of the United States Department of Agriculture in the Soil Survey of the District of Columbia published in 1976 and as shown on the Soil Maps of the District of Columbia at the back of that publication is \_\_\_\_\_

For further information, Buyer can contact a soil testing laboratory, the District of Columbia Department of Environmental Services, or the Soil Conservation Service of the Department of Agriculture.

**3. TENANCY:** Seller represents that property  is/was OR  is not/was not subject to an existing residential lease or tenancy at the time Seller decided to sell. District of Columbia broadly defines a tenant as "a tenant, subtenant, lessee, sublessee, or other person entitled to the possession, occupancy, or the benefits of any rental unit within a housing accommodation." If applicable, the following required Addendum shall be incorporated into the Contract.  
 Tenancy Addendum for District of Columbia (Single-Family Accommodation)  
 Tenancy Addendum for District of Columbia (2 to 4 Rental Units)  
 Multi-Unit or Non-Residential Addendum

**4. CONDOMINIUM/CO-OPERATIVE/HOMEOWNERS ASSOCIATION:** Seller represents that this Property  is OR  is not subject to a condominium, co-operative or homeowners association. If applicable, the following required addendum is attached:  
 Condominium Seller Disclosure/Resale Addendum for District of Columbia,  
 Co-operative Seller Disclosure/Resale Addendum for Maryland and District of Columbia, or HOA  
 Seller Disclosure/Resale Addendum for District of Columbia

**5. UNDERGROUND STORAGE TANK DISCLOSURE: (Applicable to single family home sales only)**  
 In accordance with the requirements of the District of Columbia Underground Storage Tank Management Act of 1990 [D.C. Code §8-113.02(g)], as amended by the District of Columbia Underground Storage Tank Management Act of 1990 Amendment Act of 1992 (the "Act") and the regulations adopted thereunder by the District of Columbia (the "Regulations"), Seller hereby informs Buyer that Seller has no knowledge of the existence or removal during Seller's ownership of the Property of any underground storage tanks as that term is defined in the Act and the Regulations, except as follows: \_\_\_\_\_

**6. PROPERTY TAXES:** Future property taxes may change. To determine the applicable rate, see [https://www.taxpayerservicecenter.com/RP\\_Search.jsp?search\\_type=Assessment](https://www.taxpayerservicecenter.com/RP_Search.jsp?search_type=Assessment). Additional information regarding property tax relief and tax credit information (tax reductions for seniors, homestead exemptions, property tax abatements and others) can be found at: <http://otr.cfo.dc.gov/page/real-property-tax-credits-frequently-asked-questions-faqs>.

\_\_\_\_\_  
 Seller Date Seller Date

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**PART II. RESALE ADDENDUM**

The Contract of Sale dated \_\_\_\_\_, between Seller \_\_\_\_\_ and Buyer \_\_\_\_\_ is hereby amended by the incorporation of Parts I and II herein, which shall supersede any provisions to the contrary in the Contract.

**1. SELLER DISCLOSURE:** Pursuant to D.C. Code §42-1302, prior to the submission of the offer, Buyer is entitled to a Seller's Disclosure Statement (if Seller is not exempt) and hereby acknowledges receipt of same.  Yes  No  
 Not applicable

**2. RECORDATION AND TRANSFER TAXES:** Rates vary with the sales price and based on property type. See <http://otr.cfo.dc.gov/service/recorder-deeds-frequently-asked-questions-faqs>. In limited circumstances, an exemption from Recordation Tax may be available to Buyer, if Buyer meets the requirements for the Lower Income Home Ownership Exemption Program ("Tax Abatement Program"). See below for additional information. Unless otherwise negotiated, the following will apply:

- A. Real Property:** Recordation Tax will be paid by Buyer and Transfer Tax will be paid by Seller.
- B. Co-operatives:** The Economic Interest Deed Recordation Tax will be split equally between Buyer and Seller. There is no Transfer Tax for Co-operatives.
- C. Tax Abatement Program:** Additional information (including the required Application Form) for the Tax Abatement Program can be obtained at: [http://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/sharp%40dc.gov\\_20140909\\_110358.pdf](http://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/sharp%40dc.gov_20140909_110358.pdf). If Buyer meets the requirements of this program, Buyer will be exempt from Recordation Tax. Additionally, Seller shall credit Buyer an amount equal to what would normally be paid to the District of Columbia as Seller's Transfer Tax to be applied towards Buyer's settlement costs. This credit shall be in addition to any other amount(s) Seller has agreed to pay under the provisions of this Contract. It is Buyer's responsibility to confirm with Lender, if applicable, that the entire credit provided for herein may be utilized. If Lender prohibits Seller from payment of any portion of this credit, then said credit shall be reduced to the amount allowed by Lender. Buyer  is OR  is not applying for the Tax Abatement Program.
- D. First-Time Homebuyer Recordation Tax Credit:** Buyer  is OR  is not a District of Columbia First- Time Homebuyer and may be eligible for a reduced recordation tax. It is the Buyer's responsibility to confirm their eligibility (See <https://otr.cfo.dc.gov/node/1272871>).

**3.** The principals to the Contract mutually agree that the provisions hereof shall survive the execution and delivery of the Deed and shall not be merged herein.

_____	_____	_____	_____
Seller	Date	Buyer	Date
_____	_____	_____	_____
Seller	Date	Buyer	Date

# ALTA Settlement Statement

## What is your 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.

American Land Title Association		ALTA Settlement Statement - Combined Adopted 05-01-2015		
File No./Escrow No.: MBH123456		<b>MBH Settlement Group, L.C.</b>		
Print Date & Time: 07/01/2019				
Officer/Escrow Officer: MBH				
Settlement Location: MBH				
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:				
Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		<b>Financial</b>		
1	429,500.00	Sales Price of Property	429,500.00	
		Deposit including earnest money		2,000.00
		Loan Amount		339,500.00
		<b>Prorations/Adjustments</b>		
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
		<b>Loan Charges to Dreamtown Lending</b>		
		Application Fee to Dream Mortgage POC – B \$200.00		
		Origination Fee	3,395.00	
		Underwriting Fee	295.00	
		Prepaid Interest	1,905.90	

1  
Debits = Charges  
Credits = Deposits

On page 2 of 3

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		<b>Other Loan Charges</b>		
		Appraisal Fee to AppraiseIt! LLC <b>2</b>	450.00	
		Credit Report Fee to Equifax POC – B \$29.50		
		Flood Determination Fee to NoFloodTownCompany, Co.	11.00	
		<b>Impounds</b>		
		Homeowner's Insurance 2 mo @ \$ 576.66/mo	153.32	
		County Taxes 2 mo @ \$ 395.83/mo	791.66	
		Aggregate Adjustment		23.45
		<b>Title Charges &amp; Escrow / Settlement Charges</b>		
		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	
		<b>Commission</b>		
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
		<b>Government Recording and Transfer Charges</b>		
		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 <b>3</b>	1922.50	
429.50		Grantors Tax to Clerk of Court		
		<b>Payoff(s)</b>		
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		

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

**3** As disclosed on the Closing Disclosure (CD).

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		<b>Miscellaneous</b>		
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
		<b>Subtotals</b>	\$444,181.14	\$343,050.11
\$279,087.16	\$429,500.00	Due From Borrower	\$101,131.03	
\$150,412.84		Due To Seller		
\$429,500.00	\$429,500.00	<b>Totals</b>	\$444,181.14	\$444,181.14

**4**

**4**

**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 \_\_\_\_\_ **5**

Seller \_\_\_\_\_

\_\_\_\_\_  
Escrow Officer

On page 3 of 3

**4** Total of Funds.

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

# Closing Disclosure

## What is your Closing Disclosure?

The five-page Closing Disclosure sums up the terms of your loan and what you pay at closing. You can easily compare the numbers to the Loan Estimate you received earlier. There should not be any significant changes other than those you have already agreed to. Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you'll be expected to pay—over the life of your loan and at closing.

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

Closing Information		Transaction Information <b>1</b>		Loan Information	
Date Issued	7/02/2019	Borrower	Michael Jones and Mary Stone	Loan Term	30 years <b>3</b>
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
	Anytown, ST 12345		Ficus Bank	MIC #	000654321
Sale Price	\$180,000				

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO <b>5</b>
Interest Rate	3.875%	NO
Monthly Principal & Interest	\$761.78	NO
<i>See Projected Payments below for your Estimated Total Monthly Payment</i>		
Prepayment Penalty	<b>6</b> YES	As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment		NO

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
<b>Estimated Total Monthly Payment</b> <b>8</b>	<b>\$1,050.26</b>	<b>\$967.91</b>

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i> <i>See page 4 for details</i>	\$356.13 a month	<b>This estimate includes</b>	<b>In escrow?</b>
		<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>	<b>YES</b> <b>YES</b> <b>9</b> <b>NO</b>

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. <b>10</b>

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789

- 1** Check the spelling of your name.
- 2** Transaction Information.
- 3** Verify your loan information is accurate.
- 4** Basic Loan Terms.
- 5** Verify the loan amount and interest rate are accurate.
- 6** Does your loan have a prepayment penalty?
- 7** An overview of Mortgage Payments Over the Life of the Loan.
- 8** Check that your Estimated Total Monthly Payment matches your most recent Loan Estimate.
- 9** Check to see if you have items not in escrow.
- 10** Check to make sure your Costs at Closing match your most recent Loan Estimate.

On page 2 of 5

- 11 Up front charges from your lender for making the loan.
- 12 An itemized accounting of the Buyer's Closing Costs.
- 13 An itemized accounting of the Seller's Closing Costs.
- 14 Costs associated with transferring the property to you.
- 15 Prepaid interest and your first year's homeowners insurance premium.
- 16 This payment will establish an initial balance in your escrow account.
- 17 Costs for other services you have chosen. Review these amounts to make sure they match what you are expecting.

### Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>	<b>\$1,802.00</b>				
01 0.25 % of Loan Amount (Points)	\$405.00				13
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					12
06					
07					
08					
09					
<b>B. Services Borrower Did Not Shop For</b>	<b>\$236.55</b>				
01 Appraisal Fee to John Smith Appraisers Inc.					
02 Credit Report Fee to Information Inc.		\$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					
<b>C. Services Borrower Did Shop For</b>	<b>\$1,954.80</b>				
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.	\$605.00				
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				
09					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>	<b>\$3,993.35</b>				
Loan Costs Subtotals (A + B + C)	\$3,993.35	\$29.80			
<b>Other Costs</b>					
<b>E. Taxes and Other Government Fees</b>	<b>\$85.00</b>				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
<b>F. Prepays</b>	<b>\$2,120.80</b>				
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					
<b>G. Initial Escrow Payment at Closing</b>	<b>\$412.25</b>				
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				
<b>H. Other</b>	<b>\$2,012.20</b>				
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					
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>	<b>\$4,630.25</b>				
Other Costs Subtotals (E + F + G + H)	\$4,630.25				
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>	<b>\$8,623.60</b>				
Closing Costs Subtotals (D + I)	\$8,623.60	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE PAGE 2 OF 5 - LOAN ID # 123456789

### 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 Closing Costs Paid Before Closing
Closing Costs Paid Before Closing	\$0	-\$29.80	YES - You paid these Closing Costs
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
<b>Cash to Close</b>	<b>\$14,406.00</b>	<b>\$13,808.76</b>	

### Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
<b>K. Due from Borrower at Closing</b>	<b>\$188,703.60</b>	<b>M. Due to Seller at Closing</b>	<b>\$180,080.00</b>
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	
<b>Adjustments</b>		05	
05		06	
06		07	
07		08	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
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	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$174,894.84</b>	<b>N. Due from Seller at Closing</b>	<b>\$115,665.04</b>
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	
06		06	
07		07	
08 Seller Credit	\$2,500.00	08	
09		09	
10		10	
11		11	
12		12	
13		13	
<b>Adjustments for Items Unpaid by Seller</b>		<b>Adjustments for Items Unpaid by Seller</b>	
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	
<b>CALCULATION</b>		<b>CALCULATION</b>	
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
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$13,808.76</b>	<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	<b>\$64,414.96</b>

CLOSING DISCLOSURE PAGE 3 OF 5 - LOAN ID # 123456789

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- 18 A comparison of the Loan Estimate vs. the Closing Disclosure.
- 19 Total cost of home purchase. It includes your house price and closing costs.
- 20 Costs that have been prepaid by the Seller that you are now reimbursing the Seller for.
- 21 Check that your Seller Credit reflects what you agreed upon with the Seller.
- 22 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.
- 23 Actual amount you will have to pay at closing.

## Additional Information About This Loan

### Loan Disclosures

#### Assumption

If you sell 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: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues 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 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.

CLOSING DISCLOSURE

On page 4 of 5

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

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

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

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

On page 5 of 5

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

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

30 Net amount of money you are borrowing.

### Loan Calculations

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



**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](http://www.consumerfinance.gov/mortgage-closing)

### 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.

### Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	MBH Settlement Group, L.C.
<b>Address</b>	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	4230 Lafayette Center Dr., Suite 1, Chantilly, VA 20151
<b>NMLS ID</b>					
<b>ST License ID</b>			2765416	Z61456	
<b>Contact</b>	Joe Smith		Samuel Green	Joseph Cain	John Smith
<b>Contact NMLS ID</b>	12345				
<b>Contact ST License ID</b>			P16415	PS1461	
<b>Email</b>	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	mbhinfo@mbh.com
<b>Phone</b>	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 \_\_\_\_\_

CLOSING DISCLOSURE

PAGE 5 OF 5 - LOAN ID # 123456789

# 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

*DC Gas & Electric* — 855-340-3243

*PEPCO* — 202-833-7500

*Utility Line* — 800-206-5994

*Washington Gas* — 844-927-4427



## WATER SERVICES

*District of Columbia* — 202-787-2000



## COUNTY SERVICES

*District of Columbia* — 202-442-5955



## TELEPHONE / DATA SERVICES

*Century Link* — 800-244-1111

*Comcast* — 800-934-6489

*Cox* — 800-234-3993

*Verizon* — 800-837-4966

# Terms You Should Know

## Glossary and Definitions

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

**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.

**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.

**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.

**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.

**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.

**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.

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

**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.

**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.

**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.

**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 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.

**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.

**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.

**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.

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

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

**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.

**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.

**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.

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

**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.

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

**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.

**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.

**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.

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

**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.

# MBH Settlement Group

## Map of Locations

### Virginia

#### Alexandria (Old Town)

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

#### Arlington

2101 Wilson Boulevard, Suite 1250  
Arlington, VA 22201  
703-237-1100  
mbharlington@mbh.com

#### Burke

5641 Burke Centre Pkwy, Suite 230  
Burke, VA 22015  
703-913-8080  
mbhburke@mbh.com

#### Chantilly \*February 2022\*

4530 Walney Road, Suite 100  
Chantilly, VA 20151  
703-277-6800

#### Fair Oaks

12150 Monument Dr., 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 Pza., 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 Dr., 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

1945 Old Gallows Rd., Suite 615  
Vienna, VA 22182  
703-242-2860  
mbhvienna@mbh.com

#### Warrenton

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

#### Winchester

817 Cedar Creek Grade, Suite 203  
Winchester, VA 22601  
540-546-0615  
mbhwinchester@mbh.com

### Maryland & D.C.

#### Bethesda

8120 Woodmont Ave, Suite 810,  
Bethesda, MD 20814  
301-941-4990  
mbhmaryland@mbh.com

#### District of Columbia

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

# Maryland



# Virginia

# OUR FOCUS IS ON YOUR NEEDS

**"MBH IS TOP NOTCH!  
THEY ARE RIGHT ON EVERY  
ISSUE OF SETTLEMENT AND  
VERY COMMUNICATIVE.  
I RECOMMEND THEM HIGHLY."**

**- FACEBOOK | MARSHA W.**

**"THE STAFF AT MBH WERE  
AMAZINGLY EFFICIENT, FRIENDLY  
AND PROFESSIONAL IN PROCESSING  
MY CLOSING! I HAVE AND WILL  
CONTINUE TO USE THEM FOR MY  
REAL ESTATE CLIENTS AND MYSELF  
IN THE FUTURE!"**

**- GOOGLE | BRIAN H.**



Looking For Exceptional Service And  
A Smooth, Secure, Convenient Closing  
That Is Focused On Your Needs?

Contact MBH at one of our 20 offices across VA, MD & DC.

From Contract To Keys, MBH Has You Covered.™

**MBH**  
*Settlement Group*

MBH.com