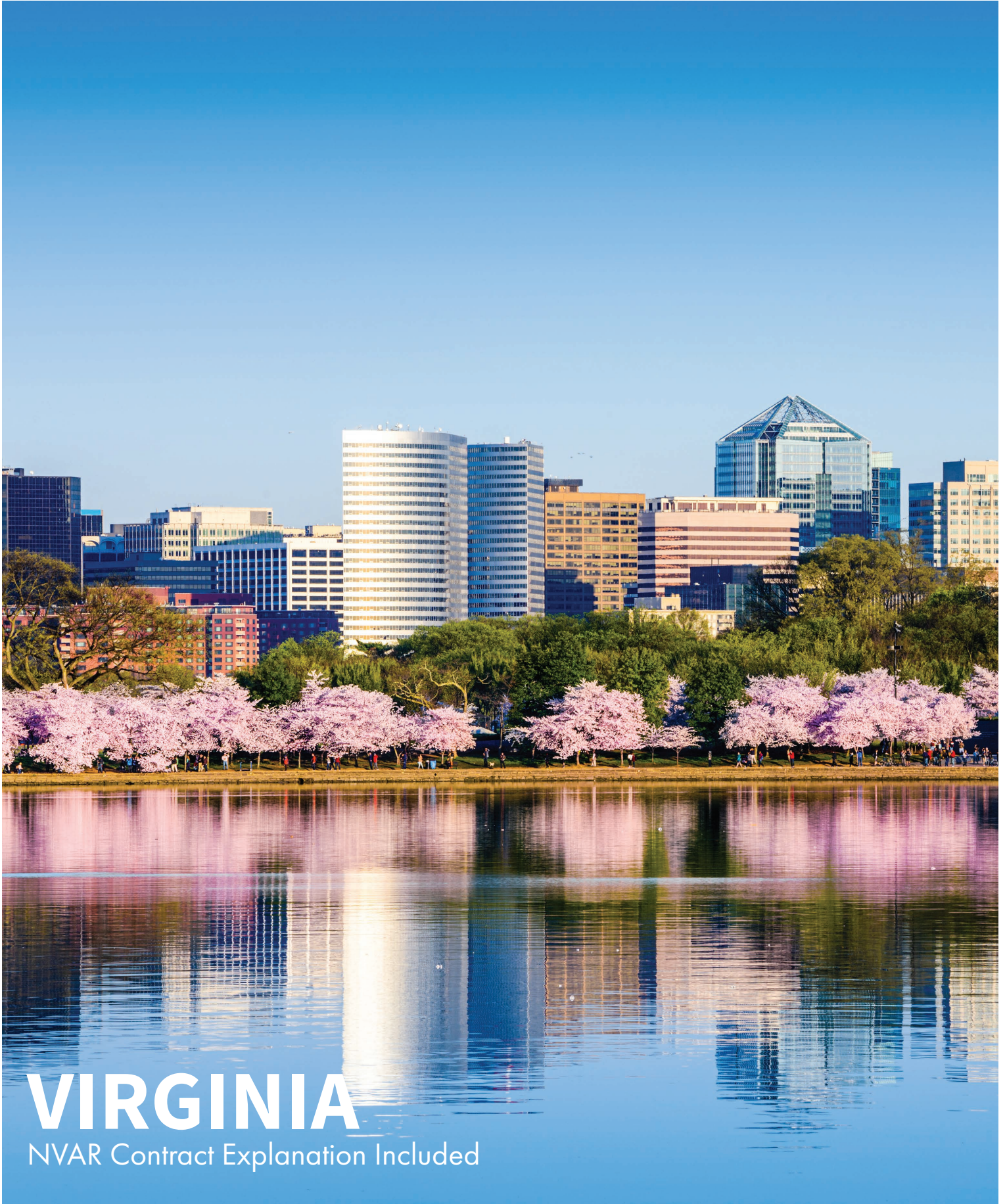


# HOME BUYER GUIDE



## VIRGINIA

NVAR Contract Explanation Included



# Congratulations!

Over thirty 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,  
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 28 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?

## 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 / Skylights / Chimneys

Exterior Lighting

View & Traffic (scenic, private)

Garage (attached, # cars)

Sprinkler or Irrigation system

Air Conditioners

Solar Panels

TV Dishes

Priority

Need

Want

Don't Want



# Find Your Ideal Home

What are your priorities?

## 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 \_\_\_\_\_

Priority

Need

Want

Don't Want



# 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!

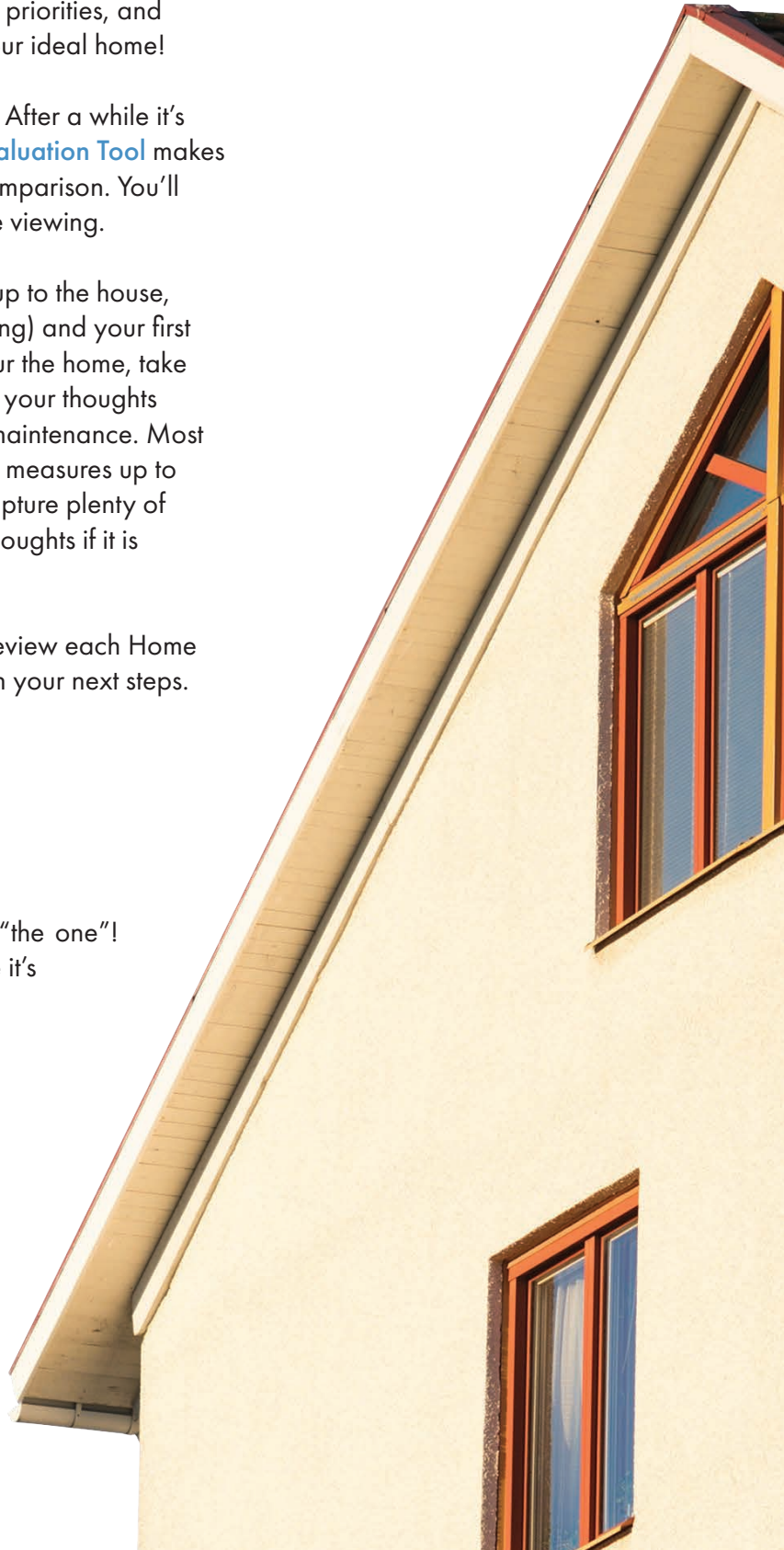
After a day of house hunting, you'll want to review each Home Evaluation to eliminate options and decide on your next steps.

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 [Virginia Residential Sales Contract](#) beginning on [page 22](#) of this guide.





# Home Evaluation Tool

Address \_\_\_\_\_

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

## NEIGHBORHOOD

Proximity to:  
Work  
Stores  
Schools  
Freeways  
Community Amenities  
Parks / Play Area  
Fire & Police

YES OK NO

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

YES OK NO

## EXTERIOR

- Facade (brick, wood)
- Color / Exterior Condition
- Garage, Driveway, & Doors
- Patios, Porches, Balconies
- Windows, Doors, Screens
- Roofing / Lights / Chimneys
- Exterior Lighting
- View & Traffic
- Garage (attached, # cars)
- Sprinkler or Irrigation
- Air Conditioners
- Solar Panels
- TV Dishes

YES OK NO

## INTERIOR

- Dining Area
- Formal Living Room
- Family Room
- Media Room
- Fireplace
- Attic
- Basement
- Kitchen Layout & Space
- Cabinets & Countertops
- Kitchen Appliances
- Pantry
- Laundry (space / location)
- Master Bedroom
- Master Bathroom
- Master Closet
- Additional Bedrooms
- Additional Bathrooms
- Closets
- Flooring
- Interior Paint & Wallpaper
- Sufficient Storage
- Windows (good light & air)
- Sufficient Outlets
- Heat / Air Conditioning
- Lighting
- Accommodate Current Furniture

YES OK NO

Three vertical bars of equal height. The left bar is green and has 15 white dots. The middle bar is orange and has 15 white dots. The right bar is red and has 15 white dots.



# 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.

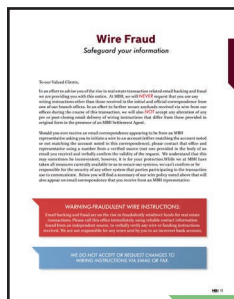
Process Overview The Road Home pages 14 & 15



## 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 16



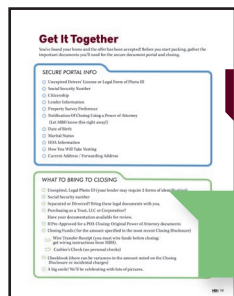
## STEP 2: Secure Document Portal

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 11



## 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 17

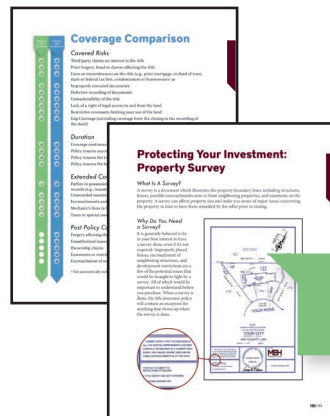


## STEP 4: Regularly Check Your Portal To Maintain Communication

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.

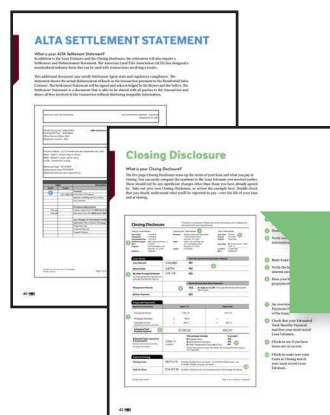
Title Insurance / Coverage Comparison pages 18 - 20  
Property Survey page 21

## 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 26 - 27  
Closing Disclosure pages 28 - 30

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



**Receive  
Contract**



**Buyer Sends EMD**  
Most buyers can send  
their EMD *Electronically*



**Secure Portal  
Email Invite**



**Contract Review**



**Title Search & Examination**



**CLEAR TITLE!**



**Title Insurance**



**Schedule Closing** with  
Buyer, Seller, Agents & Lenders



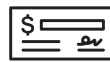
**Prepare Closing Documents**



**Closing Disclosure to Buyer**

(Lender sends 3 days  
before closing)

★★★★★ *Look at this right away!* ★★★★★



**Buyers Get Funds**

Get your cashier's check  
or wire funds  
**BEFORE CLOSING**



**Closing Time!  
You Get the Keys!**

# THE *Buyer* ROAD HOME





# THE *Buyer* ROAD HOME

## FROM CONTRACT TO KEYS, MBH HAS YOU COVERED!

*A lot will happen between now and your closing date.*

Understanding the process and how the MBH team of experts and attorneys is supporting you in the purchase of your new home will help ensure a smooth transaction!



### **MBH RECEIVES CONTRACT**

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



### **BUYER SENDS EMD**

If the contract states MBH is holding the Earnest Money Deposit, most buyers can send their EMD electronically! Contact your MBH team for instructions.



### **RECEIVE SECURE PORTAL EMAIL INVITE**

*Check your email!* You'll receive an invite to the portal. You can follow the process in MBH's **Secure Online Portal!**



### **CONTRACT REVIEW**

Our team of experts meticulously reviews your contract to ensure details are in order and that the terms are fully carried out at your settlement.



### **TITLE SEARCH & EXAMINATION**

Abstractors research 40 – 50 years of records in the “chain of title.” MBH follows up with a thorough review and examination to ensure accuracy and completeness.



### **CLEAR TITLE**

MBH confirms any underwriting requirements are satisfied and the property is suitable for transfer of title.



### **TITLE INSURANCE**

Your home is one of your **biggest investments**. Title insurance is how you protect it! Your MBH team is available to discuss the best option for you.



### **SCHEDULE CLOSING**

Mark your calendar! MBH is coordinating the final details with buyers, sellers, lenders, & agents regarding closing time, date, location, etc.



### **PREPARE CLOSING DOCUMENTS**

MBH and your lender facilitate the documents for the closing of your choice: traditional in-person, e-Closing (as allowed by lender), or remote!



### **CLOSING DISCLOSURE TO BUYER**

This comes from your Lender 3 days before closing.  
*Review this right away!*



### **BUYERS GET FUNDS**

Get your cashier's check or wire funds before closing.

**NOTE:** This may require time with your bank, be sure to contact them promptly!



## Closing Time! You Get the Keys!



# 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



## How to Send Funds to MBH

Make EMD Check Payable to MBH Settlement Group

1. Go to MBH.com and click Send EMD
2. Sign-Up for Bank Shot & Log in to Your Account (MBH code: 4950098)
3. Select Create Payment to MBH Settlement Group
4. Enter the Transaction Details
5. Enter the Property Details
6. Payment Method *Defaults* to Check Capture
7. Enter the Check Amount
8. Make Check Payable to MBH Settlement Group (Check must be filled out & signed on the front ONLY)
9. Capture Images of the FRONT and BACK of Check
  - a. Allow Bank Shot to Access Camera
  - b. Turn on Camera Flash, if in dimly lit room
  - c. Check must be photographed on Dark Background
10. Special Instructions: Enter the MBH Office Handling Your Closin (Check must be filled out & signed)
11. Select **Send Payment**

NOTE: List of Recent Payments will be accessible on the Dashboard, along with status of Payment

NOTE: Bank Shot does not accept NFCU Cashiers Checks. If this is your bank, you may to wire or drop off/overnight a check to MBH.



# 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!





## Enhanced ALTA Homeowner's



\* 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

Actual vehicular and pedestrian access, based upon a legal right

You must correct or remove an existing violation of certain covenants, conditions, or restrictions

Loss of your title resulting from a prior violation of a covenant, condition or restriction

Up to \$10,000 if you are unable to obtain a building permit due to an existing violation of a subdivision law or regulation or you must correct an existing violation (subject to a deductible)

Up to \$25,000 if you must remedy or remove an existing structure because it was built without a proper building permit (subject to a deductible)

Up to \$25,000 if you must remedy or remove an existing structure due to an existing violation of a zoning law or zoning regulation (subject to a deductible)

Up to \$5,000 if you must remove your existing structures if they encroach into your neighbor's land (subject to a deductible)

You cannot use the land as a single-family residence because such use violates an existing zoning law or zoning regulation

You are forced to remove existing structures because they encroach into an easement affecting the land

Damage to existing structures due to an exercise of an existing right to use any easement affecting the land

Damage to existing improvements due to an exercise of an existing right to use the surface of the land for the extraction or development of minerals, water or any other substance

Attempted enforcement of a discriminatory covenant

Supplemental taxes because of a prior construction or change of ownership or use

Damages if the residence is not located at the address stated in the policy

Pays substitute rent and relocation expenses, if you cannot use your home because of a claim covered by the policy

Automatic increase in policy amount up to 150% of policy amount over 5 year

Parties in possession of the property that are not disclosed by the public records (e.g., tenants, adverse possessors)







# Understanding the VA Residential Sales Contract

The following is a general overview of the Residential Sales Contract (Virginia)

## **PREAMBLE:**

The preamble initiates the contract, prompting the buyer to insert the offer date and identify the involved parties. It also designates space for specifying the Listing and Selling Companies, establishing the foundational details of the agreement.

## **Property Details (REAL PROPERTY):**

This section provides a detailed description of the property being sold. It includes specifics about the location, boundaries, and any distinctive features relevant to the transaction.

## **PRICE AND FINANCING:**

Subsequent sections outline the financial aspects of the deal. They cover the sales price, down payment, and financing terms. Buyers can specify financing amounts in dollar figures or as a percentage of the sales price. The contract accommodates various financing structures, including first and second deeds of trust or a Seller Held Trust. Additionally, provisions exist for a Seller Subsidy, either as a fixed amount or a percentage of the sales price.

Contingencies, such as Financing and Appraisal, are addressed in this section. The absence of an Appraisal Contingency prompts a decision on whether the Seller will grant access to an Appraiser. The buyer's intended use of the property as their principal residence is also clarified.

## **DEPOSIT:**

This paragraph delves into the earnest money deposit, detailing the amount and the time frame within which it should be delivered to the selected Escrow Agent. It outlines potential consequences if the buyer fails to meet the deposit deadline, giving the seller the option to declare the contract void.

## **SETTLEMENT:**

The Settlement paragraph establishes the settlement date and designates the settlement agent, in this case, the "MBH Settlement Group." Notably, it informs buyers of their right to choose the settlement agent, aligning with the Real Estate Settlement Agents Act. The provision emphasizes the importance of complying with contract terms for preserving the non-breaching party's right to damages.

## **DOWN PAYMENT:**

This section clarifies that the buyer's down payment and closing costs must be paid at closing using certified or wired funds, excluding personal checks. If the buyer plans to use funds from the sale of another property through an assignment, the Seller's written consent is required.

## **DELIVERY:**

The Delivery paragraph outlines the general requirements for delivering documents under the contract. It provides options for allowable methods of delivery, including physical address, email address, and/or fax number.



### **DISCLOSURE ACTS:**

The contract incorporates two disclosure acts relevant to Virginia real estate transactions: the Virginia Residential Property Disclosure Act and the Virginia Resale Disclosure Act. The former mandates the Seller to provide a disclosure statement before accepting the contract, while the latter involves disclosures related to homeowners' associations and condominium associations. It also allows the Buyer to cancel the contract based on the received resale certificate.

### **PROPERTY MAINTENANCE AND CONDITION; INSPECTIONS:**

This section imposes an obligation on the Seller to deliver the property in substantially the same condition as specified in the contract. It introduces checkboxes to indicate whether the contract is contingent upon a home inspection. If inspections are contingent, the Seller must provide reasonable access to the Property for inspection purposes. Additionally, it allows for a walk-through inspection within seven days before settlement.

### **POSSESSION DATE:**

Unless agreed otherwise in writing, this paragraph stipulates that the buyer shall obtain possession of the property at Settlement. It also requires the Seller to deliver keys, mailbox keys, key fobs, codes, and digital keys, emphasizing exclusive control of any Smart Devices at Settlement.

### **UTILITIES WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING:**

This section covers the specifics of water, sewage, heating, and air conditioning systems in the property. It requires disclosure of the type of system in place and notes the potential implications if a septic waiver has been granted.

### **PERSONAL PROPERTY AND FIXTURES:**

This segment contains an itemized list of personal property and fixtures conveying with the property. The parties mark checkboxes to indicate the items included, their quantity, and have the flexibility to add items not listed. There is also a section to specify items that will not convey.

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

This clause addresses potential withholding taxes for foreign sellers, requiring disclosure of the Seller's citizenship or residency status.

### **SMOKE DETECTORS:**

The Seller is obligated to deliver the property with installed and functioning smoke detectors in compliance with applicable regulations.

### **TARGET LEAD-BASED PAINT HOUSING:**

This part involves disclosure regarding whether any part of the property was built before January 1, 1978. If so, it necessitates a Lead-Based Paint Disclosure attached to the contract.

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

This section outlines the responsibility for the initial expense of a Pest Inspection. It clarifies that the Seller is obligated to treat for live wood-destroying insects or make repairs for any damage identified in the inspection report, regardless of the insect's status. The Seller must provide written evidence of treatment or repair before Settlement. The parties can agree in writing on the selection of a licensed contractor for necessary work.



### **HOME WARRANTY:**

This optional provision addresses the inclusion, cost, and selection of a home warranty. The parties decide whether to include a warranty, who will pay for it, and the maximum allowable cost.

### **DAMAGE OR LOSS:**

This paragraph establishes that the Seller is responsible for the risk of loss or damage to the property until the delivery of the deed at Settlement.

### **TITLE:**

The Buyer is responsible for ordering a title report and survey if desired. The Seller must convey good, marketable, and insurable title, without additional risk premium to the Buyer.

### **NOTICE OF POSSIBLE FILING OF MECHANICS' LIENS:**

This section notifies the Buyer that a mechanics' lien may be filed after settlement for work performed before settlement.

### **FEES:**

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

### **BROKER'S FEE:**

This paragraph authorizes the payment of any Broker compensation at Settlement, according to the terms in the listing agreement as of the date of the offer.

### **ADJUSTMENTS:**

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

### **ATTORNEY'S FEES:**

If a dispute arises concerning the Contract, this provision allows the non-breaching party to receive reimbursement for reasonable legal expenses from the breaching party.

### **DEFAULT:**

This section addresses default scenarios and potential consequences for the Buyer, even if the Financing Contingency is not removed.

### **VOID CONTRACT:**

In the event the Contract becomes void without default from either party, the parties agree to execute a release, and any deposit will be returned to the Buyer.

### **DEFINITIONS:**

This section clarifies certain terms used in the Contract, including the definition of "Days" as calendar days unless specified otherwise.

### **TIME IS OF THE ESSENCE:**

This provision emphasizes the importance of timely performance by the parties involved in the transaction.

### **REAL ESTATE LICENSED PARTIES:**

This paragraph requires disclosure if the Buyer, Seller, or anyone related to the parties in the transaction holds a real estate license.



**ENTIRE AGREEMENT:**

This provision asserts that the Contract remains legally binding after Settlement, and verbal statements may not be enforceable. It specifies the governing law as that of the jurisdiction where the Property is located.

**ASSIGNABILITY:**

The Contract cannot be assigned without the written permission of both the Seller and the Buyer.

**ADDITIONS:**

This section lists additional addenda that may be part of the Contract, providing flexibility in addressing specific details.



## RESIDENTIAL SALES CONTRACT (Virginia)

*This form may only be used by REALTORS® and others as authorized by NVAR. All other use is prohibited.*

This sales contract ("Contract") is offered on \_\_\_\_\_ ("Date of Offer") between \_\_\_\_\_ ("Buyer") and \_\_\_\_\_

\_\_\_\_\_ ("Seller") collectively referred to as "Parties", who, among other things, hereby confirm and acknowledge by their initials and signatures herein that by prior disclosure in this real estate transaction \_\_\_\_\_ ("Listing Brokerage") represents Seller, and \_\_\_\_\_ ("Buyer's Brokerage") represents Buyer. The Listing Brokerage and Buyer's Brokerage are collectively referred to as "Broker." In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

- 1. REAL PROPERTY.** Buyer will buy and Seller will sell for the sales price in Paragraph 2(A) below ("Sales Price") Seller's entire interest in the real property (with all improvements, rights and appurtenances) described as follows ("Property"):

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

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

**A. Sales Price.** \$ \_\_\_\_\_

**B. Down Payment** (If no financing, Down Payment equals Sales Price). \$ \_\_\_\_\_ or % \_\_\_\_\_

**C. Financing.**

1. First Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

☐ Conventional ☐ VA ☐ FHA ☐ USDA

☐ VA Assumption ☐ Other: \_\_\_\_\_

2. Second Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

3. Seller Held Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

**TOTAL FINANCING** \$ \_\_\_\_\_ or % \_\_\_\_\_

**D. "Seller Subsidy" to Buyer.** Seller's net reduced by: \$ \_\_\_\_\_ or % \_\_\_\_\_

**E. Seller Payment towards Buyer's Brokerage Compensation.**

Seller's net reduced by: \$ \_\_\_\_\_ or % \_\_\_\_\_

This obligation is enforceable by Buyer's Brokerage against Seller and may be modified only by subsequent written agreement by Buyer's Brokerage.

- F. Financing Contingency.** Contract ☐ is contingent (addendum attached) OR ☐ is not contingent on financing. If Contract is contingent on financing: (i) Buyer will make written application for the financing and any lender-required property insurance no later than seven (7) days after Date of



Ratification; and (ii) Buyer grants permission for Buyer's Brokerage and the lender to disclose to Listing Brokerage and Seller general information available about the progress of the loan application and loan approval process.

**G. Appraisal Contingency.** Contract ☐ is contingent (addendum attached) OR ☐ is not contingent on Appraisal. If Contract is contingent on financing and/or Appraisal, Seller will provide Appraiser(s) reasonable access to Property for Appraisal purposes. If Contract is not contingent on financing and/or Appraisal; Seller ☐ will OR ☐ will not provide Appraiser(s) reasonable access for Appraisal purposes.

If Contract is not contingent on Appraisal, Buyer will proceed to Settlement without regard to Appraisal. Seller and Buyer authorize Broker to release Sales Price to Appraiser(s) who contacts them to obtain the information. Nothing in this subparagraph creates a financing contingency not otherwise agreed to by the Parties.

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

**3. DEPOSIT.** Buyer's deposit ("Deposit") in the amount of ☐ \$ \_\_\_\_\_ check/bank-wired funds; and/or ☐ \$ \_\_\_\_\_ by note due and payable on \_\_\_\_\_ will be held in escrow by the following Escrow Agent: ☐ Settlement Agent OR ☐ Buyer's Brokerage OR ☐ Other: \_\_\_\_\_. Buyer ☐ has delivered Deposit to Escrow Agent OR ☐ will deliver Deposit to Escrow Agent by \_\_\_\_\_ Business Days after Date of Ratification. If Buyer fails to timely deliver Deposit to Escrow Agent as provided herein, Seller may at Seller's option Deliver to Buyer Notice to Void Contract. Upon Delivery of Seller Notice to Void Contract, all respective rights and obligations of the Parties arising under Contract will terminate. Buyer may cure Default by Delivering Deposit to Escrow Agent prior to Seller Delivery of Notice Voiding Contract.

Deposit will be deposited by Escrow Agent into an escrow account in accordance with applicable state and federal law. This account may be interest bearing and all Parties waive any claim to interest resulting from Deposit. Deposit will be held in escrow until: (i) credited toward Sales Price at Settlement; (ii) all Parties have agreed in writing as to its disposition; (iii) a court of competent jurisdiction orders disbursement and all appeal periods have expired; or (iv) disposed of in any other manner authorized by law. Seller and Buyer agree that no Escrow Agent will have any liability to any party on account of disbursement of Deposit or on account of failure to disburse Deposit, except in the event of Escrow Agent's gross negligence or willful misconduct. Seller and Buyer further agree that Escrow Agent will not be liable for the failure of any depository in which Deposit is placed and that Seller and Buyer each will indemnify, defend and save harmless Escrow Agent from any loss or expense arising out of the holding, disbursement or failure to disburse Deposit, except in the case of Escrow Agent's gross negligence or willful misconduct.

**4. SETTLEMENT.** Seller and Buyer will make full settlement in accordance with the terms of Contract on, or with mutual consent before, \_\_\_\_\_ ("Settlement Date") except as otherwise provided in Contract. If Settlement Date falls on a day other than a Business Day, then Settlement will be on the prior Business Day.

**NOTICE TO BUYER REGARDING THE REAL ESTATE SETTLEMENT AGENTS ACT ("RESAA") Choice of Settlement Agent: Chapter 10 (§ 55.1-1000, et seq.) of Title 51 of the Code**



of Virginia ("RESAA") provides that the purchaser or the borrower has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's role in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the Parties. If part of the purchase price is financed, the lender for the purchaser will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party. No settlement agent may collect any fees from a represented seller payable to the settlement agent or its subsidiaries, affiliates, or subcontractors without first obtaining the written consent of the seller's counsel.

**Variation by agreement:** The provisions of the RESAA may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property.

**Escrow, closing and settlement service guidelines:** The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement, or closing services. As a party to a real estate transaction, the purchaser or borrower is entitled to receive a copy of these guidelines from their settlement agent, upon request, in accordance with the provisions of the RESAA.

**BUYER'S NOTICE TO SELLER.** Buyer designates \_\_\_\_\_ ("Settlement Agent"). Buyer agrees to contact Settlement Agent within ten (10) Days of Date of Ratification to schedule Settlement. Settlement Agent will order the title exam and survey if required. Pursuant to Virginia law, Settlement Agent is the sole agent responsible for conducting the Settlement as defined in Virginia Code § 55.1-900, *et seq.* 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.

To facilitate Settlement Agent's preparation of various closing documents, including any Closing Disclosure, Buyer hereby authorizes Settlement Agent to send such Closing Disclosure to Buyer by electronic means and agrees to provide Settlement Agent with Buyer's electronic mail address for that purpose only.

5. **DOWN PAYMENT.** Down Payment will be paid on or before Settlement Date by certified or cashier's check or by bank-wired funds as required by Settlement Agent. An assignment of funds will not be used without prior written consent of Seller.
6. **DELIVERY.** This paragraph specifies the general delivery requirements under Contract. For delivery of property or condominium owner's association documents, delivery may be to Buyer as set forth below **OR** to Buyer's agent.

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



Deliveries will be sent as follows:

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

To Seller: \_\_\_\_\_

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

To Buyer: \_\_\_\_\_

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

7. **VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT.** The Virginia Residential Property Disclosure Act (§ 55.1-700 et seq. of the Code of Virginia) requires Seller to deliver a disclosure statement prior to the acceptance of Contract unless the transfer of Property is exempt. The law requires Seller, on a disclosure statement provided by the Real Estate Board, to state that Seller makes no representations or warranties concerning the physical condition of the Property and to sell the Property “as is,” except as otherwise provided in Contract.
8. **VIRGINIA RESALE DISCLOSURE ACT.** Seller represents that the Property ☐ is **OR** ☐ is not located within a development that is subject to the Virginia Property Owners’ Association Act (“POAA”). Seller represents that the Property ☐ is **OR** ☐ is not located within a development that is subject to the Virginia Condominium Act (“Condo Act”).

Section §55.1-2308 of the Resale Disclosure Act requires the following contract language:

Subject to the provisions of §55.1-2317, any contract for the resale of a unit in a common interest community shall disclose that (i) the unit is located in a common interest community; (ii) the seller or seller’s agent is required to obtain from the association a resale certificate and provide it to the purchaser or purchaser’s agent; (iii) the purchaser has the right to cancel the contract pursuant to §55.1-2312; (iv) the purchaser or purchaser’s agent has the right to request an update of such resale certificate in accordance with §55.1-2311; and (v) the right to receive the resale certificate and the right to cancel the contract are waived conclusively if not exercised before settlement.

The provisions of §55.1-2312 allow for Buyer cancellation of Contract under the following circumstances: (i) until 9 p.m. \_\_\_\_\_ Days after Date of Ratification if Seller or Seller’s Brokerage delivers the resale certificate to Buyer or Buyer’s agent, whether or not complete, or a notice that the resale certificate is unavailable **before** Date of Ratification (*if timeframe is left blank, it defaults to 3 Days after Date of Ratification*); (ii) until 9 p.m. \_\_\_\_\_ Days after the date Seller or Seller’s Brokerage delivers the resale certificate to Buyer or Buyer’s agent, whether or not complete, or a notice that the resale certificate is unavailable if delivery occurs **on or after** Date of Ratification (*if timeframe is left blank, it defaults to 3 Days after receipt*); **OR** (iii) at any time prior to settlement if the resale certificate is not delivered to Buyer or Buyer’s agent. If the unit is governed by more than one association, the timeframe for Buyer’s right of cancellation shall run from the date of delivery of the last resale certificate. For more information, see K1390 – Understanding Your Rights Under the Resale Disclosure Act.

9. **PROPERTY MAINTENANCE AND CONDITION; INSPECTIONS.** Except as otherwise specified herein, Seller will deliver Property free and clear of trash and debris, broom clean and in substantially the same physical condition to be determined as of ☐ **Date of Offer** **OR** ☐ **Date of home inspection** **OR** ☐ Other: \_\_\_\_\_ (if no date is selected, then Date of Offer). Seller will have



all utilities in service through Settlement. Buyer and Seller will not hold Broker liable for any breach of this Paragraph. Buyer acknowledges that except as otherwise specified in Contract, Property, including electrical, plumbing, existing appliances, heating, air conditioning, equipment and fixtures will convey in its AS-IS condition as of the date specified above.

- ☐ Contract is contingent upon home inspection(s) and/or other inspections of Property. (Addendum attached); **OR**  
☐ Buyer waives the opportunity to make Contract contingent upon home inspection(s) and/or other inspections of Property.

If Contract is contingent upon home inspection(s) and/or other inspections of Property, Seller will provide Broker, Buyer, and inspector(s) retained by Buyer reasonable access to Property to conduct home inspection(s) and/or other inspection(s) of Property.

If Contract is not contingent upon home inspection(s) and/or other inspections of Property **Seller will not provide access** to anyone for the purpose of conducting inspection(s) except for final walkthrough(s) as provided below. **However, if checked ☐ Seller will** provide Broker, Buyer, and licensed (if applicable), professional, insured inspector(s) retained by Buyer reasonable access to Property to conduct home inspection(s) and/or other inspection(s) of Property beginning on \_\_\_\_\_ and ending on \_\_\_\_\_. Nothing in this subparagraph creates a contingency not otherwise agreed to by the Parties.

Regardless of whether Contract is contingent upon home inspection(s) and/or other inspections, Seller will provide Broker and Buyer reasonable access to Property to make final walkthrough(s) within seven (7) days prior to Settlement and/or occupancy.

- 10. POSSESSION DATE.** Unless otherwise agreed to in writing between Seller and Buyer, Seller will give possession of Property at Settlement, including delivery of keys, mailbox keys, key fobs, codes, digital keys, if any. Seller will transfer exclusive control of any Smart Devices to Buyer at Settlement. If Seller fails to do so and occupies Property beyond Settlement, Seller will be a tenant at sufferance of Buyer and hereby expressly waives all notice to quit as provided by law. Buyer will have the right to proceed by any legal means available to obtain possession of Property. Seller will pay any damages and costs incurred by Buyer including reasonable attorney fees.

**11. UTILITIES; MAJOR SYSTEMS.** (Check all that apply)

Water Supply: ☐ Public ☐ Private Well ☐ Community Well  
Hot Water: ☐ Oil ☐ Gas ☐ Elec. ☐ Other \_\_\_\_\_  
Air Conditioning: ☐ Oil ☐ Gas ☐ Elec. ☐ Heat Pump ☐ Other \_\_\_\_\_ ☐ Zones \_\_\_\_\_  
Heating: ☐ Oil ☐ Gas ☐ Elec. ☐ Heat Pump ☐ Other \_\_\_\_\_ ☐ Zones \_\_\_\_\_  
Sewage Disposal: ☐ Public ☐ Septic for # BR \_\_\_\_\_ ☐ Community Septic ☐ Alternative Septic for # BR: \_\_\_\_\_

Septic Waiver Disclosure provided by Seller (if applicable) per VA Code §32.1-164.1:1. State Board of Health septic system waivers are not transferable.

- 12. PERSONAL PROPERTY AND FIXTURES.** Property includes the following personal property and fixtures, if existing: built-in heating and central air conditioning equipment, plumbing and lighting fixtures, indoor and outdoor sprinkler systems, bathroom mirrors, sump pump, attic and exhaust fans, storm windows, storm doors, screens, installed wall-to-wall carpeting, window shades, blinds, window treatment hardware, smoke and heat detectors, antennas, exterior trees, and shrubs. Smart home devices installed, hardwired or attached to personal property or fixtures conveyed pursuant to this paragraph, including but not limited to, smart switches, smart thermostats, smart doorbells, and



security cameras (“Smart Devices”) **DO** convey. Electric vehicle charging stations **DO** convey. Solar panels installed on the Property **DO** convey (see attached Addendum). All surface or wall mounted electronic components/devices **DO NOT** convey; however, all related mounts, brackets and hardware **DO** convey. If more than one of an item conveys, the number of items is noted.

**The items marked YES below are currently installed or offered and will convey.**

Yes # Items	Yes # Items	Yes # Items
<input type="checkbox"/> ___ Alarm System	<input type="checkbox"/> ___ Freezer	<input type="checkbox"/> ___ w/ ice maker
<input type="checkbox"/> ___ Built-in Microwave	<input type="checkbox"/> ___ Furnace Humidifier	<input type="checkbox"/> ___ Satellite Dish
<input type="checkbox"/> ___ Ceiling Fan	<input type="checkbox"/> ___ Garage Opener	<input type="checkbox"/> ___ Storage Shed
<input type="checkbox"/> ___ Central Vacuum	<input type="checkbox"/> ___ w/ remote	<input type="checkbox"/> ___ Stove or Range
<input type="checkbox"/> ___ Clothes Dryer	<input type="checkbox"/> ___ Gas Log	<input type="checkbox"/> ___ Wall Oven
<input type="checkbox"/> ___ Clothes Washer	<input type="checkbox"/> ___ Hot Tub, Equip &	<input type="checkbox"/> ___ Water Treatment System
<input type="checkbox"/> ___ Cooktop	<input type="checkbox"/> ___ Cover	<input type="checkbox"/> ___ Window A/C Unit
<input type="checkbox"/> ___ Dishwasher	<input type="checkbox"/> ___ Intercom	<input type="checkbox"/> ___ Window Fan
<input type="checkbox"/> ___ Disposer	<input type="checkbox"/> ___ Playground Equip	<input type="checkbox"/> ___ Window Treatments
<input type="checkbox"/> ___ Electronic Air Filter	<input type="checkbox"/> ___ Pool, Equip, & Cover	<input type="checkbox"/> ___ Wood Stove
<input type="checkbox"/> ___ Fireplace Screen/Door	<input type="checkbox"/> ___ Refrigerator	

**OTHER CONVEYANCES (as-is, no additional value and for Seller convenience)** \_\_\_\_\_

**DOES NOT CONVEY** \_\_\_\_\_

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

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

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

**14. SMOKE DETECTORS.** Seller will deliver Property with smoke detectors installed and functioning in accordance with the laws and regulations of Virginia.

**15. TARGET LEAD-BASED PAINT HOUSING.** Seller represents that any residential dwellings at Property ☐ were **OR** ☐ were not constructed before 1978. If the dwellings were constructed before 1978, then, unless exempt under 42 U.S.C. §4852d, Property is considered “target housing” under the statute and a copy of the “Sale: Disclosure and Acknowledgment of Information on Lead-Based Paint



and/or Lead-Based Paint Hazards” has been attached and made a part of the Contract as required by law. Buyer ☐ **does** OR ☐ **does not** waive the right to a risk assessment or inspection of Property for the presence of lead-based paint and/or lead-based paint hazards. If not, a copy of the Sales Contract Addendum for Lead-Based Paint Testing is attached to establish the conditions for a lead-based paint risk assessment or inspections.

- 16. WOOD-DESTROYING INSECT INSPECTION.** ☐ **None** ☐ **Buyer at Buyer’s expense** OR ☐ **Seller at Seller’s expense** will furnish a written report from a licensed pest control firm dated not more than 90 days prior to Settlement (“WDI Report”) showing that all dwelling(s) and/or garage(s) within Property (excluding fences or shrubs not abutting garage(s) or dwelling(s)) are free of visible evidence of live wood-destroying insects and free from visible damage. Seller will provide Buyer, Broker and any representatives of the licensed pest control firm selected by the appropriate party above reasonable access to the Property to perform wood-destroying insect inspection(s). Any treatment for live wood-destroying insects and/or repairs for any damage identified in WDI Report will be made at Seller’s expense and Seller will provide written evidence of such treatment and/or repair prior to date of Settlement which will satisfy the requirements of this Paragraph. Unless the Parties otherwise agree in writing, all treatment and/or repairs are to be performed by a contractor licensed to do the type of work required.
- 17. HOME WARRANTY.** ☐ **Yes** OR ☐ **No.** Home Warranty Policy selected by: ☐ **Buyer** OR ☐ **Seller** and paid for and provided at Settlement by: ☐ **Buyer** OR ☐ **Seller.** Cost not to exceed \$\_\_\_\_\_. Warranty provider to be \_\_\_\_\_.
- 18. DAMAGE OR LOSS.** The risk of damage or loss to Property by fire, act of God, or other casualty remains with Seller until Settlement.
- 19. TITLE.** Buyer will promptly order a title report, as well as any required or desired survey. Fee simple title to Property, and everything that conveys with it, will be sold free of liens except for any loans assumed by Buyer. Seller will convey title that is good, marketable and insurable with no additional risk premium to Buyer or non-standard exceptions. In case action is required to perfect the title, such action must be taken promptly by Seller at Seller’s expense. Title may be subject to easements, covenants, conditions and restrictions of record, if any, as of Date of Ratification.
- Seller will convey Property by general warranty deed with English covenants of title (“Deed”). The manner of taking title may have significant legal and tax consequences. Buyer is advised to seek the appropriate professional advice concerning the manner of taking title. Seller will sign such affidavits, lien waivers, tax certifications, and other documents as may be required by the lender, title insurance company, Settlement Agent, or government authority, and authorizes Settlement Agent to obtain pay-off or assumption information from any existing lenders. Seller will pay any special assessments and will comply with all orders or notices of violations of any county or local authority, condominium unit owners’ association, homeowners’ or property owners’ association or actions in any court on account thereof, against or affecting Property on Settlement Date. Broker is hereby expressly released from all liability for damages by reason of any defect in the title.
- 20. NOTICE OF POSSIBLE FILING OF MECHANICS’ LIEN.** Code of Virginia §43-1 *et seq.* permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against Property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 Days from the last day of the month in which the lienor last performed work or furnished materials; or (ii) 90 Days from the time the construction, removal, repair or improvement is terminated. AN



EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

- 21. FEES.** Seller will pay for Deed preparation, costs to release any existing encumbrances, Grantor's tax, as well as any Regional Congestion Relief Fee and Regional WMATA Capital Fee (applicable in Alexandria City, Arlington, Fairfax, Loudoun and Prince William Counties and all cities contained within). Buyer will pay for the title exam, survey, and recording charges for Deed and any purchase money trusts. Third-party fees charged to Buyer and/or Seller, including but not limited to, legal fees and Settlement Agent fees, will be reasonable and customary for the jurisdiction in which Property is located.
- 22. BROKER COMPENSATION.** Parties irrevocably instruct Settlement Agent to pay Broker compensation at Settlement as set forth in Parties' respective brokerage representation agreements.
- 23. ADJUSTMENTS.**
- A.** Rents, taxes, water and sewer charges, condominium unit owners' association, homeowners' and/or property owners' association regular periodic assessments (if any) and any other operating charges, are to be adjusted to the Date of Settlement. Taxes, general and special, are to be adjusted according to the most recent property tax bill(s) for Property issued prior to Settlement Date, except that recorded assessments for improvements completed prior to Settlement, whether assessments have been levied or not, will be paid by Seller or allowance made at Settlement. If a loan is assumed, interest will be adjusted to the Settlement Date.
  - B.** In the event Property is currently enrolled in a land use assessment program pursuant to Virginia Code §58.1-3230, *et seq.* and if, by the actions of Seller, Property is deemed unqualified for such program, Seller will be liable for the rollback taxes. Seller will not be liable for the payment of rollback taxes at or after Settlement if (i) Buyer fails to continue Property in the program, and/or (ii) within the timeframe(s) required by the local regulatory authority, Buyer fails to timely renew or revalidate Property in the program.
- 24. ATTORNEY'S FEES.**
- A.** If any Party breaches Contract and a non-breaching Party retains legal counsel to enforce its rights hereunder, the non-breaching Party will be entitled to recover against the breaching Party, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under Contract, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto. Should any tribunal of competent jurisdiction determine that more than one party to the dispute has breached Contract, then all such breaching Parties will bear their own costs, unless the tribunal determines that one or more parties is a "Substantially Prevailing Party," in which case any such Substantially Prevailing Party will be entitled to recover from any of the breaching parties, in addition to any other damages recoverable against any breaching Party, all of its reasonable Legal Expenses incurred in enforcing its rights under this Agreement, whether or not suit is filed, and in obtaining, enforcing and/or defending any judgment related thereto.
  - B.** In the event a dispute arises resulting in the Broker (as used in this paragraph to include any agent, licensee, or employee of Broker) being made a party to any litigation by Buyer or by Seller, the Parties agree that the Party who brought Broker into litigation will indemnify the Broker for all of its reasonable Legal Expenses incurred, unless the litigation results in a judgment against Broker.
- 25. DEFAULT.** If Buyer fails to complete Settlement for any reason other than Default by Seller, Buyer will be in Default and, at the option of Seller, Deposit may be forfeited to Seller as liquidated damages



and not as a penalty. In such event, Buyer will be relieved from further liability to Seller. If Seller does not elect to accept Deposit as liquidated damages, Deposit may not be the limit of Buyer's liability in the event of a Default. Buyer and Seller knowingly, freely and voluntarily waive any defense as to the validity of liquidated damages under Contract, including Seller's option to elect liquidated damages or pursue actual damages, or that such liquidated damages are void as penalties or are not reasonably related to actual damages.

If Seller fails to perform or comply with any of the terms and conditions of Contract or fails to complete Settlement for any reason other than Default by Buyer, Seller will be in Default and Buyer will have the right to pursue all legal or equitable remedies, including specific performance and/or damages. If either Buyer or Seller is in Default, then in addition to all other damages, the defaulting party will immediately pay the costs incurred for title examination, Appraisal, survey and Broker compensation in full.

If either Seller or Buyer refuses to execute a release of Deposit ("Release") when requested to do so in writing and a court finds that such party should have executed the Release, the party who so refused to execute the Release will pay the expenses, including, without limitation, reasonable attorney's fees, incurred by the other party in the litigation.

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

**27. DEFINITIONS.**

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

**B.** "Appraisal" means written appraised valuation(s) of Property, conducted by a Virginia-licensed appraiser ("Appraiser").

**C.** "Business Day(s)" means any day that is not a Saturday, Sunday, legal holiday, or day on which the state or federal government office is closed.

**D.** "Day(s)" or "day(s)" means calendar day(s) unless otherwise specified in Contract.

**E.** All references to time of day refer to the Eastern Time Zone of the United States.

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

**G.** The masculine includes the feminine and the singular includes the plural.

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

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

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



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

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

**30. ENTIRE AGREEMENT.** Buyer and Seller should carefully read Contract to be sure that the terms accurately express their agreement. All contracts for the sale of real property, including any changes or addenda, must be in writing to be enforceable. The provisions not satisfied at Settlement will survive the delivery of the deed and will not be merged therein. Contract, unless amended in writing, contains the final and entire agreement of the Parties and will become legally binding upon the Parties and each of their respective heirs, executors, administrators, successors, and permitted assigns upon Ratification of Contract. Parties will not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. The interpretation of Contract will be governed by the laws of the Commonwealth of Virginia, without regard to the application of conflict of laws. 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. Typewritten or handwritten provisions included in Contract will control all pre-printed provisions in conflict.

**31. SEVERABILITY.** In the event any provision in Contract is determined to be unenforceable, the remaining terms and provisions of Contract shall not in any way be affected, impaired, or invalidated thereby.

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

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

- |  |  |
|--|--|
| <input type="checkbox"/> Addendum: Sale                            | <input type="checkbox"/> New Home Sales Addendum                   |
| <input type="checkbox"/> Contingencies/Clauses                     | <input type="checkbox"/> Post-Settlement Occupancy                 |
| <input type="checkbox"/> Conventional Financing                    | <input type="checkbox"/> Pre-Settlement Occupancy                  |
| <input type="checkbox"/> Escalation Addendum                       | <input type="checkbox"/> Private Well and/or Septic Inspection     |
| <input type="checkbox"/> Extension of HOA/Condo Review Period      | <input type="checkbox"/> Residential Property Disclosure Statement |
| <input type="checkbox"/> FHA Home Inspection Notice                | <input type="checkbox"/> Solar Panel Addendum                      |
| <input type="checkbox"/> Home Inspection/Radon Testing Contingency | <input type="checkbox"/> VA/FHA/USDA Financing                     |
| <input type="checkbox"/> Lead-Based Paint Disclosure               | <input type="checkbox"/> VA Loan Assumption Addendum               |
| <input type="checkbox"/> Lead-Based Paint Inspection Contingency   | <input type="checkbox"/> Other (specify): _____                    |

**Date of Ratification (see DEFINITIONS)**

\_\_\_\_\_



**SELLER:**

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

**BUYER:**

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

\_\_\_\_\_  
Date      Signature

\*\*\*\*\*

**For information purposes only:**

Listing Brokerage's Name and Address:

\_\_\_\_\_

Brokerage Phone #: \_\_\_\_\_

Bright MLS Broker Code: \_\_\_\_\_

VA Firm License #: \_\_\_\_\_

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

Agent Email: \_\_\_\_\_

Agent Phone #: \_\_\_\_\_

MLS Agent ID # \_\_\_\_\_

VA Agent License #: \_\_\_\_\_

Team Name: \_\_\_\_\_

Team Business Entity License #: \_\_\_\_\_

Buyer's Brokerage's Name and Address:

\_\_\_\_\_

Brokerage Phone #: \_\_\_\_\_

Bright MLS Broker Code: \_\_\_\_\_

VA Firm License #: \_\_\_\_\_

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

Agent Email: \_\_\_\_\_

Agent Phone #: \_\_\_\_\_

MLS Agent ID # \_\_\_\_\_

VA Agent License #: \_\_\_\_\_

Team Name: \_\_\_\_\_

Team Business Entity License #: \_\_\_\_\_

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# 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 Print Date & Time: 7/1/2025 Officer/Escrow Officer: MBH Settlement Location: MBH		MBH Settlement Group, L.C.			
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: 7/1/2025 Disbursement Date: 7/1/2025 Additional dates per state requirements:					
1 Seller		1 Description		Borrower/Buyer	
Debit	Credit			Debit	Credit
		<b>Financial</b>			
	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 7/1/2025 to 9/1/2025			791.66
250.00		HOA dues from 7/1/2025 to 9/1/2025			250.00
		<b>Loan Charges to Dreamtown Lending</b>			
		Application Fee to Dream Mortgage POC - 8 \$200.00			
		Origination Fee		3,395.00	
		Underwriting Fee		295.00	
		Prepaid Interest		1,905.90	

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File #MBH123456  
Printed on 7/1/2025

1  
Debits = Charges  
Credits = Deposits



## On page 2 of 3

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>Other Loan Charges</b>		
		Appraisal Fee to AppraiseIt! LLC	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 @ \$ \$76.66/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.	795.00	
		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	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		

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Page 2 of 3

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	
795.00		Settlement Services Fee to MBH Settlement Group, L.C.		
150.00		Lien Release Processing Fee to MBH Settlement Group, L.C.		
175.00		Seller Attorney fees to DeedFeeFirm, LLC		
		Home Warranty fee to ABC Warranty	485.00	
Seller			Borrower/Buyer	
Debit	Credit		Debit	Credit
\$279,087.16	\$429,500.00	<b>Subtotals</b>	\$444,181.14	\$343,050.11
		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

Seller

5

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.

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# 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.

### Closing Disclosure

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

<b>Closing Information</b> <b>Date Issued</b> 7/1/2025 <b>Closing Date</b> 7/1/2025 <b>Disbursement Date</b> 7/1/2025 <b>Settlement Agent</b> MBH Settlement Group, L.C. <b>File #</b> 12-3456 <b>Property</b> 456 Somewhere Ave Anytown, ST 12345 <b>Sale Price</b> \$180,000	<b>Transaction Information</b> <b>Borrower</b> Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345 <b>Seller</b> Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345 <b>Lender</b> Ficus Bank	<b>Loan Information</b> <b>Loan Term</b> 30 years <b>Purpose</b> Purchase <b>Product</b> Fixed Rate <b>Loan Type</b> <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____ <b>Loan ID #</b> 123456789 <b>MIC #</b> 000654321
--	--	--

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$162,000	NO
<b>Interest Rate</b>	5.875%	NO
<b>Monthly Principal &amp; Interest</b> <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>	YES	• As high as \$3,240 if you pay off the loan during the first 2 years
<b>Balloon Payment</b>	NO	

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

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

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

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.

#### 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	\$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
Cash to Close	\$14,406.00	\$13,808.76	

#### Summaries of Transactions

Use this table to see a summary of your transaction.

##### BORROWER'S TRANSACTION

<b>K. Due from Borrower at Closing</b>	<b>\$188,703.60</b>
01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$8,623.60
04	
<b>Adjustments</b>	
05	
06	
07	
<b>Adjustments for Items Paid by Seller in Advance</b>	
08 City/Town Taxes to	
09 County Taxes to	
10 Assessments to	
11 HOA Dues 4/15/25 to 4/30/25	\$80.00
12	
13	
14	
15	

<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$174,894.84</b>
01 Deposit	\$10,000.00
02 Loan Amount	\$162,000.00
03 Existing Loan(s) Assumed or Taken Subject to	
04 Credit Report Fee	\$29.80
05 Seller Credit	\$2,500.00

<b>Other Credits</b>	
06	
07	
<b>Adjustments</b>	
08	
09	
10	
11	

<b>Adjustments for Items Unpaid by Seller</b>	
12 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13 County Taxes to	
14 Assessments to	
15	
16	
17	

<b>CALCULATION</b>	
Total Due from Borrower at Closing (K)	\$188,703.60
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$174,894.84
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	<b>\$13,808.76</b>

CLOSING DISCLOSURE

18

Use this table to see what has changed from your Loan Estimate

Total Closing Costs (J)	\$6,406	\$8,623.60	YES - See Total Loan Costs (D) and
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
Cash to Close	\$14,406.00	\$13,808.76	

Use this table to see a summary of your transaction.

##### BORROWER'S TRANSACTION

<b>K. Due from Borrower at Closing</b>	<b>\$188,703.60</b>
01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$8,623.60
04	
<b>Adjustments</b>	
05	
06	
07	
<b>Adjustments for Items Paid by Seller in Advance</b>	
08 City/Town Taxes to	
09 County Taxes to	
10 Assessments to	
11 HOA Dues 4/15/25 to 4/30/25	\$80.00
12	
13	
14	
15	
16	

<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$174,894.84</b>
01 Deposit	\$10,000.00
02 Loan Amount	\$162,000.00
03 Existing Loan(s) Assumed or Taken Subject to	
04 Credit Report Fee	\$29.80
05 Seller Credit	\$2,500.00

<b>Other Credits</b>	
06	
07	
<b>Adjustments</b>	
08	
09	
10	
11	
12	
13	

<b>Adjustments for Items Unpaid by Seller</b>	
14 City/Town Taxes 1/1/13 to 4/14/13	\$365.04
15 County Taxes to	
16 Assessments to	
17	
18	
19	

<b>CALCULATION</b>	
Total Due from Borrower at Closing (K)	\$188,703.60
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$174,894.84
<b>Cash to Close</b> <input checked="" type="checkbox"/> From <input type="checkbox"/> To Seller	<b>\$64,414.96</b>

23

#### Closing Cost Details

Loan Costs		Borrower-Paid At Closing Before Closing	Seller-Paid At Closing Before Closing	Paid by Others
<b>A. Origination Charges</b>		<b>\$1,802.00</b>		
01 0.25 % of Loan Amount (Points)		\$405.00		
02 Application Fee		\$300.00		
03 Underwriting Fee		\$1,097.00		
04				
05				
06				
07				
08				
<b>B. Services Borrower Did Not Shop For</b>		<b>\$236.55</b>		
01 Appraisal Fee to John Smith Appraisers Inc.				\$405.00
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.		\$450.00		
03 Title - Insurance Binder to MBH Settlement Group, L.C.		\$150.00		
04 Title - Lender's Title Policy to MBH Settlement Group, L.C.		\$469.80		
05 Title - Settlement Fee to MBH Settlement Group, L.C.		\$795.00		
06 Title - Title Search Fee to Expert Title		\$160.00		
07 Title - Digital Archive Fee to MBH Settlement Group, L.C.		\$60.00		
08 Title - CPL Fee to Title Insurance Company		\$35.00		
<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. Prepaids</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
Lender Credits				\$750.00
				\$405.00

CLOSING DISCLOSURE

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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 Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

#### In the future,

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

## 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.

CLOSING DISCLOSURE

## 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.	6.174%
	<b>Total Interest Percentage (TIPI).</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. Somerby, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	21631 Ridgeway Cir, r Ste 285 Sterling, VA 20166
<b>NMLS ID</b>					
<b>ST License ID</b>			Z765416	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	P51461	
<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

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# Congratulations On Your New Home

We're honored to be part of one of the most exciting times in your life.  
At MBH Settlement Group we continue to work for you even after the settlement.

We record your documents in the appropriate jurisdiction, send your lender a signed settlement package, disburse the settlement funds as per the settlement statement, pay off any loans or debts and obtain releases for liens on title. Within a few months you will receive your original recorded deed and your owner's title insurance policy from MBH. Please keep your settlement statement and title insurance policy in a safe place. You may need them in the future. Do not hesitate to contact MBH Settlement Group with any questions or settlement needs including future refinancing!

We look forward to serving all of your future real estate settlement needs!

## CHANGE OF ADDRESS

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





# Important Phone Numbers



## UTILITIES

Columbia Gas Emergency Number — 800-543-8911

Culpeper Light & Power — 540-825-8165

Dominion Energy — 866-366-4357

First Energy (formally Allegheny Power) — 888-544-4877

Manassas City (20110 zip only) — 703-257-8245  
(electric, water, sewer & trash service)

Miss Utility (call before digging) — 800-522-7001

Northern Neck Electric Cooperative (NNEC) —  
800-243-2860

Northern Virginia Electric Cooperative (NOVEC) —  
703-335-0500

Rappahannock Electric Cooperative (REC) —  
800-552-3904 (Services part of Stafford County)

Shenandoah Valley Electric Cooperative (SVEC) —  
800-234-7832



## COUNTY SERVICES

Alexandria — 703-246-4311

Arlington — 703-228-7400

Clarke County — 540-955-5100

Culpeper — 540-727-3427

Fairfax — 703-324-7329

Fauquier — 540-422-8001

Fredericksburg — 540-372-1010

Loudoun — 703-777-0100

Manassas — 703-257-8200

Page County — 540-743-4142

Prince William — 703-792-6000

Spotsylvania — 540-507-7000

Stafford — 540-658-8600



## WATER SERVICES

Alexandria — 703-549-7080

Arlington — 703-228-6570

Caroline County — 804-633-4390

Culpeper — 540-825-0285

Dale City — 800-452-6863

Fairfax — 703-698-5800

Falls Church — 703-698-5800

Fauquier — 540-349-2092

Fredericksburg — 540-372-1182

Herndon — 703-435-6814

King George County — 540-775-1657

Lake of the Woods — 540-972-2133

Leesburg — 703-771-2701

Loudoun — 571-291-7880

(Sterling, Ashburn, South Riding, parts of Leesburg)

Lovettsville — 540-822-5788

Manassas Utility Department — 703-257-8245

Manassas Park — 703-335-8805

Prince William & Manassas — 703-335-7900

Purcellville — 540-338-7093

Spotsylvania — 540-507-7300

(22407, 22408, 22553 zips only)

Stafford — 540-658-8616

(22405, 22406, 22554, 22555 zips only)

Vienna — 703-255-6385

Warrenton — 540-347-1101



## TELEPHONE / DATA SERVICES

Century Link — 800-244-1111

Xfinity — 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-pays" 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)  
515 King Street, Suite 204  
Alexandria, VA 22314  
703-739-0100  
mbholdtown@mbh.com

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

Sterling  
21631 Ridgetop Circle, Suite 285  
Sterling, VA 20166  
703-277-6800

Fairfax  
10306 Eaton Place, Suite 160  
Fairfax, VA 22030  
703-279-1500  
mbhfairfax@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  
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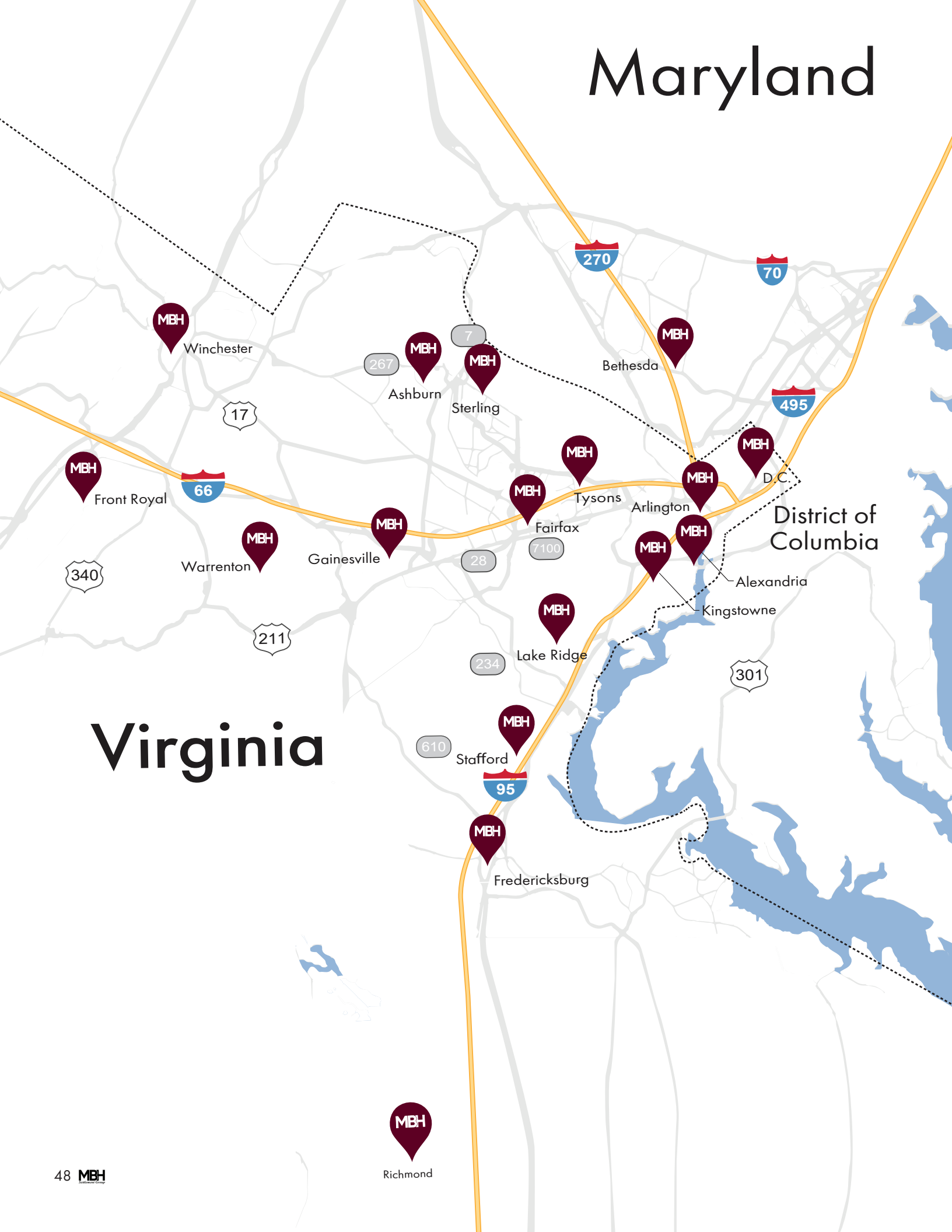
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