



REAL ESTATE SELLER'S GUIDEBOOK



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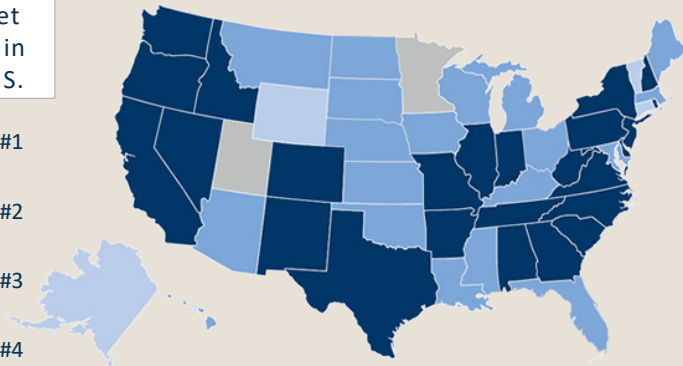
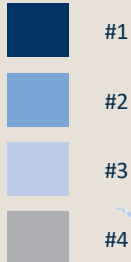
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Fidelity National Title Agency
...a Tradition of Trust

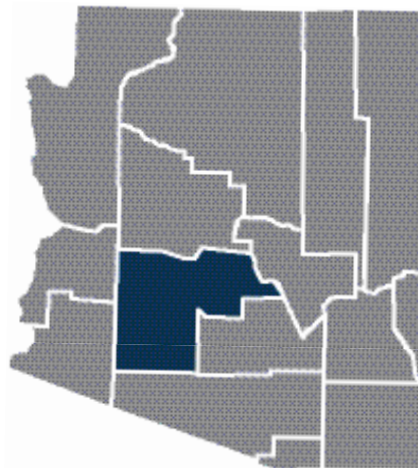
Why Fidelity National Title Agency?

Market
Share in
the U.S.



Fidelity National Title Agency is a member of the Fidelity National Financial family of companies, the largest and most profitable title insurance company in the industry providing centralized and distributed title and settlement services through the United States, Canada, and many international locations. Through its title insurance underwriters, the FNF family of companies issues more title insurance policies than any other company in the United States. We have the most substantial claims reserve in the industry offering the financial strength and reliability our clients demand.

In Maricopa County, Fidelity National Title Agency is a local leader in both title insurance and real estate services. We offer a complete line of title and escrow services for both residential and commercial transactions as well as a variety of other related services. We offer 11 branch locations (and growing) across the Valley staffed with dedicated title and escrow professionals who are experts in local real estate laws and customs and who develop lasting relationships that are second to none. Our Executive and Sales Teams are committed to offering clients meaningful customized products and services, the expertise and passion for finding solutions to customers' problems and establishing long-term business relationships based on a mutual exchange of value. Let Fidelity offer you the price, service, and reliability you expect from a leader in the title insurance industry.



"Feel the Fidelity difference"

Fidelity National Financial is the nation's largest title insurance company through its title insurance underwriters that collectively issue more title insurance policies than any other title company in the United States.

Fidelity National Title Agency has provided this guidebook for informational purposes only. This guidebook is not intended to offer legal or financial advice. It is strongly recommended that you seek professional advice from an attorney and/or your tax advisor to determine the legal and financial consequences of buying or selling a house.

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FNF is consistently recognized as an industry leader by highly-respected organizations

Accolades bestowed on the company over the past decade include:

Named to the Fortune 500 on an annual basis – ranked 402 in 2019

The only Fortune 500 company in its industry

Selected by Fortune as one of America's Most Admired Companies

Identified by Forbes as a Global 2000 Company

Chosen by Forbes as one of The World's Best Companies

Selected by Forbes as one of the Best Managed Companies in America

Named by Forbes to the Platinum 400: America's Best Big Companies

150 years of Title & Escrow Experience

2.5 Billion dollars in claims reserve

\$5.2 Billion in Investment Portfolio

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NOTES & QUESTIONS: As you read through this guidebook, you'll notice each page has space at the bottom for notes and questions. Grab a pen and write down any questions that come to mind as you read. Selling your house can be a complicated process, but the more you know before you begin, the more positive your experience will be. The cover of this guidebook has contact information for local experts who can provide answers now and at every step of the process - don't hesitate to reach out, we're here to help!

Considering a For Sale By Owner



Statistics show that selling your home with the assistance of a professional real estate agent will garner you a higher profit, enough to cover the commission as well as put more money in your pocket.

Most buyers today work with a buyers' agent to represent their interests. If you choose to sell your home on your own, you'll be negotiating with a professional and relying on your own skill to finalize a contract. Not only could you end up selling your home for less money, you could leave yourself open to potential legal problems unless you have the contract vetted by an experienced real estate attorney.

FSBO transactions can be successful, of course, but 90 percent of homeowners prefer to work with a professional rather than risk an unsatisfactory home selling experience.

If you choose to go this route, request Fidelity National Title Agency's "For Sale By Owner Guidebook" to help you map out the resources you will need to sell your home on your own.



What FSBO Sellers Need to Know About Real Estate Rules and Regulations

To sell your house by yourself, you must learn the legal rules that govern real estate transfers in your state, such as who must sign the papers, who can conduct the actual transaction, and what to do if and when issues are discovered that slow down the transfer of ownership. Review these questions before deciding to sell on your own:

- Are you experienced enough in real estate law to write a legally binding contract?
- Do you have experience with protecting your rights in a real estate transaction?
- Do you understand the escrow process and what is required of you and the buyer?
- Do you have a complete online and print marketing plan for your property and can you be sure it is reaching your target audience for maximum exposure?
- Are you able to accurately explain contingencies and legal disclosure requirements?

NOTES & QUESTIONS:



7 Reasons To Sell With A REALTOR®

For most sellers, a real estate agent's services, market knowledge, and network of industry experts are worth the cost. Consider the following benefits of using a Realtor® before you decide to attempt to sell your own home:



1. A Realtor® has access to market data about recent sales and other homes on the market that can be used to price your home appropriately. Studies show that homes priced right when they're first listed sell more quickly and for a higher price than those that linger on the market.
2. A Realtor® can show your home when you aren't available, respond to inquiries from potential buyers and their agents, and get valuable feedback from visitors – all things that save you time.
3. A Realtor® can look at your home objectively and suggest ways to improve its appearance – from staging to minor repairs – so it appeals to more buyers.
4. Buyers typically prefer to look at a home without the seller present so they can feel more comfortable exploring the rooms and visualizing themselves in the property. At an FSBO sale, the seller must be present.
5. A Realtor® can screen visitors to your home, which provides a measure of safety that FSBO sellers don't have. In addition, by checking to see if the buyers are legitimate and can afford to purchase your home, a Realtor® can help you avoid wasting time showing your home to unqualified buyers.
6. Realtors® have professional marketing expertise, contacts with other Realtors® who work with buyers, and the support of a brokerage that can market your home more widely than you can as an individual.
7. A Realtor® can help you negotiate a contract that not only garners you an appropriate price for your home, but that meets your needs for a closing date. In addition, a Realtor® can make sure your contract is in compliance with all local regulations.

NOTES & QUESTIONS:

Before Listing Your Home



Q. When is the best time to list a house for sale?

A. The simple answer is – whenever you are ready to sell your home. While Spring is typically when most homes go on the market, homes go up for sale all year long. During the Spring, sellers will have more competition for their home because there are typically more houses on the market during this time. However, there are more buyers as well. Historically, during the off-peak seasons of Fall and Winter, fewer homes go on the market and there are typically fewer buyers. But you can be assured that the buyers who are looking during these seasons are extremely serious. Every market is unique, so consult your Realtor® to learn more about your local trends.

Q. Should I fix my house up before it goes on the market?

A. If you hope to achieve the highest selling price and the shortest amount of time on the market, you want to make certain that your home shows well. The type and amount of work you do depends largely on the price you're asking, the time you have to sell, and the present condition of the house. Certain home improvements are useful to almost everyone and can add value and speed the sale of houses. These include building a deck or patio; doing some kitchen remodeling (updating cabinets, counter tops, or appliances); and adding new floor and wall coverings, especially in bathrooms. Quite frankly, potential buyers want to buy a home that appears to be well taken care of. Buyers may discount items that they feel need to be improved or replaced. On the other hand, major improvements that appeal to individual personal tastes that not everyone may share, like swimming pools or wet bars, generally return less than the cost of the project. If more significant improvements are required, consider making those changes only if the local real estate market will support the cost of the project.



Q. What should I do to make the home show well?

A. Regardless of the market, all sellers should make certain that their home has the curb appeal to draw potential buyers into their home - keeping your lawn mowed, shrubbery trimmed, trash removed, etc. On the inside of the home, consider the condition of the paint, that the home is clean and de-cluttered, that there are no strong odors, and that personal photos and mementos are kept to a minimum. Because the buyers should be able to envision themselves living in your home, it is best to limit distractions. If improvements need to be made, make certain that you do not over improve – start with simple improvements such as painting and carpet cleaning.

Q. Once a home is listed, how will prospective buyers gain access to view it?

A. Potential buyers gain access to a home through the assistance of their Realtor®. The buyer's agent will make an appointment to view the home and receive all of the necessary information to gain access to the home. Buyers are not allowed to view properties unescorted.

NOTES & QUESTIONS:

How To Price Your Listing

Q. How do I determine my home's listing price?

A. Value is a relative term. You need some basis of objectivity – and you can find it by having your Realtor® compare your house against other similar houses in like neighborhoods. Your Realtor® will work together with you to factor in all the important aspects of your home and price your home effectively. Using the Multiple Listing Service (MLS), the Realtor® will prepare a Comparative Market Analysis (CMA) which involves a survey of homes that are on the market and those that have recently sold and are similar to yours. Your Realtor® will then advise you on the additional value (or deficit) of your home's unique features, and factor that into the equation. Depending upon how anxious you are to sell (and how fast you need to close), your Realtor® can suggest different strategies to help you get top dollar for your home.



Q. Doesn't it make sense to price my home higher because buyers will negotiate the price down?

A. Because virtually 100% of today's home sellers have their home marketed on the internet, today's home buyers can shop online anonymously. When perusing online, home buyers are able to compare your home against other homes to see if they feel your home's price and features are a value. If you price a home too high, many buyers will make the decision to not even view your home in person. Your home could remain on the market for months, while you continue to pay your mortgage, basically eroding any profit you were hoping to make by pricing it higher. The best strategy is to price it correctly so that prospective buyers searching online believe that their offer will be considered.

Q. Does it make sense to test the market with a higher price for a short period of time?

A. Because newly listed properties typically attract the most interest from buyers during the first three weeks, it is imperative that you price it correctly to attract buyers. When looking online, buyers are going to compare your home with other homes on the market. If they do not perceive your home's price and features to be a value, they will not make an appointment to see your home, thereby causing it to languish on the market. The longer the home stays on the market, the less you can expect to receive for a selling price because buyers feel that a seller will take less for a home that has been on the market for a long time. Additionally, if you do happen to get the price you want for your home, you run the risk of it not appraising for the full price.



Q. If I list my home at or below the market, won't buyers think there is something wrong with it?

A. Because buyers have access to a wealth of information online, they often have a keen sense of a home's real worth. Your home will presumably have a number of photos showcasing it to prospective buyers, and they will be able to see the quality of your home online. Additionally, buyer's agents will know it is priced realistically and they will let their clients know.

NOTES & QUESTIONS:

8 Costly Seller Mistakes to Avoid



It's wise to follow others' good examples and to learn from others' mistakes. To ensure your home selling experience is set up for success, avoid these top eight common mistakes:



1. *Buying a replacement home before selling the old one.*

The temptation may be great to buy a replacement home first. Because you'll know where you are going and how much you'll be paying, you won't have to worry about being rushed if your home sells quickly. However, the financial risks of buying first are great. It's far better to sell your current home first and endure the inconvenience of moving to an interim rental than it is to end up owning and paying for two homes when you only want one.

2. *Basing the list price of your house on the price you want rather than on market value.*

It's hard to be objective about the value of your home. This is why it is important to get a professional opinion before setting a list price. Over-priced listings often take a long time to sell and ultimately can sell for even less than market value after languishing on the market for months.

A buyer won't pay more for your home just because you want more money to purchase your next home. Find out the market value of your current home by having your real estate agent prepare a comparative market analysis or by getting an appraisal from a local appraisal firm. With this information, you can determine an accurate list price for the current market.

3. *Skipping a home inspection before listing a home for sale.*

Home inspections disclose structural aspects of your house that may need work. Sellers who know the condition of their home before they enter the market are in a better position to negotiate a firm sale because they can disclose existing reports on the property to buyers before the buyers make an offer. Sellers are often required to pay for eliminating wood pest or termite infestations and they may also be asked to correct other defects.

4. *Neglecting to enhance the curb appeal of your home.*

Buyers and real estate agents remember what they see. Their first impressions are lasting ones. If a property looks a mess when it hits the market, that is how buyers' agents and potential buyers will remember it. Take the time to fix and touch up your house before putting it on the market - and remember to pull weeds and spruce up the front yard so buyers don't leave before they even enter your front door.



NOTES & QUESTIONS:

8 Costly Seller Mistakes to Avoid



5. *Refusing to counter an offer you feel is “too low”.*

Sellers want to sell high; buyers like to buy low. A low offer from well-qualified buyers could be better than no offer at all. A high offer from unqualified buyers only leads to disappointment. The price of a buyer's offer is not the most important part of their offer – if they are willing to negotiate.

6. *Insisting on being present when the home is shown to prospective buyers.*

One way to discourage buyers from buying your home is to be present during showings. For buyers to decide to purchase, they first must discover and discuss all of its features, including any perceived flaws. Buyers are reluctant to say anything negative about a home in the sellers' presence. You want them to feel as free as possible to picture your house as their “dream home.” It is best to leave your home when it is being shown to prospective buyers.

7. *Setting up a complicated showing procedure that discourages showings.*

A home that can't be shown can't be sold. The easier it is to show a home, the more often it will be shown and the quicker it will be sold. There is usually a direct correlation: the more showings a home receives, the less time it takes to sell.

8. *Refusing to do anything to get your home ready to sell.*

The way most people live in their homes is usually very different from the way a home should look when it goes on the market. In order for someone to want to buy a home, they must be able to envision themselves living there. Most sellers have to de-clutter and clean their homes – at the very least.

Often there is quite a bit more work that needs to be done before a home is ready to sell. When you sell a car, you have it detailed so it looks its shiny best, and you receive the highest price possible. The same concept applies to selling houses. Buyers pay a premium for homes that are in move-in condition.



NOTES & QUESTIONS:

Preparing Your House For Sale



Your home's first impression is always important. You know what they say: "You Never Get a Second Chance to Make a First Impression." The same goes for your house. Getting your home into top showing condition is one of the most important things you need to do before starting to market your home. This list covers the most common items that may need to be addressed in order to make your home bright, inviting, uncluttered, and overall, spotless.

Kitchen

- The kitchen is the most important room in the house. Make it bright and attractive. If it needs help, paint it or try new curtains.
- Make sure the kitchen is spotless. Clean the floor, windows, cabinets, stove and ventilating hood, etc.
- If the kitchen floor is badly worn, replace it with new flooring.
- Replace any loose tiles on the counter and walls.
- Remove any appliances or kick-knacks you keep on the counters. Clean, uncluttered counters will make the room look bigger.
- Clean and neatly arrange refrigerator, freezer, and pantry.
- Remove refrigerator magnets.



Outside

- Make sure the front door and porch are fresh and clean looking. Repaint the front door if necessary.
- Keep the lawn and shrubs trimmed and neat looking. Freshly planted flowers look attractive and inviting.
- Sweep walkways.
- Paint your house if necessary. This can do more for the sales appeal than any other item. If you don't want to paint, consider touching up shutters or window frames.
- Check the roof and gutters for missing tiles/shingles that need to be replaced. Ensure that gutters and downspout are in place.
- Make sure exterior lights are clean and operating.
- Clean out gutters, paint if needed.
- Wash all windows. Replace any torn screens or cracked window panes, and test windows to be sure each opens.
- Ensure all fences are secure.
- Get rid of oil stains on driveway and patch or seal coat as needed.
- Make sure the doorbell is operational.



Garage

- Clean out the garage and dispose of anything you are not going to move. Box up everything you won't need until you're in your new garage. The garage should have room for cars.
- Make sure the garage door opener is in good working condition.
- Sweep floor and clean any grease spots.

Consider having your home inspected before you list it. In doing this, you will learn if there are any major repairs needed and can address them before the house goes on the market. This also shows the buyers and their agent that you have been proactive.

NOTES & QUESTIONS:



Preparing Your House For Sale

Try to look at your house “through the buyer’s eyes” as though you’ve never seen it before. Any time, elbow grease, or money spent on these items brings you back much more money in return, and hopefully a faster sale. Potential buyers can be nosy - opening drawers, examining window sills, inspecting appliances - as they want to know every detail about one of the biggest purchases of their lives. Invite a friend to walk through your home to double check the level of cleanliness.

Living Areas

- Ensure all walls are in top shape. Repair all cracks, nail pops or visible seams in drywall.
- Check ceiling for leak stains. Fix the source of the leak, repair the ceiling and paint.
- In painting or redecorating, avoid offbeat colors. Stick to white or easy to work with neutrals.
- Replace faded curtains or blankets.
- If you have a fireplace, clean it out.
- Replace burned out light bulbs. Put in brighter light bulbs. Make sure light switches work.
- Remove distracting posters or other personalized decor.
- Clean floors and vacuum rugs.
- Straighten up the closets and get rid of excess items.
- Replace air filters.
- Use air freshener to eliminate musty or unpleasant pet or cooking odors.
- Fix any doors that stick.
- Remove papers from coffee tables and end tables.
- Keep laundry area clean and organized.



- Put unnecessary furniture into storage so the house seems spacious and uncluttered.
- Consider hiring a home staging company to consult on the furniture and decor that will help your home sell quickly.

Bathrooms

- Repair any dripping faucets.
- Keep fresh towels in the bathroom.
- Remove any stains from toilets, sinks, bathtub and shower.
- If the sink, bathtub or shower drains slowly, unclog it.
- Clean floors and fixtures.
- Replace shower curtain and put out guest towels.

Before You Leave Each Day

- Make beds.
- Open drapes and blinds.
- Turn off TV and turn on soft music.
- Wipe down counter top.
- Turn on lights in dark areas.
- Make sure rugs are clean and straight.
- Do a “once over” cleaning - vacuum, sweep & dust.
- Clean and straighten up bathrooms.
- Put away dishes.
- Double check entry way.
- Empty wastebaskets and garbage.
- Final check every room.
- If possible, get pets out of house.



NOTES & QUESTIONS:

Home Inspections



The standard Arizona Association of Realtors® Purchase Contract contains a provision that allows the buyer to have the subject property physically inspected within the first ten days of acceptance of the contract by the seller. It is the seller's obligation to provide the buyer with access to the property during this ten day inspection period for whatever inspections the buyer requires. Once a purchase contract has been signed, the buyer can hire a professional inspector of their choosing for the inspection.

Home inspections are a critical part of the home buying and selling process. Knowledge in the field of property inspection has become invaluable, especially in light of stricter legislation on both a state and national level.

Common Types of Inspections

- Structural Pest Control (termite)
- Well & Septic
- Hazardous Materials
- Chimney
- Heating and Cooling



How a home inspection works:

A typical home inspection includes a check of a house's structural and mechanical condition but can also encompass tests for radon gas, detection of wood-destroying insects and other services requested by the buyer. Inspections do not cover cosmetic aspects of the home, like clean carpets and fresh paint. Back in 1976, the American Society of Home Inspectors (ASHI) standardized the home inspection process and established Standards of Practice dictating what must be inspected as well as how far the professional home inspector needs to go to report their findings.

According to ASHI, the standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; the foundation, basement and structural components.

Once the home inspection is complete, the inspector creates a report for the home buyer detailing all that was found. This report will note problems requiring immediate attention and conditions that could lead to more serious issues over time.

Sellers can consider having a home inspection before listing the home, to determine in advance which items need to be addressed and avoid "hidden costs" that may cause buyers to cancel a contract later on in the transaction.

To locate a professional home inspector, use ASHI's "Find A Home Inspector" locator at www.ASHI.org.

NOTES & QUESTIONS:



Fidelity National Home Warranties

A home warranty is a service contract that offsets the cost of homeownership. Home warranties have been around for over 35 years and continue to be an important aspect of the real estate transaction as a way to provide repair or replacement coverage for a home's covered major systems and appliances. Coverage does not apply to known pre-existing conditions or to improper maintenance.

A real estate agent can order a home warranty plan for the seller in order to protect the seller against costly repairs that could happen while the home is listed for sale. Seller's Coverage is sold in conjunction with a Buyer's Home Warranty plan so that the home warranty stays with the house after the house is sold. Homes with existing home warranties are more attractive to potential buyers since it reduces the worries of "what happens after I buy the home and something goes wrong."

Home Warranty vs. Homeowner's Insurance

Newly built homes typically come with a one-year warranty on appliances and systems and a 10-year warranty on structural elements paid for by the builder, but an existing home normally does not have a warranty at all. Whether you are a buyer or a seller, you should be aware that a warranty covers specific items under a service contract. If something goes wrong, you will need to contact the warranty company and they will send a repair person of their choice. The licensed and bonded contractor will make repairs or replacements according to code and to federal guidelines. You will pay a service fee, generally about \$50 or \$75, to have the appliance or system checked and fixed.

Your homeowners' insurance covers the house itself and your personal possessions in case of a fire, theft or damage from another cause, but you won't be able to make a claim if your air conditioner fails or your water heater breaks.

Home Warranty Coverage

Not everything under the roof is covered by a home warranty, but the big things like the central heating, water heater and dishwasher are when they break down due to normal wear and use. It's also good to note that the covered systems and appliances are covered regardless of age, make and manufacturer just as long as they were in good working order when your home warranty coverage starts.

There are several options to choose from with Fidelity National Home Warranty. Review the application to select the best coverage for you. The Standard Plan offers a basic coverage:

- Kitchen appliances such as your range or oven, dishwasher and built-in microwave
- Garbage disposals
- Plumbing systems and stoppages
- Electrical system, including garage door openers
- Water heaters & ceiling fans
- Heating and air conditioning systems

An enhanced warranty is usually needed to cover your refrigerator, freezer, washer and dryer. You can also pay for optional coverage of items such as a swimming pool and spa or a septic system. Review the application to choose options that you may consider important.

For more information on purchasing a home warranty, visit www.HomeWarranty.com or call 1-800-ToCover (1-800-862-6837).



NOTES & QUESTIONS:

The Appraisal Process

Whether you are buying or selling a property, you probably have a set price in mind. Unfortunately, your idea of a good price may not be the same as what a lender considers a good price. That's why a lender will always need an objective assessment of the home's value, an assessment that can only be done by a licensed home appraiser.

An appraisal is an opinion of value that is completed by a professional appraiser who visits and inspects the size, condition, function and quality of the home. Appraisals can help prospective sellers determine acceptable selling prices, help prospective buyers decide on offering prices, or assist the underwriter in establishing a value of the house for a mortgage loan.

Appraising a home, especially in most large cities, is not an easy job. Properties that are just a few blocks from one another can differ greatly in price. A home's proximity to public transit or schools and whether or not there is a view are both factors that can make a big difference in the price of two seemingly similar homes.



There are a few steps in the appraisal process. First, a licensed appraiser comes to the property and inspects the home. Next, the appraiser will research similar homes in the area and compare recent sales to determine a "fair market value." The appraiser will then give a final appraisal report with all the data and research to issue a final "opinion of value."

An appraisal is based on information that's similar to the information Realtors® use for a comparative market analysis, including the specifics of your house such as square feet, number of bedrooms, number of bathrooms, the location and age of the property and interior improvements. These facts about your home will be compared to other homes to come up with your home value.

You and your Realtor® should review the report to see which homes were chosen for comparison purposes, and to make sure the appraisal includes accurate information and takes into account intangible things that can add value to a home, such as location within a sought-after school district or near a transportation hub. Your Realtor® can also provide comparable properties to the appraiser for consideration.

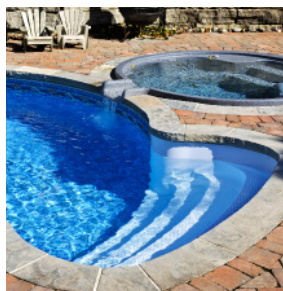


NOTES & QUESTIONS:

The Appraisal Process

What Appraisers Look for During the Home Appraisal Process

Knowing what an appraiser will look for during the appraisal process can help you better prepare your home for the appraisal. Here are a few key features of your home that an appraiser will be interested in:



◆ Property Size

First, the appraiser will consider the overall size of your home. A larger property is often more desirable to buyers because it gives them the possibility of building an addition to the home in the future. A home with many bedrooms and bathrooms will also have extra value since a greater number of people can live in the home.

◆ The Exterior

Before even entering your home, the home appraiser will inspect the outside of your property. This involves looking at the structure of your home and inspecting the foundation and roof to determine what materials they are made from and what condition they are in. The appraiser will also look for any damage to your home, such as leaks or cracks, or defects that may have gone unnoticed when the house was built.

◆ The Interior

As with the exterior, the appraiser will consider the materials used in the construction of your home; their condition is very important. The main construction of your home, including the walls, flooring, windows and doors, will be carefully inspected to determine quality and identify any damage or defects. The condition of lighting fixtures, kitchen appliances and plumbing will also influence the appraiser's estimate.

◆ Extra Features

Amenities that contribute to the comfort and safety of a home will greatly improve the appraised value. Appraisers will take into consideration all the extras that your home offers, such as air conditioning, fireplaces, security systems, or smoke detectors. Outdoor amenities, such as a swimming pool, garage or gazebo, could also lead to a higher appraisal.

◆ Improvements

Improvements that you have made since you took ownership will influence the appraised value of your home. While inspecting the interior of your home, the appraiser will pay attention to upgrades that you have made to your kitchen and bathrooms especially. A new oven, stove, sink or bathtub is a big plus when determining your home's value. Because the appraiser might not notice all the upgrades that you've made, it is important to provide him or her with a list of improvements before the appraisal.

NOTES & QUESTIONS:

What Is An Escrow?



What is an Escrow?

Whether you are a buyer or a seller, you want assurance that no funds or property will change hands until all instructions have been followed. With the increasing complexity of business, law and tax structures, it takes a trained professional to supervise the transaction.

When opening an escrow, buyers and sellers of a piece of property establish terms and conditions for the transfer of ownership of the property. These terms and conditions are given to a third party known as the “escrow holder” (Fidelity National Title Agency). In turn, the escrow holder has the responsibility of seeing that the terms of the contract are carried out. The escrow holder is an independent neutral third party and the vehicle by which the interests of all parties to the transaction are protected.



What Happens to the Earnest Money?

A “deposit” is made, in part, to show the seller your seriousness about buying. Your Realtor® will inform you of the amount that is usually given in your area. The seller doesn’t actually receive the earnest money. Fidelity National Title Agency holds the funds in a special trust or escrow account until the sale is closed or the contract is broken.

How Does the Escrow Process Work and How Long Does it Take?

The escrow is a depository for all monies, instructions and documents necessary for the purchase of a home, including funds for the down payment and lender’s funds and documents for the new loan. The Escrow Officer takes instructions based on the terms of your purchase contract and the lender’s requirements. Generally, the buyer deposits a down payment with the escrow holder and the seller deposits the deed and any other necessary documents. Prior to the close of escrow, the buyer deposits the balance of the funds required and agreed upon by the parties with the escrow holder. The escrow holder acts for both parties and protects the interests of each within the authority of the escrow instructions. Escrow cannot be completed until the terms and conditions of the instructions have been satisfied and all parties have signed escrow documents. The Escrow Officer will abide by the instructions in your purchase contract and the lender’s requirements.

The length of an escrow is determined by the terms of the purchase contract and can range from several days to several months depending on a variety of factors including financing. Escrow closes, or ends, with the legal transfer of title to the property from the seller to the buyer.

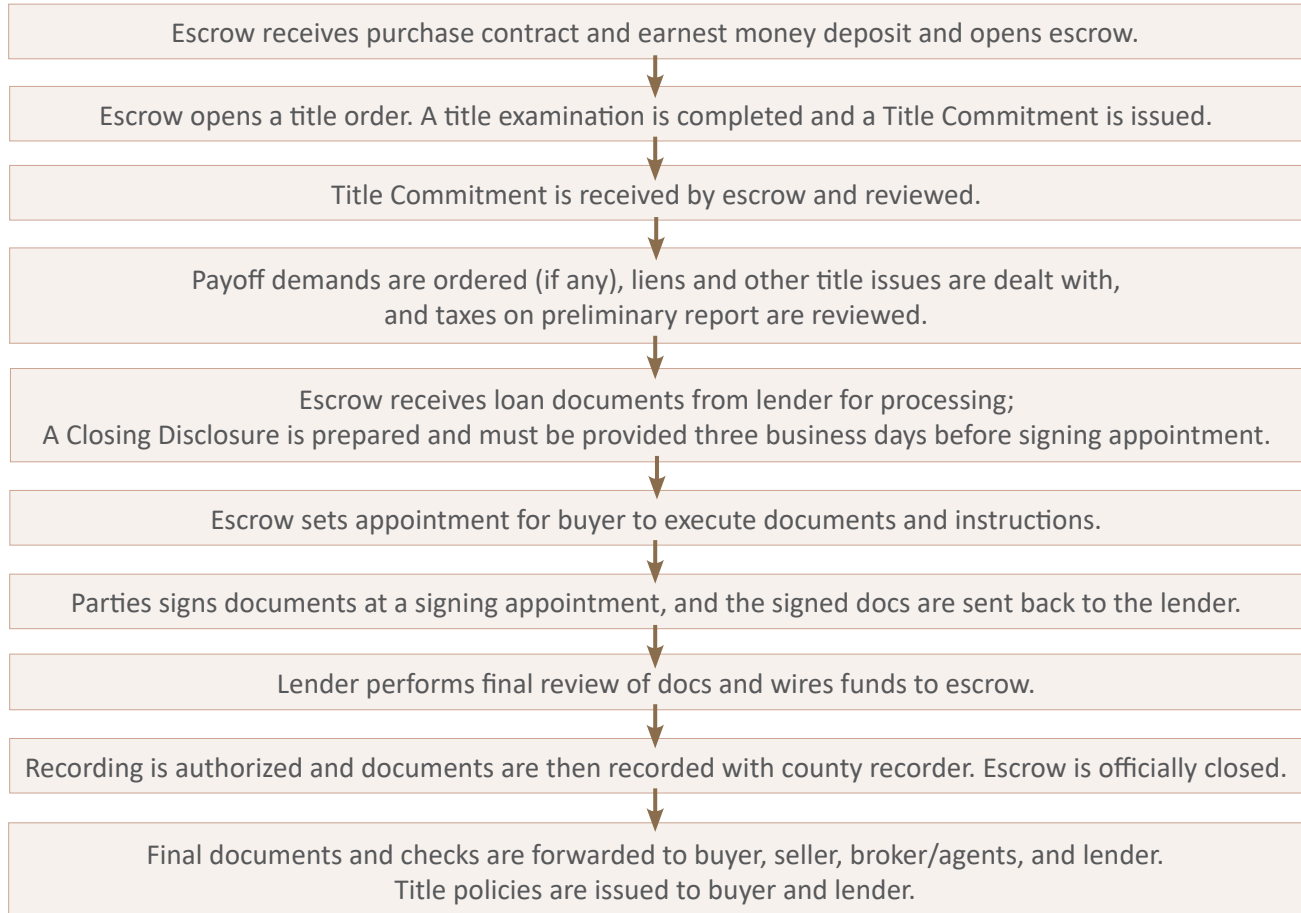
NOTES & QUESTIONS:



Escrow Flowchart

10 Steps To A Successful Closing

The escrow closing is the legal transfer of title to the property from the seller to the buyer. Once the loan funds are received by Fidelity National Title Agency, the Deed of Trust will be recorded and complete the transaction.



Congratulations on a successful closing!

When Will I Get My Final Proceeds?

The proceeds check is disbursed upon the close of escrow and your escrow officer is able to verify with the County Recorder that the documents have recorded and the legal transfer has occurred. The proceeds check can be delivered to your real estate agent so that they may deliver it to you or you may make alternate arrangements.

NOTES & QUESTIONS:

Who Does What?



The Escrow Officer:

- Receive signed Purchase Contract; prepare escrow instructions
- Receive and deposit buyer's earnest money into an escrow account
- Serve as the neutral agent and liaison/communication link to all parties to the transaction
- Order Title Commitment to determine status of title to property
- Request beneficiary's statement or pay-off demand related to existing financing
- Comply with lender's requirements as specified in the lender's instructions to escrow
- Secure releases of all escrow contingencies or other conditions required
- Request the title insurance policy
- Prepare or secure the transfer deed or other documents necessary to complete the transaction
- Arrange appointments for buyer/seller to sign documents
- Request and receive purchase funds from the buyer and loan funds from new lender
- Distribute funds as authorized by the instructions supplied by the seller, buyer, and lender, including charges for title insurance, recording fees, real estate commissions and loan payoffs
- Close escrow pursuant to instructions provided by seller, buyer and lender
- Record the deed and any other documents



The Seller:

- Deposit the executed Deed to the buyer with the escrow holder
- Deposit evidence of inspections and any repair work as required
- Deposit required documents such as addresses of mortgage holders, homeowner association contacts and lien holders

The Buyer:

- Deposit funds required, in addition to any borrowed funds, to pay the purchase price with the escrow holder
- Deposit funds sufficient for the home and title insurance
- Approve inspection reports, title insurance commitments, etc., called for by the purchase contract

The Lender (if applicable):

- Deposit the proceeds of the loan to the purchaser
- Direct the escrow holder on the conditions under which the loan funds may be used

NOTES & QUESTIONS:



Who Pays What in a Real Estate Transaction

The Buyer can generally expect to pay:

- Title Insurance Premium for Lender's policy
- Title Insurance Endorsements as requested by buyers lender
- Escrow Fee (one half)
- Recording Charges (one half)
- Buyer Notary Fees
- All new loan charges, except those required by lender for seller to pay and/or according to contract
- Homeowners Insurance premium for first year
- Interest on new loan from date of funding to 30 days prior to first payment date
- Prorations for Prepaid items
- Termite Inspection
- Home Inspection
- Homeowners Association Dues (as required by the HOA at closing)
- Homeowners Association Transfer fees, Working Capital or Contribution fees as requested by the HOA (according to contract)
- Home Warranty (according to contract)



The Seller can generally expect to pay:

- Real Estate Commission
- Title Insurance Premium for Owner's Policy
- Escrow Fee (one half)
- Seller Notary Fees
- Tax Proration (for any taxes unpaid at time of transfer of title)
- Recording Charges (one half)
- Payoff of all loans in Seller's name
- Interest accrued to lender being paid off
- Fee's as assessed by the lender being paid off. i.e.: statement fees, reconveyance fees, recording fees, etc.
- Any judgments, tax liens, etc., against the seller
- Any special assessments and/or facilities districts (per the terms of the contract)
- Any and all current and/or delinquent property or personal property taxes
- Homeowners Association Resale Disclosure Fee, per A.R.S. § 33-1260(C) and A.R.S. § 33-1806(C)
- Additional Homeowners Association fees, per contract
- Home Warranty (according to contract)

NOTES & QUESTIONS:

Glossary of Terms



Acknowledgment: A formal declaration made before an authorized official (usually notary public) by the person who has executed (signed) a document by his or her own act and deed. In most instances, documents must be acknowledged (notarized) before they can be accepted for recording.

Affidavit: A sworn statement in writing, made before an authorized official.

Amendment: A change either to alter, add to, or correct part of an agreement usually doesn't change the principal idea or essence.

Appraisal: An estimate of value of property resulting from analysis of facts about the property; an opinion of value.

Assessments: Specific and special taxes (in addition to normal taxes) imposed on real property for public improvements within a specific geographic area.

Beneficiary: As used in a trust deed, the Lender is designated as the Beneficiary, i.e. obtains the benefit of the security.



CC&Rs: Covenants, Conditions and Restrictions. A document that controls the use, requirements and restrictions of a property.

Closing Disclosure: The financial disclosure statement that accounts for all of the funds received and disbursed at the closing, including deposits for taxes, hazard insurance and mortgage insurance.

Contingency: A condition that must be satisfied before a contract can be completed. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

Deed of Trust: Written instrument by which title to land is transferred to a trustee as security for a debt or other obligation. Used in place of mortgages in many states. Also called Trust Deed.

Earnest Money Deposit: Down-payment made by a purchaser of real estate as evidence of good faith; a deposit or partial payment.

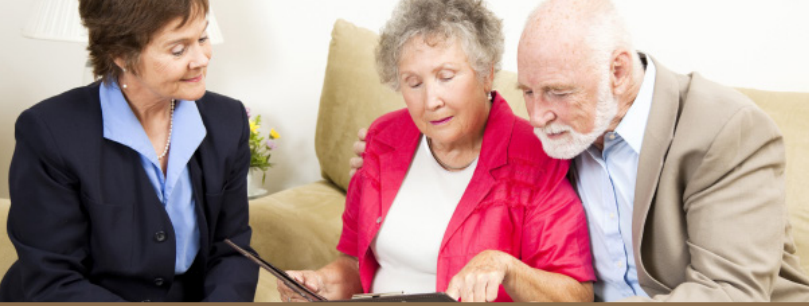
Easement: A right, privilege or interest limited to a specific purpose that one party has in the land of another.

Escrow: A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all of the paperwork and distribution of funds.

Fee Simple: An estate in which the owner has unrestricted power to dispose of the property as he or she wishes, including leaving by will of inheritance. It is the greatest interest a person can have in real estate.

Grant: A transfer of real property from the grantor, who makes the grant, to the grantee.

NOTES & QUESTIONS:



Glossary of Terms

Homestead Exemption: Automatic in Arizona, it allows any resident of Arizona, 18 years or older, to exempt from attachment, execution or forced sale \$150,000 of equity in a single dwelling unit. Exceptions include: (1) a consensual lien, i.e. where a deed of trust or equity loan is foreclosed; (2) a forced sale resulting from a mechanic's lien; and (3) any equity beyond the \$150,000. You should consult an attorney to determine if this exemption offers you protection in the event of an attachment, execution, or forced sale.

Impound Account: Funds retained by a lender to cover such items as taxes and hazard insurance premiums.

Legal Description: A description of land recognized by law, based on government surveys, spelling out exact boundaries of the entire piece of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

Lien: A form of encumbrance that usually makes a specific property the security for the payment of a debt or discharge of an obligation. For example: judgments, taxes, mortgages, deeds of trust.

Loan-To-Value Ratio: The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraisal value.

Personal Property: Movable property; all property which is not real property: e.g., furniture, car clothing.

PITI: A payment that combines Principal, Interest, Taxes, and Insurance.

Purchase Agreement: A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. It is usually completed by the real estate agent and signed by the Buyer and Seller.

Quit-claim Deed: A deed operating as a release, intending to pass any title, interest or claim which the grantor may have in property, but not containing any warranty of a valid interest or title by the grantor.

Real Property: Land and buildings as opposed to personal property.

Recording: Filing documents affecting real property with the County Recorder to make them a matter of public record.

Regulation Z: The set of rules governing consumer lending issue by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

Title: Evidence of a person's right or the extent of his interest in property.

Title Insurance Policy: A policy that protects the purchaser, mortgagee or other party against losses.

Warranty Deed: A document used to convey fee title to real property from the grantor (usually the Seller) to grantee (usually Buyer).



NOTES & QUESTIONS:

Moving Checklist

Before You Leave

- ☐ Obtain movers guide from your local post office.
- ☐ Update credit card, other accounts.
- ☐ For any subscriptions, give notice of your new address as soon as possible, ideally six or eight weeks notice.
- ☐ Notify friends & relatives.

Bank

- ☐ Locate branches of your bank close to your new home.
- ☐ If necessary, arrange to transfer funds to a new bank. Be sure to cancel any automatic payment or direct deposit.

Insurance

Notify companies of new location for coverage:

- ☐ Life Insurance.
- ☐ Health Insurance.
- ☐ Auto Insurance.

Utility Companies

- ☐ Cancel gas, electricity, water, telephone, municipal services, internet, & cable TV.
- ☐ Get refunds on any deposits made.

Children

- ☐ Register in school.
- ☐ Transfer school records.
- ☐ Arrange for day care.

Records

- ☐ Ask doctor and dentist for referrals; get prescriptions, eyeglasses, X-rays, if appropriate.
- ☐ Get copies of birth certificates, medical records, children's school records.

Pets

- ☐ Ask about regulations for licenses, vaccinations, tags.
- ☐ Consult a veterinarian about moving the pet.
- ☐ Obtain all records.

Don't Forget!

- ☐ Empty and defrost freezer & clean refrigerators.
- ☐ Have appliances serviced before moving.
- ☐ Clean and/or repair furniture, rugs, and curtains.
- ☐ Plan for special care needs for your infants & pets.
- ☐ Obtain all personal records from lawyers & accountants.
- ☐ Obtain relocation package from real estate agent or Chamber of Commerce.
- ☐ Make arrangements for cable TV and internet.
- ☐ Find out about tax deductible moving expenses.
- ☐ Discuss with your moving counselor: insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment.
- ☐ Find a legal way to dispose of items moving companies are not allowed to move, like propane tanks and ammunition.
- ☐ Make arrangements for moving your plants; moving companies do not typically assume responsibility for them.
- ☐ Arrange for storage, if needed.
- ☐ Make sure to have the things with you that you will need right away when you arrive – a lamp, bowls, utensils, bathroom tissue, snacks, coffee pot, etc.
- ☐ Assemble packing materials.
- ☐ If you're driving a long distance, have car serviced & checked for the trip. Let a close friend or relative know the route and schedule you will travel, including overnight stops. Pack a day or two worth of extra clothing in case of delay.



NOTES & QUESTIONS:

Moving Checklist

Moving Day

- ☐ Make a list of every item and box loaded onto the truck.
- ☐ Take jewelry, family photos, and important documents with you – or mail them to yourself by registered mail.
- ☐ Carry an assortment of toys for children (if needed).
- ☐ Double check closets, drawers, & shelves to be sure they are empty.
- ☐ Turn off all appliances and lock all doors and windows.
- ☐ Leave all old keys needed by new tenant or owner with Realtor® or neighbor.
- ☐ Let the movers know how you can be reached.

At Your New Home

- ☐ Check off all boxes & items as they come off the truck.
- ☐ Install new locks.
- ☐ Check on telephone, gas, electricity, water & trash pickup.
- ☐ Check pilot light on stove, hot water heater & furnace.
- ☐ Ask mail carrier for mail that may have been held until your arrival.
- ☐ Register car within five days after arrival in state or a penalty may apply when getting new license plates.
- ☐ Arrange for medical services: doctor, dentist, etc.



Change of Address Checklist

Utilities

- ☐ Electricity
- ☐ Gas
- ☐ Water
- ☐ Cable/Internet/Phone
- ☐ Cell Phone
- ☐ Trash

Financial

- ☐ Employment (HR/Payroll)
- ☐ Banks
- ☐ Credit Cards
- ☐ Loan Agencies (Mortgage, Auto, Student, etc.)
- ☐ Insurance (Auto, Medical, Home, Dental, Life, etc.)
- ☐ Investment Broker

Government

- ☐ Social Security
- ☐ Department of Revenue
- ☐ DMV (License, Registration)
- ☐ USPS Mail Forwarding
- ☐ Voter Registration
- ☐ Business License Office (if you operate a business from home)

Memberships

- ☐ Professional Associations
- ☐ Magazines/Subscriptions
- ☐ Gyms
- ☐ Churches
- ☐ Community Groups
- ☐ Country Clubs
- ☐ Alma Maters
- ☐ Civic Organizations
- ☐ Licensing Boards
- ☐ Any Other Memberships

Services

- ☐ Home (Lawn, Delivery, Housekeeping, etc.)
- ☐ Childcare (Babysitter, School, Daycare, etc.)
- ☐ Doctors
- ☐ Lawyers
- ☐ Accountants
- ☐ Vet/Groomer

Other

- ☐ Business Cards
- ☐ Friends/Family
- ☐ Newspaper

NOTES & QUESTIONS:



Fidelity National Title Agency
...a Tradition of Trust



*When it Comes to Service, Strength & Stability,
the Choice is Fidelity National Title Agency*

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