



10 FREQUENTLY ASKED QUESTIONS

about your home closing

Q: Are there different types of title insurance policies?

A: Yes. Basically there are two different types of policies – a loan policy and an owner's policy. The loan policy protects the lender's interest in the property as security for the outstanding balance under the buyer's mortgage. The owner's policy safeguards the buyer's investment or equity in the property up to the face amount of the policy.

Q: How much money do I need to bring to closing?

A: Your lender will provide you with a good faith estimate. You can use this information to determine the amount needed for your cashier's/certified check.

Q: Do I need an attorney?

A: An attorney is not required to attend settlement in the State of Maryland but you can have your attorney attend closing or review your closing documents (if available) prior to closing.

Q: What do I need to bring to settlement?

A: You will need to bring any funds you may need for settlement in the form of a certified or cashier's check. You will also need to bring a current government issued photo ID. This is needed for notary purposes as well as to comply with the Patriot Act. You may also need to bring a copy of your homeowners insurance policy with paid receipt if required by your mortgage lender.

Q: What is a short sale or VA compromise?

A: This is a settlement in which the seller owes more for the property than the present market value. The seller and their agent work with the current mortgage company to see if the lender will accept less than what is due to payoff the mortgage and release the lien they hold on the property.

Q: We are refinancing and will be getting cash back from the new loan. Will I be able to get that money on the day of settlement?

A: No. Lender's are required to give you three business days (including Saturday) to think about the transaction you just completed and decide if you want to continue with the new loan. After the three days have passed and your new mortgage lender has provided the loan proceeds to us the funds due back to you can be released.

Q: How much advance notice is needed before a closing is scheduled?

A: We need at least two weeks to properly prepare for closing from the time the contract (purchase) or loan application (refinance) is received.

Q: How much could I lose if a claim is filed against my property?

A: That depends on the claim. In an extreme case, you could lose your entire home and property – and still be liable to pay off the balance of your mortgage. Most claims aren't that dramatic, but even the smallest claim can cost you time, money, aggravation, and you may have to pay costs for a legal defense.

Q: How does title insurance protect my investment if a claim should arise?

A: If a claim is made against your property, title insurance will, in accordance with the terms of your policy, assure you of a legal defense – and pay all court costs and related fees. Also, if the claim proves valid, you will be reimbursed for your actual loss up the face amount of the policy.

Q: How long does my coverage last?

A: For as long as you or your heirs retain an interest in the property and, in some cases, even beyond.