

# Buying and Selling Real Estate in the U.S. Virgin Islands:

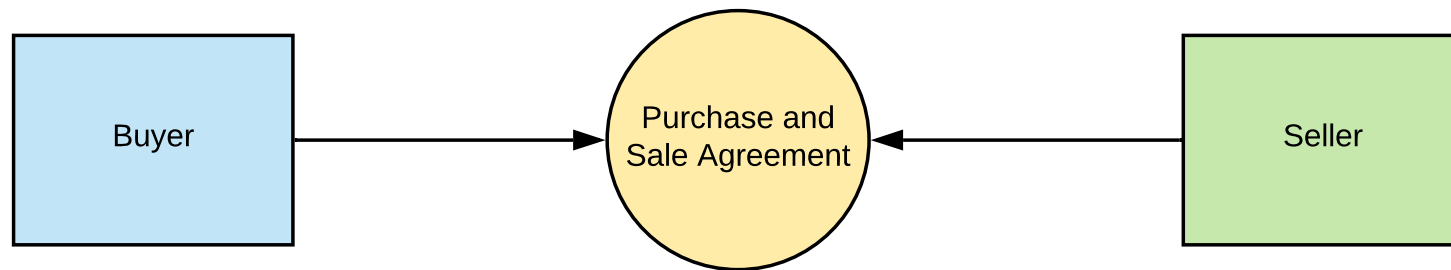
## A Visual Guide



Prepared by:

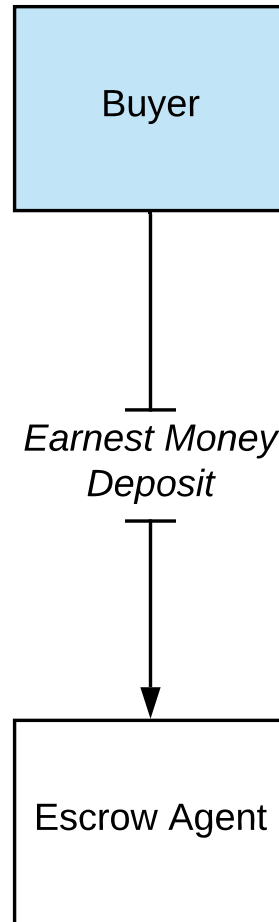
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# 1. Buyer and Seller enter into a contract for the purchase and sale of property.



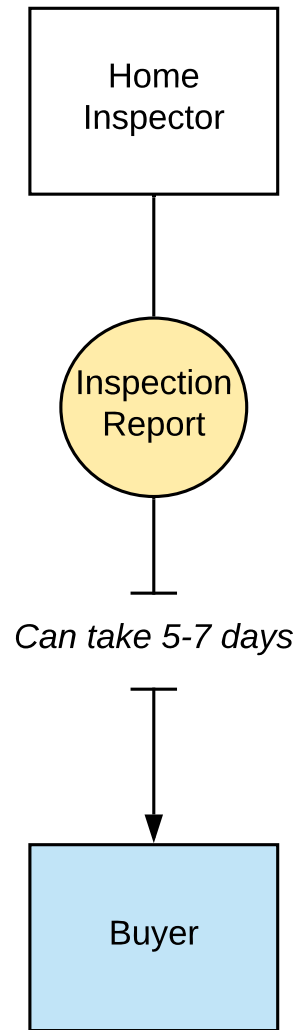
The Purchase and Sale Agreement is often prepared by the Buyer's real estate agent, but it can also be prepared by the Seller's real estate agent or the Buyer's or Seller's attorney. The Purchase and Sale Agreement governs all aspects of the deal between the Buyer and the Seller. If the Buyer and Seller agree to change any of the terms of the Agreement, they must do so in a written and signed amendment to the Purchase and Sale Agreement.

2. Buyer provides the agreed-upon earnest money deposit to the Escrow Agent.



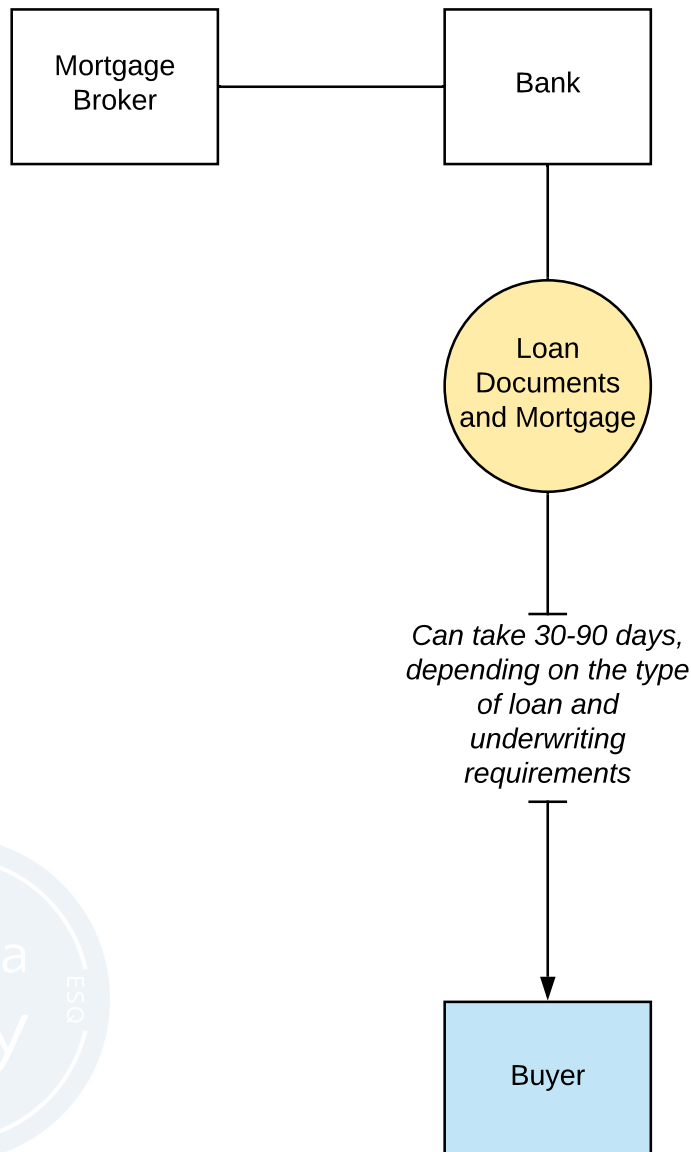
The Escrow Agent is usually either a real estate agent or an attorney. The Buyer will discuss with the Escrow Agent the logistics of sending the earnest money deposit to the Escrow Agent (i.e. check or wire). These funds will go towards the Buyer's total costs at closing.

### 3. Buyer orders a home inspection report.



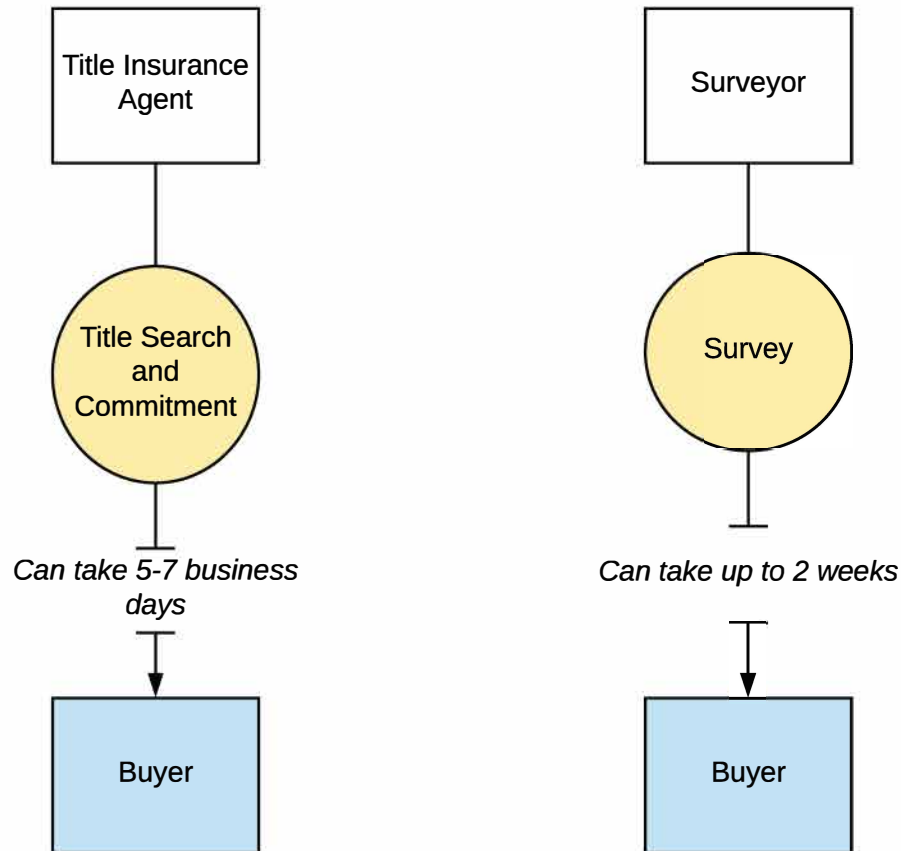
The report is provided by a certified Home Inspector and typically reviewed by both the Buyer and the Buyer's Real Estate Agent. The Buyer pays the Home Inspector's fees at the time the service is provided.

4. If the home inspection is satisfactory to the Buyer, the Buyer will typically work with a Mortgage Broker or Bank Representative to obtain financing to purchase the property.



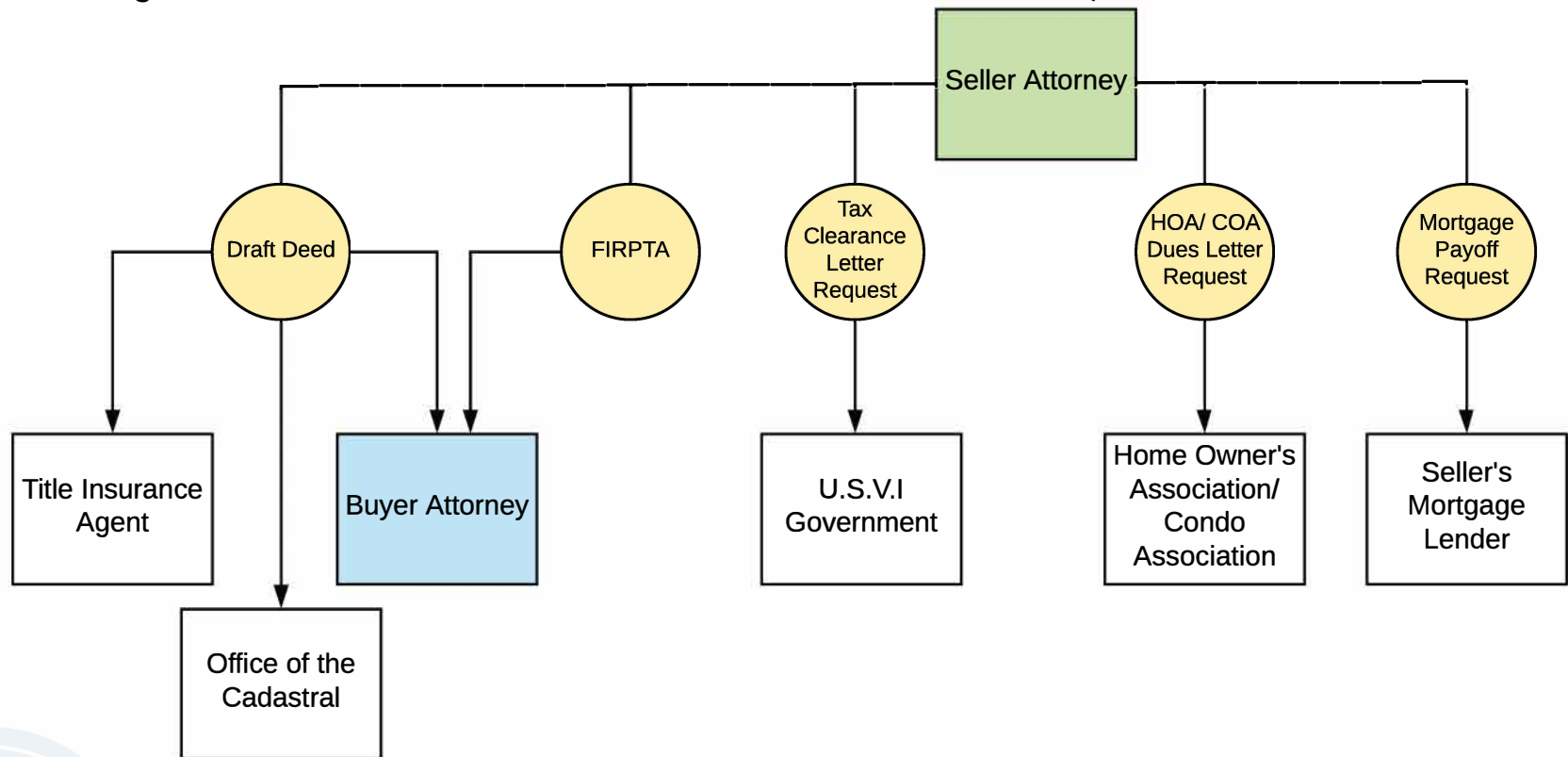
Ofentimes the Buyer will work with a Mortgage Broker to find the best loan rates. Securing financing is a process that can take several weeks. While financing is being secured, the Buyer will move forward with other aspects of the deal.

5. Buyer hires a Title Insurance Agent and orders a title search and title policy. Buyer may also wish to hire a surveyor at this time (condo sales do not require surveys).



If the Buyer is obtaining financing, the Buyer will be required by the Bank to purchase title insurance to protect the Bank's interest in its collateral. This is called a "lender's title insurance policy." If the Buyer also wants a title insurance policy, the Buyer can purchase an "owner's title insurance policy." If the Buyer is paying cash, the Buyer will usually purchase an owner's policy.

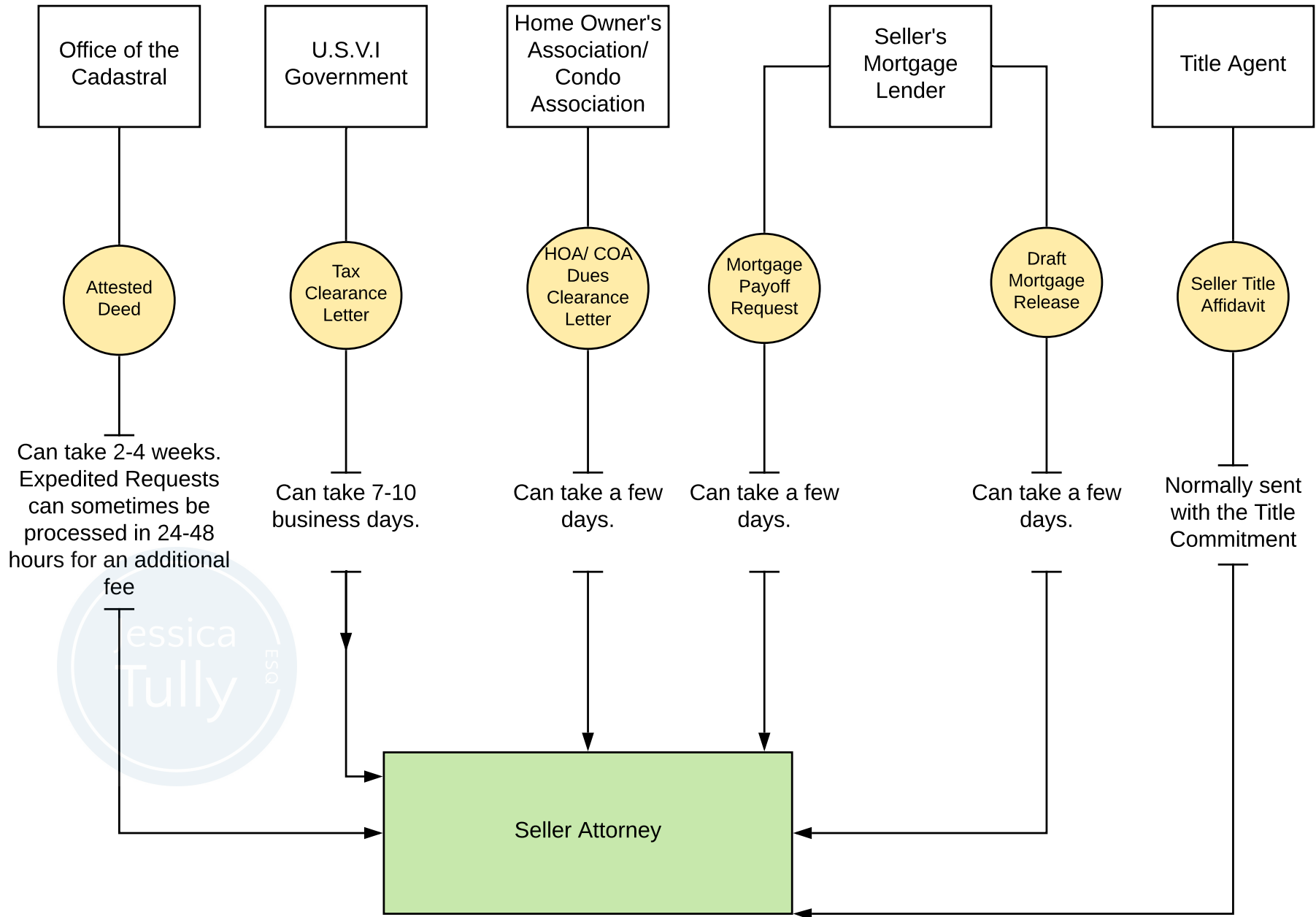
6. Seller's Attorney prepares the Deed, the FIRPTA affidavit, the Tax Clearance Request Letter, the HOA/ COA dues letter request (if required), and Mortgage Payoff Request (if required). When the Deed is approved by the Title Agent and the Buyer's Attorney, the Seller's Attorney has the Seller sign the Deed and then sends the signed Deed to the Office of the Cadastral to be attested (condo deeds do not need to be attested).



As long as there are no issues with the title, the Seller's Attorney will move forward with preparing the deed from the Seller to the Buyer. The Seller's Attorney will need to know certain information about the Buyer, including how the Buyer intends to take title and the Buyer's mailing address. The deed will be sent to the Title Insurance Agent and the Buyer's Attorney for approval. After the deed is approved, it needs to be signed and notarized by the Seller and then must be attested by the Public Surveyor in the Office of the Cadastral before it can be recorded (this does not apply to condo sales). The Public Surveyor confirms the property description.

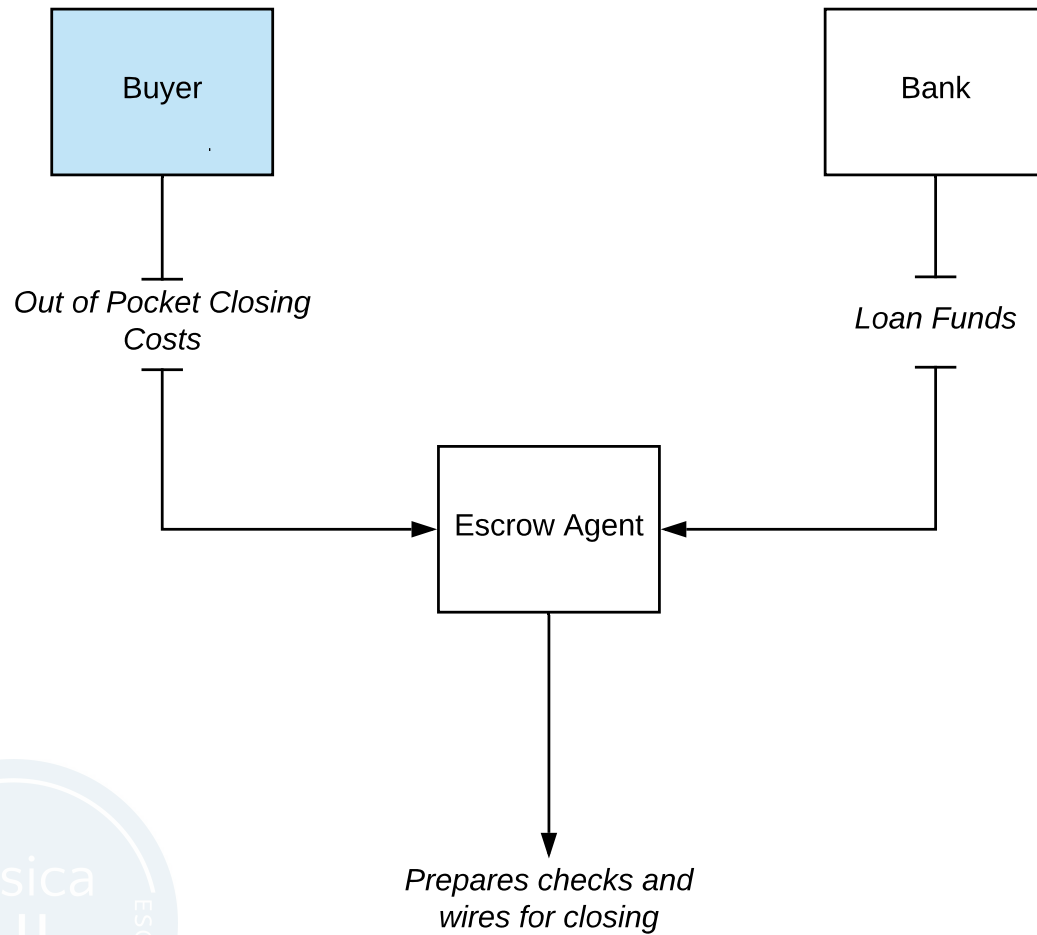
The deed cannot be recorded without a Tax Clearance Letter indicating that no property taxes are owed. If the property is subject to a Home Owner's Association or Condo Association, the title insurance agent will need to see a letter from the Association indicating that there are no dues owed by the Seller to the Association. Finally, if the Seller has a mortgage at the time of the sale, the Seller's Attorney will request a mortgage payoff statement from the Seller's lender so that the Seller's mortgage can be fully paid at closing.

## 7. Seller's Attorney waits for requested documents.



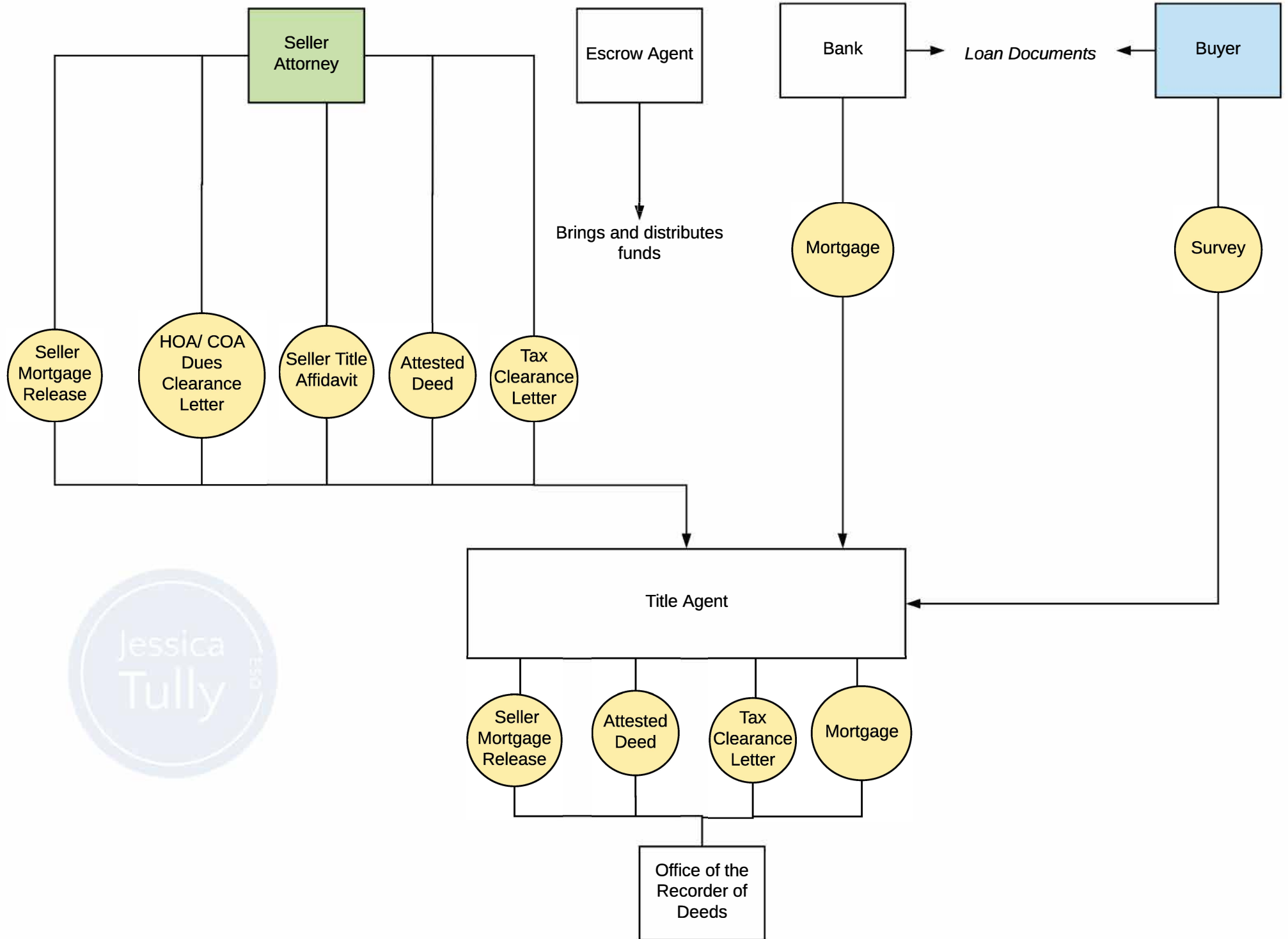


## 8. Funding



Funds need to be received by the Escrow Agent in enough time for the Escrow Agent to prepare the required checks, wires, and certified checks to close.

## 9. The Closing



The Title Agent takes the documents that need to be recorded to the Office of the Recorder of Deeds on the same day of closing. The Recorder will typically record the documents on the same day. The Escrow Agent will wire funds to the Seller on the same day of closing.

After the documents have been recorded, the original mortgage is then sent to the Bank. The original deed will be sent to the Buyer. The original mortgage release will be sent to the Seller.

The Buyer should expect to receive the owner's title insurance policy within 30 days of the closing.

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If you have any questions about the closing process, please give me a call at 340-513-8906 or e-mail me at [Jessica@TullyVI.com](mailto:Jessica@TullyVI.com).