

TOP TIPS

"CLEAR TO CLOSE STATUS"

Title Company

Clear to Close - The Title Company issues the "Clear to Close" status when **all** their underwriting conditions have been met, and they are satisfied the parties to the transaction are prepared to close and fund.

Schedule "C" - This involves clearing Schedule C, so they can issue the new policies, and title can be conveyed by the seller. That might include resolving probate, airship issues and Power of Attorney documents.

LLC Verifications - It also involves the title company reviewing and clearing the borrowers' LLC documents / status. Their requirements are listed in the evidence of title.

Back Taxes and Liens - They should update the Tax Certs with verification the seller can pay, back taxes, liens, judgements, HOA dues, and attorney fees.

Payoffs - The Title Company must verify in writing an accurate payoff for all existing debts on the property. The proceeds of the sale, not covering all the payoffs, would be a "red flag."

Survey - The survey has been approved by title, so the "areas and boundaries" exception can be amended to include TP survey coverage.

Buyer / Borrower

Hazard Insurance - Verify property condition and send over the insurance binders prior to closing. Verify your **ARV** amount is protected, and the Mortgagee Clause is correct.

Communication – Follow up with the realtor / wholesaler / seller, for verification everyone is still on board, ready to sign and move on schedule.

The fee that the attorneys charge to draw the documents is non-refundable. Obtain a "Clear to Close" file status from the title company, before asking us to order loan docs.

