



Steps of the Closing Process

from contract to keys





The contract is executed! Then what?

1. Send the signed purchase agreement and any addendums to Safe Harbor Title and the mortgage company.
2. Arrange for the Earnest Money Deposit to be delivered to Safe Harbor Title. We have ZOCCAM!
3. Confirm that Safe Harbor Title and the mortgage company have complete and accurate contact information for all the parties.
4. Order home and pest inspections as well as any Homeowner's Association or Condo documents, if applicable.
5. Request the Seller's Owner's Title Insurance Policy and deliver to Safe Harbor Title (this will decrease the time it takes to search the title and will provide a 'heads up' to any potential problems).
6. Make arrangements for repairs, appraisal, etc.
7. Arrange final walkthrough.



Now, your dedicated Safe Harbor Title team gets to work!



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We will first order a title exam and check taxes. Then we will prepare a commitment for title insurance and send it to the lender and the Seller's settlement company. We will also address other pre-closing issues such as ordering payoffs, a survey and clearing any clouds on title. Lastly, we will communicate with the lender to complete the Closing Disclosure Statement (CD) and finalize the amount of money needed to close.

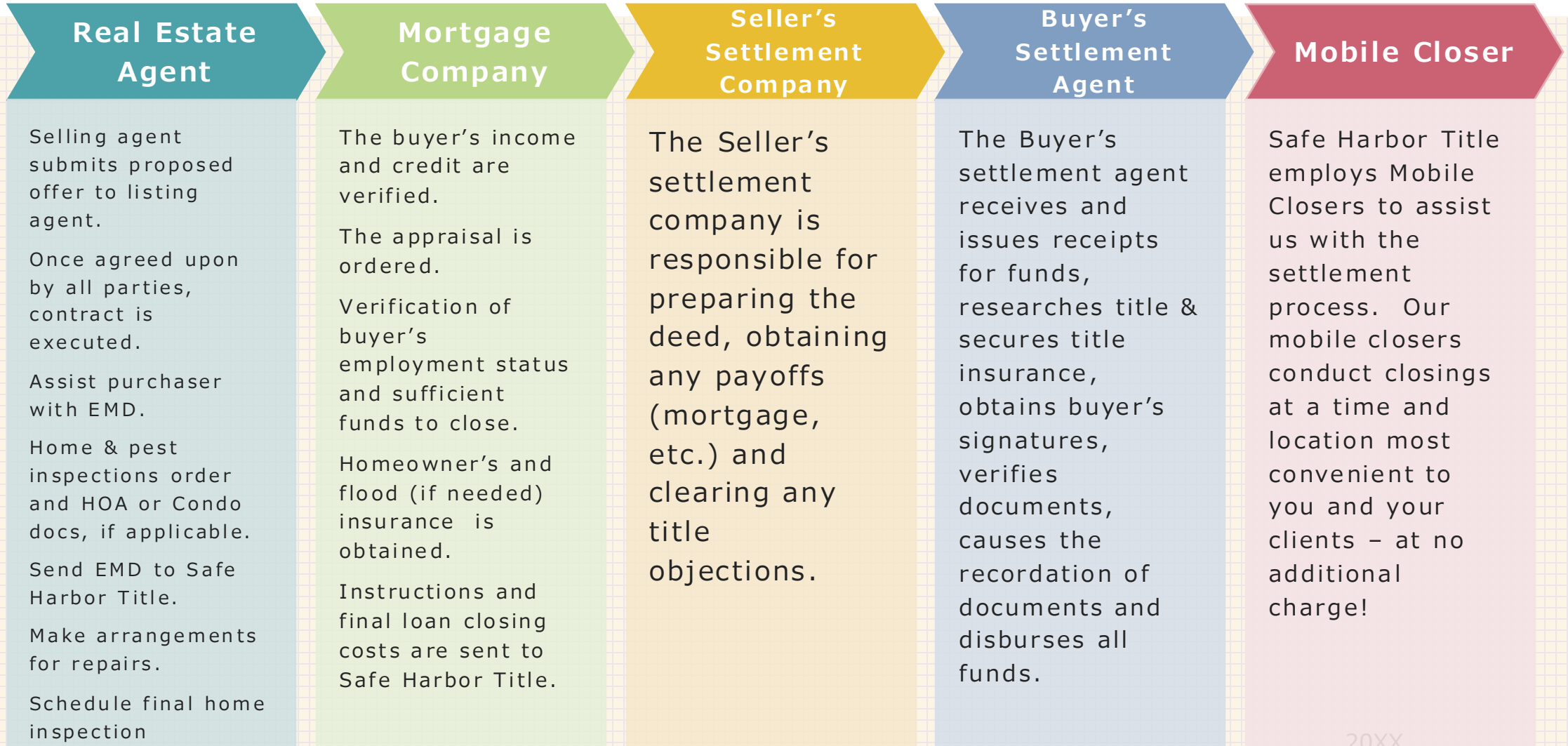
We will then receive a "clear to close" from the lender which authorizes us to have the documents signed and recorded as well as allows us to disburse the funds and give the buyer the keys to their new home!



As your settlement team at Safe Harbor title gets work, so does the mortgage company! They will begin the loan application process, order an appraisal, and instruct the buyer to obtain homeowner's insurance and flood insurance, if needed. This information is then submitted to underwriting for approval. Once approved, the mortgage company will send closing instructions and final loan closing costs to Safe Harbor Title.



Timeline



Regarding BOI Administrative Letter 2022-01 on Split Settlements...

BULLETIN

BOI Administrative Letter 2022-01 on Split Settlements

In response to the Bureau of Insurance's (BOI) Administrative Letter 2022-01 dated February 4, 2022, regarding "Split Settlements," Safe Harbor Title and its corporate counsel have compiled the following list of frequently asked questions and answers, as interpreted by our corporate counsel, for purposes of clarification and transaction continuity. Although we have attempted to anticipate the many questions that have and will arise from the BOI's letter, should you have any questions or concerns that are not addressed herein, please contact our office and we will be happy to provide guidance as best as we are able.

To be clear, this is Safe Harbor Title's interpretation of the Administrative Letter and should not be construed as that of the Bureau of Insurance or any other applicable governing body.

- In a real estate purchase transaction, there can be only one (1) "Settlement Agent?"
Yes, in general, there can only be one "Settlement Agent" in a transaction governed by Virginia Code §55.1-900 *et seq* (the "Real Estate Settlement Act" or "RESA") which regulates transactions involving loans by lenders secured by a first deed of trust or mortgage on real estate containing less than five residential dwelling units.
- The "Settlement Agent" is retained by and acts on behalf of the purchaser?
Yes, pursuant to Virginia Code §55.1-1006, the purchaser or borrower in a real estate transaction in Virginia has the right to select the "Settlement Agent" and the seller cannot require the use of a particular "Settlement Agent" as a condition of sale of the real estate. This applies to commercial real estate transactions as well as residential.
- The one (1) "Settlement Agent" will conduct business as usual, as currently conducted in the Central Virginia region, on behalf of the purchaser, as shown below?
 - Receive and issue receipts for funds
 - Research title
 - Secure title insurance
 - Obtain buyers signatures
 - Verify documents
 - Cause the recordation of documents
 - Disburse fundsYes.
- The seller may choose an attorney or settlement company that is different than the purchaser's "Settlement Agent?"
Yes.

Regarding BOI Administrative Letter 2022-01 on Split Settlements continued...

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- The seller's attorney or settlement company will conduct business as usual, as conducted in the Central Virginia region of the state, on behalf of the seller, as shown below?
 - Prepare, or cause the preparation by an attorney, of the deed
 - Obtain mortgage payoff
 - Assist in satisfying any requirements listed in Schedule B1 of the commitment
 - Secure seller's signature
 - Provide information to purchaser's "Settlement Agent"

Yes.

- If the transaction is a "domino" wherein the seller's attorney or settlement company will also act as the seller's "Settlement Agent" for a consequential purchase, can the original "Settlement Agent" wire proceeds to the seller's attorney or settlement company?

Yes. The seller can direct the "Settlement Agent" to disburse the proceeds to their attorney or settlement company to hold in escrow for the benefit of the seller to be disbursed in accordance with the seller's written direction to the seller's attorney or settlement company who at this point is acting as the "Settlement Agent" for purposes of the second transaction. In the second transaction, the original seller is the purchaser, and has the right to select the "Settlement Agent," who can be its attorney or settlement company, so long as the attorney or settlement company meets the statutory requirements for acting as a "Settlement Agent."

- If the transaction is NOT a domino, then the "Settlement Agent" must disburse proceeds directly to the Seller?

No, the "Settlement Agent" may disburse proceeds in accordance with written direction from the seller pursuant to Virginia Code §1008.

- Can the purchaser's "Settlement Agent" charge reasonable fees to the seller for the disbursement of proceeds and payoffs as directed by the seller?

There is no statutory law that would prohibit the "Settlement Agent" from charging fees to the seller.

Regarding BOI Administrative Letter 2022-01 on Split Settlements continued...

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- Can the seller's attorney or settlement company charge reasonable fees to the seller for the services provided, as shown above?
[There is no statutory law that would prohibit the seller's attorney or settlement company from charging fees to the seller \(its client\).](#)
- Essentially, there may be two (2) entities working on behalf of the two (2) parties to a transaction – seller and purchaser - however, the seller's attorney or settlement company does not have, and cannot require having, any fiduciary responsibilities other than if they will become the seller's "Settlement Agent" in a "domino" transaction?
[Yes, because there can only be one \(1\) "Settlement Agent" who will have the fiduciary responsibilities with respect to funds in escrow.](#)



Thank you!

MELISSA MCPHERSON, PRESIDENT

