

If you haven't already established this, you'll need to tell the closing agent how you wish to take title of the home. You will likely decide between these three common selections:

SOLE OWNER: A person buying a house alone has the easiest task. Title is taken as a sole owner in the individual's name.

JOINT TENANCY: When a couple buys a house together, things get more complicated. If they choose to take title with joint tenancy, each owns an equal share and each has the right of survivorship. If the other tenant dies, full ownership goes to the survivor.

TENANTS-IN-COMMON: When two or more individuals buy a home together as tenants-in-common, they are partners who may own unequal shares and who can sell their shares of ownership independently.

TENANTS BY ENTIRETY: This may only be held by married couples. Like a joint tenancy, has the equal ownership and right of survivorship, but also offers some protection against a forced sale by a creditor of one tenant.

Documents related to closing your mortgage: *(per your LENDER)*

PROMISSORY NOTE: Just as it sounds, when you sign this, you are promising to pay back the sum you're borrowing. It also outlines the terms of the loan, including any prepayment penalties and interest rates. This may not be as sexy as saying "I do," but it's important. Check it over carefully before putting pen to paper.

TRUTH IN LENDING STATEMENT: Prior to signing your mortgage contract, you will be given a federal "truth in lending" statement, also known as Regulation Z. This sheet of paper shows your interest rate, annual percentage rate, the amount being financed and the total cost of the loan over its life. You definitely should give this document a close look to make sure there are no surprises.

MORTGAGE: This is another big step. When you sign this document, you are putting your new home up as security for the debt you now owe. Technically, the lender puts a lien on the property.

MONTHLY PAYMENT LETTER: This paperwork breaks down your monthly mortgage payment showing how much goes to principal, interest, taxes, insurance and anything else you are paying as part of the payment

Documents related to your closing:

CLOSING DISCLOSURE: This replaces the old HUD-1 form. It itemizes the buyer's and seller's closing costs separately. By law, you are entitled to get this form three days before your closing meeting and should be in the same format as the Loan Estimate you got after applying for your mortgage. If you are closing electronically on a house in another part of the country, there is a chance you won't see the settlement statement in advance. Review everything carefully before signing.

WARRANTY DEED OR TITLE: This piece of paper transfers the title from the seller to the buyer. It also contains the legal description of the property.

PRORATION PAPERS: These agreements explain how the buyer and seller are dividing up the property taxes, interest and perhaps homeowner association dues for the month in which the transaction is taking place. Buyer and seller might also sign an agreement stating how current utility bills are being split.

STATEMENT OF INFORMATION: This document may be called a statement of identity. The title company uses this personal information to eliminate any confusion between you and anyone with a similar name.

ABSTRACT OF TITLE: The abstract lists all recorded documents affecting title to the property.



FOR MORE INFORMATION CONTACT:

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