

A modern kitchen and dining area. The kitchen features dark wood cabinets, a granite countertop, and a stainless steel range hood. A central island with a granite countertop and dark wood base is surrounded by three bar stools. The dining area has a wooden table and leather chairs. Large windows provide natural light and a view of the outdoors. The ceiling has recessed lighting and pendant lights over the island and dining table.

WTE

WYOMING TITLE & ESCROW
A MOTHER LODE COMPANY

HOME BUYER'S

HANDBOOK





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WYOMING TITLE AND ESCROW (WTE) is committed to bringing exceptional title and escrow services throughout Teton County and Lincoln County. We stand behind our mission to satisfy the customer with every title and escrow transaction and base our efforts on traditions of service and integrity. Wyoming Title and Escrow first opened in July of 2006, but our company foundation is much deeper. Leo French founded Placer Title Company (PTC) in Auburn, California in 1973 and then, in 1987, Mother Lode Holding Company (MLHC) as a Parent Company to PTC. Mr. French’s vision was to “create a company where we take care of each other and we take care of our customers.” People are the foundation of our company and we work hard to put them before anything else. With this in mind, MLHC has expanded rapidly, never losing sight of taking care of our people, clients and community. WTE is proud to continue in this tradition of excellence.

MOTHER LODGE HOLDING COMPANY (MLHC) provides title insurance, underwriting and transaction support services to the nation’s real estate industry. With the founding of its principal subsidiary, Placer Title Company in 1973, Mother Lode has since expanded outside of its original California market to provide title and title-related products and services throughout the United States. The Mother Lode family of companies includes Placer Title Company, North Idaho Title, Montana Title & Escrow, Wyoming Title & Escrow, Texas National Title, Premier Title Agency, Washington Title & Escrow, Centric Title & Escrow, Premier Reverse Closings, and our National Lender Services Division — PTC/National Closing Solutions.

WWW.WYOMINGTITLE.COM

HOMEBUYER'S HANDBOOK

CUSTOMER SERVICE

Welcome and thank you for choosing Wyoming Title & Escrow. We understand that purchasing a home can be both exciting and stressful. At Wyoming Title & Escrow, we have been working with buyers since 2006, but our roots go much deeper, so you can rest assured that your transaction is being handled with experience and care.

TAKE A LOOK

For your convenience, Wyoming Title & Escrow has created this Homebuyer's Handbook to assist you during your transaction with WTE. We suggest that you carefully read through this booklet, paying special attention to the following sections:

- › The Purchase Process
- › Understanding the Escrow Process
- › Important Real Property Tax Dates
- › Methods of Holding Title
- › Helpful Reminders & Sources of Assistance

After the close of your transaction, we suggest that you keep this page for reference. The easiest way for our team to assist you is by knowing your escrow number.

Real Estate Agent: _____

Phone: _____

Lender: _____

Phone: _____

Escrow Officer: _____

Email: _____

Escrow Number: _____



FINDING YOUR DREAM HOME

Finding the perfect home starts with determining exactly what you are looking for, and also what you can realistically afford. Your real estate professional and lender will work with you to accomplish both of these goals, but the worksheet below can help you get your home search off to the right start. Good luck!

In what areas are you interested in purchasing a home?
(City/Zip)

Please complete the following:

Desired Square Footage _____

Bed/Bath Minimums _____

Age of Home Desired _____

Number of Stories _____

Are there any other special features you would like?

**Please check all the
features that you desire:**

- Basement
- Fireplace
- Central Heating/Air
- Wood Floors
- Gated Community
- Laundry Room
- Office/Den
- Spa/Hot Tub/Sauna
- Attached Garage
- City View
- Water View
- Mountain View
- Golf Course
- Senior Community
- One Story
- Two Story
- Storm Windows
- Separate Dining Room
- Backyard Patio
- Landscaping

Your real estate professional can assist you in narrowing your dream home search!



DREAM HOME FINDER NOTES

Please use this page to keep notes of the homes that you have toured with your real estate professional. You may photo copy this page to make notes on more than 4 properties.

1

Address: _____

MLS#: _____

Likes: _____

Dislikes: _____

2

Address: _____

MLS#: _____

Likes: _____

Dislikes: _____

3

Address: _____

MLS#: _____

Likes: _____

Dislikes: _____

4

Address: _____

MLS#: _____

Likes: _____

Dislikes: _____

SELECTING AN AGENT

Most people do not buy or sell a home - or other real estate - without the support of a licensed real estate agent. The few who decide to sell a home on their own may not know the local market or may not have the experience required to write a contract. Real estate professionals have access to the Multiple Listing Service (MLS), a computerized listing of homes for sale. So, before you start preparing your home for sale, start shopping for a licensed real estate professional.

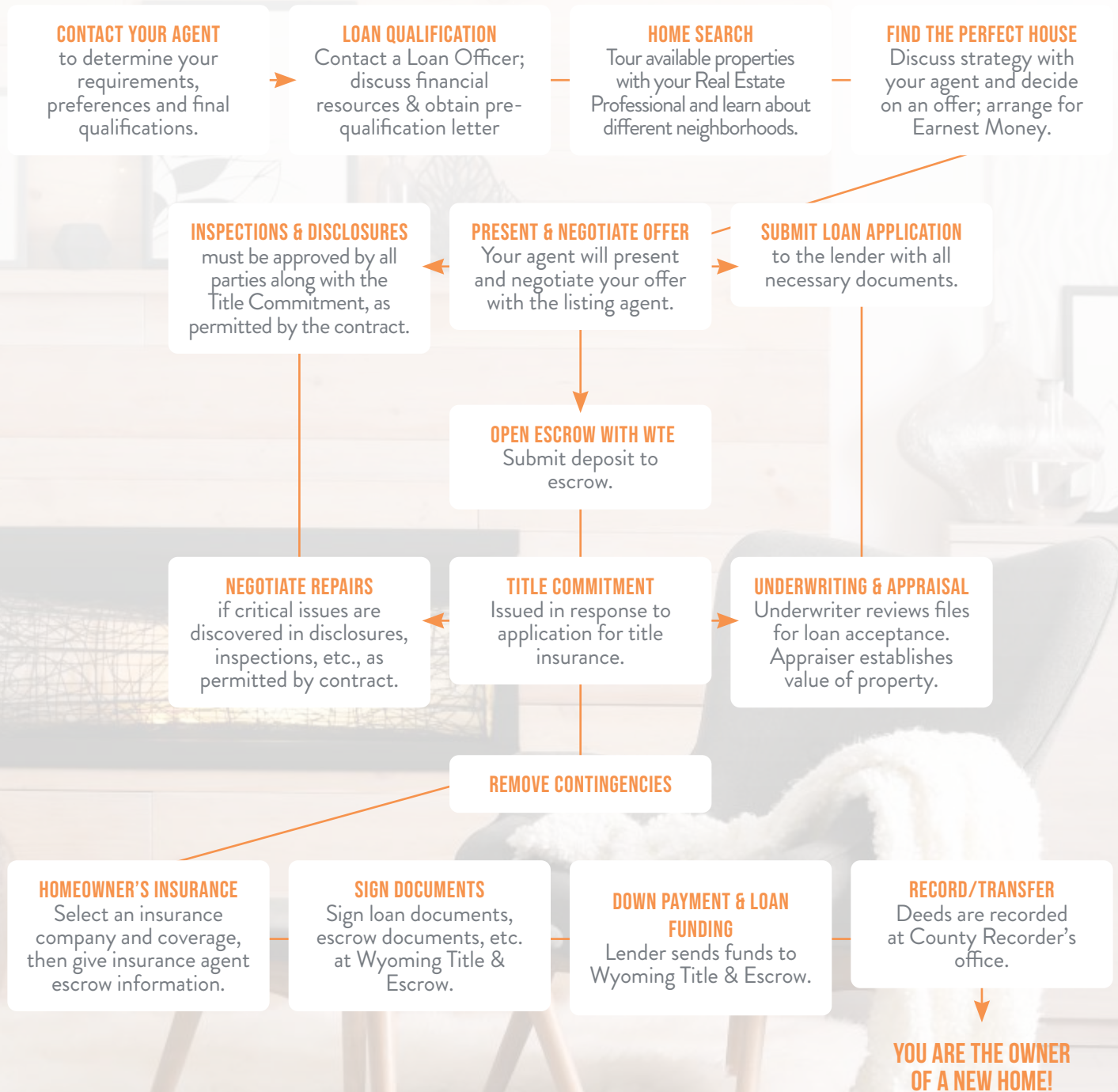
YOUR REAL ESTATE PROFESSIONAL SHOULD BE:

- › Knowledgeable about your marketplace, with a reputation for honest dealings
- › Associated with a reputable real estate firm
- › Backed by professional marketing management
- › Aware of the complicated local and state property requirements that may affect your rights of ownership
- › Willing to cooperate with all agents to get the best price for you in your market
- › Successful in multi-party, face-to-face negotiating
- › Skilled in acting as an intermediary between you and the buyer



*THIS INFORMATIONAL HANDBOOK
ASSUMES THE USE OF A REAL
ESTATE PROFESSIONAL.

THE PURCHASE PROCESS



UNDERSTANDING THE ESCROW PROCESS

THE ESCROW HOLDER'S DUTIES

- › Serves as a neutral third party and the liaison between all parties involved
- › Requests a Preliminary Report to determine the status of the title to the property
- › Prepares the escrow instructions
- › Complies with lender's conditions and prepares necessary documentation
- › Requests payoff demands for anything to be paid through escrow
- › Records the Deed and other related documents
- › Receives closing instructions, documents, borrower's funds, and reviews file to determine that all conditions have been met
- › Closes the escrow
- › Disburses funds as authorized by the instructions, including charges for title insurance, recording fees, lender fees and loan payoff
- › Issues the Title Insurance Policy for the borrower and the lender

WHAT DO I NEED TO PROVIDE?

You may be asked to complete a Statement of Identity as part of the paperwork. Because many people have similar last names, the Statement of Identity is used to identify the specific person in the transaction through such information as date of birth, social security number, etc. This information is considered highly confidential.

WHEN DO I SIGN ESCROW INSTRUCTIONS?

Approximately 4-6 days before closing, Wyoming Title & Escrow will contact you or your agent to schedule a signing appointment.



THE LOAN PROCESS

Unless you are paying cash for your property, you will need to apply for a mortgage loan. Your lender can explain current financing options and help you select the right type of loan for your situation. The following details the steps to securing a loan:

1. PRE-QUALIFICATION/INTERVIEW

- › Application interview
- › Lender obtains all pertinent documents to avoid delays
- › The lender opens the transaction with Wyoming Title & Escrow

2. ORDER DOCUMENTS

Within 24 hours of the application, the lender will request:

- › Credit report, appraisal of property, verification of employment, mortgage or landlord ratings, verification of funds to close
- › Title Commitment and a Preliminary Good Faith Estimate of your costs and loan details from Wyoming Title & Escrow
- › Picture ID, W2s (2 years), a Certificate of Eligibility, DD214 (VA only), and any other necessary supporting documentation

3. LOAN SUBMISSION

- › Loan package is assembled by the Loan Officer or Processor and submitted to the underwriter for approval

4. LOAN APPROVAL

- › Generally takes 24-72 hours
- › Parties are notified of approval and conditions to the loan

5. DOCUMENTS PREPARED BY THE LENDER

Within 1-3 days after loan approval:

- › Loan documents are completed and sent to Wyoming Title & Escrow
- › Borrower is notified of how much money is necessary to close the loan
- › Borrower will come to Wyoming Title & Escrow to sign all final documents

6. FUNDING

- › Lender reviews the loan package
- › Funds are wired to Wyoming Title & Escrow

7. RECORDING DOCUMENTS

- › Wyoming Title & Escrow records the Deed of Trust at the County Recorder's Office securing the lien against the property
- › Funds are disbursed to the appropriate parties
- › Escrow is officially closed

CLOSING COSTS

Below are some typical closing costs you may incur during the home buying process. Wyoming Title & Escrow will review and explain your closing statement during your signing appointment.

TITLE INSURANCE PREMIUM

Fee paid by an individual to insure a marketable title or, in the case of a lender, to insure the lien position.

TRANSFER AND ASSUMPTION CHARGES

Fees charged by a lender to allow a new purchaser to assume the seller's existing loan.

RECORDING FEES

Fees assessed by a County Recorder's Office for recording legal documents of a real estate transaction.

LOAN FEES

Fees charged by a lender in connection with the processing of a new loan. These may include points, origination fee and credit report.

PREPAID INTEREST

Depending upon the time of month a loan closes, the per diem charge may vary from a full month's interest to a few day's interest.

INSPECTION FEES

The cost for inspections performed.

ESCROW FEES

Fees charged by a title and/or escrow company for services rendered in coordinating the closing and preparing documents necessary to close a real estate transaction.

TAXES

The buyer may be required to reimburse the seller for property taxes, depending upon the month in which the transaction closes. *(see page 10 for the chart).*

REAL ESTATE COMMISSION

Fee paid to a real estate broker for services rendered in listing, showing, selling and consummating the transfer of property.

HOMEOWNER'S INSURANCE

Lenders typically require the first year of fire and hazard insurance be paid by escrowing funds.

IMPORTANT REAL PROPERTY TAX DATES

SEPTEMBER 1

First Installment Due (January through June)

NOVEMBER 10

First Installment Becomes Delinquent

JANUARY 1

Calendar Year Begins

MARCH 1

Second Installment Due (July Through December)

MAY 10

Second Installment Becomes Delinquent

METHODS OF HOLDING TITLE

	JOINT TENANCY	TENANCY IN COMMON	PARTNERSHIPS	TRUST ARRANGEMENTS
PARTIES	Any number of persons, but cannot be artificial entity such as corporation, LLC or trustee of trust.	Any number of persons or entities may hold title as tenants in common.	Only partners/shareholders/members of the artificial entity.	Trustee and beneficiaries of trust may be individuals, trusts or any legally created entity.
DIVISION	Ownership interests must be equal (can have equal interests in undivided interest).	Ownership can be divided into any number of interests, equal or unequal.	Single legal entity, partners/shareholders/members own interest in entity, not property held.	Interests in trust are personal property and are in accordance with terms of trust.
TITLE	Each joint tenant has separate legal title to undivided interest, subject to right of survivorship.	Each owner has a separate legal title to undivided interest.	Title is in the artificial entity.	Held in name by the trustee(s).
POSSESSION	Equal right of possession.	Equal right of possession.	Entity has sole right of possession. Entity's organizational documents determine individual partner's/shareholder's/member's rights, if any.	In accordance with terms of trust.
CONVEYANCE	Each owner's interest may be conveyed or encumbered individually, but conveyance or encumbrance without joinder of other joint tenants severs joint tenancy.	Each owner's interest may be conveyed separately.	Conveyance authority determined by organizational documents and applicable statutes.	Trustee has authority to convey in accordance with terms and limitations of trust agreement.
DEATH	On co-owner's death, interest passes to surviving joint tenants. Interest may not be dis-posed of by will.	Interest passes by will or interstate if no will. Interest must be probated.	Entity not capable of dying. Impact, if any, of death of partner/shareholder/ member on affairs of entity determined by organizational documents and applicable statutes.	Upon death of trustee, successor trustee, if any, holds title on behalf of trust. Effect of interests in trust upon death of a beneficiary determined by terms of trust agreement.
SUCCESSOR STATUS	Last survivor owns property.	Devise or heir becomes tenant in common with other owners.	Interest, but not management authority, of partner/shareholder/ member in the entity passes by will or, if no will, by intestate succession.	Defined by terms of trust agreement.
CREDITOR'S RIGHTS	Involuntary lien of creditor or deed of trust terminates on death of joint tenant. If creditor executes on lien prior to death and acquires title, becomes tenant in common with remaining joint tenants.	Owner's interest may be sold on execution sale to satisfy creditor. Creditor becomes tenant in common with remaining owners.	Creditor of partner/shareholder/ member may obtain order attaching interest in entity, but not property held by entity.	Creditor with lien/judgement against beneficiary may execute on beneficiary's interest in trust, not property held by trust. Lien against individual trustee may not attach to trust. However, if trustee is settler or revocable trust, lien may attach.
PRESUMPTIONS	Creation of joint tenancy must be in writing.	Joint ownership presumed to be as tenants in common, unless title acquired by "husband and wife".	Property must be expressly vested in partnership.	Property must be expressly vested in trustee of trust. Trust is created by executed trust agreement.

TITLE INSURANCE

WHY DO I NEED TITLE INSURANCE?

Many homeowners assume that when they purchase a piece of property that possession of a deed to the property is all they need to prove ownership, but title insurance serves as basic risk elimination. A Preliminary Report outlines the conditions under which a title will be insured. Once the new deed and loan documents are recorded, a title insurance policy is issued to the new owner and lender. This protects both parties against loss due to title defects. Any undisclosed claim (covered by the owner's policy of title insurance) that threatens ownership of the home will be dealt with or will be reimbursed exactly as the policy of title insurance provides.

WHAT PROTECTION IS OBTAINED WITH A TITLE POLICY?

Title insurance offers protection against claims resulting from various defects (as set out in the policy) which may exist in the title to a specific parcel of real property, effective on the issue date of the policy. For example, a person might claim to have a deed or lease giving them ownership or the right to possess your property. Or perhaps a person claims to hold an easement giving them a right of access across your land, or claims to have a lien on your property securing repayment of a debt. A title insurance policy contains provisions for the payment of the legal fees in defense of a claim against the property covered under the policy. It also contains provisions for indemnification against losses which result from a covered claim.

WHAT DOES A TITLE COMPANY DO?

Simply put, whenever someone decides to buy or refinance property, title companies have the ability to check public records regarding the history of that property. Looking for unclear liens, claims or easements is part of what we do. Sometimes distant relatives may have a claim on the property without the seller's knowledge. People have even fraudulently sold houses that do not belong to them. A title company performs a vital, yet hidden role in guaranteeing the security of your home. Just like car insurance, you never realize how important it is until the unexpected happens. This is why lenders require title insurance -to protect the lender against loss due to unknown title defects.

Many title companies also offer escrow services. When buying, selling or refinancing real estate, a neutral third party is needed to handle all deposits of funds, documents, special reports and other important papers. It is also the Escrow Officer you will meet with to sign all the documents prior to your property closing escrow.

WHAT PROTECTION WILL I RECEIVE FROM MY TITLE POLICY?

A Title Insurance Policy pays for legal fees in defense of a claim against property covered under your policy. It also contains provisions for indemnification against losses that result from a claim. The title insurance premium is paid at the close of escrow and no additional premiums are paid as long as you own the property.

HELPFUL REMINDERS & SOURCES OF ASSISTANCE CONT.

BEFORE YOUR MOVE...

- Post Office: Give forwarding address
- Change accounts, credit cards
- Subscriptions: Notice requires several weeks
- Friends and relatives

Bank

- Transfer funds, arrange check-cashing in a new city
- Obtain cashier's check necessary for closing real estate transactions; be sure to ask your bank if this check is drawn on an Idaho institution
- Arrange credit references

Insurance

- Notify company of new location for coverages: Life, Health, Fire and Auto

Utility Companies

- Gas, light, water, telephone, fuel
- Get refunds on any deposits made

Delivery Service

- Laundry, newspaper, milk: changeover of services

Medical Histories

- Ask doctor and dentist for referrals; transfer needed prescription, eyeglasses, X-rays.
- Obtain birth records, medical records, etc.

Church, Club, Civic Organization

- Transfer memberships; get letters of introduction

Pets

- Ask about regulations for licenses, vaccinations, tags, etc.

MORE HELPFUL DOS...

- Empty freezer; plan use of foods
- Defrost freezer and clean refrigerator; place charcoal to dispel odors
- Have appliances serviced for moving
- Remember arrangements for TV and antenna
- Clean rugs or clothing before moving; have them moving wrapped
- Check with your Moving Counselor: insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment
- Plan for special care needs of infants

THE BIG DAY...

- Carry enough cash or traveler's checks to cover cost of moving services and expenses until you make banking connections in new city
- Carry jewelry and documents yourself, or use registered mail
- Plan for transporting pets;

they are poor traveling companions if unhappy

- Carry traveler's checks for quick available funds
- Let close friend or relative know route and schedule you will travel, including overnight stops
- Double check closets, drawers, shelves to be sure they are empty
- Leave all old keys needed by new tenant or owner with real estate agent

THEN, AT YOUR NEW HOME

- Check on service of telephone, gas electricity, and water
- Check pilot light on stove, hot water heater, incinerator, and furnace
- Have appliances checked
- Ask Postal Worker for mail he/she may be holding for your arrival
- Have new address recorded on driver's license
- Visit city offices and register for voting
- Register car within five days after arrival in state or a penalty may have to be paid when getting new license
- Register family in your new place of worship
- Register children in school
- Arrange for medical services: doctor, dentist, etc.

GLOSSARY

These definitions are to acquaint the homebuyer with terms commonly used in real estate transactions. The terms are intended to be general and brief and are not complete and wholly accurate when applied to all possible uses of the term. Please consult your real estate agent for more information or questions regarding specific terms.

Adjustable Rate Mortgage (ARM) A mortgage instrument with an interest rate that is periodically adjusted to follow a pre-selected published index. The interest rate is adjusted at certain intervals during the loan period.

Adjustment Period The length of time between interest rate changes on an ARM. For example, in the case of an ARM loan with a one-year adjustment period, the interest rate may change once each year.

Agency Any relationship in which one party (agent) acts for or represents another (principal) under the authority of the principal. Agency involving real property should be in writing, such as listing, trust, powers of attorney, etc.

American Land Title Association (ALTA) A national association of title insurance companies, abstractors, and agents. The association adopts standard policy forms.

Amortization Repayment of a mortgage debt with periodic payments of both principal and interest, calculated to retire the obligation at the end of a fixed period of time.

Annual Percentage Rate (APR) A term defined in section 106 of the Federal Truth in Lending Act (15 USC 1606), which expresses on an annualized basis the charges imposed on the borrower to obtain a loan (defined in the Act as “finance charges”), including interest, discounts and other costs.

Appraisal An opinion or estimate of value. Also refers to the process by which a value estimate is obtained.

Assignment The transfer of ownership, rights, or interests in property, as in a mortgage, lease, or deed of trust. Mortgages and other security instruments are regularly assigned from one investor to another and commitments by HUD/FHA to insure mortgages may be assigned by one originating lender to another before insurance.

Beneficiary The person who is entitled to receive funds or property under the terms and provisions of a will, trust, insurance policy or security instrument. In the case of a mortgage loan, the beneficiary is the lender.

Broker or Agent One who is licensed by the state to carry on the business of dealing in real estate. A broker/agent is employed on a fee or commission basis to bring together buyers and sellers, landlord and tenant, or parties to an exchange, and assist in negotiating contracts between them.

Cap The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.

Certificate of Reasonable Value (CRV) A document that establishes the maximum value and loan amount for a VA guaranteed loan.

Closing Costs The costs incurred to purchase real estate. These may include loan fees, title fees, appraisal fees, etc.

Closing Statement The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.

Commission An agent’s compensation for negotiating a real estate or loan transaction, often expressed as a percentage of the selling price.

Contingency Clause A provision in some ARMs to a fixed rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may cost extra.

Deed The document by which title to real property is transferred or conveyed from one party to another.

Deed of Trust Type of security instrument in which the borrower conveys title to real property to a third party (trustee) to be held in trust as security for the lender, with the provision that the trustee shall reconvey the title upon the payment of the debt, and, conversely, will sell the land and pay the debt in the event of a default by the borrower.

Deposit A sum of money given to (1) bind a sale of real estate, or (2) assure payment or an advance of funds in the processing of a loan. Also called Earnest Money.

Discount Points A negotiable fee paid to the lender to secure financing for the buyer. Discount points are up front interest charges to reduce the interest rate on the loan over the life, or a portion, of the loan’s term. One discount point equals one percent of the loan amount.

Due on Sale Clause An acceleration clause that requires full payment of a mortgage or deed of trust when the secured property changes ownership.

Earnest Money A deposit made to bind the conditions of a sale of real estate.

GLOSSARY

Easement A limited right of interest in land of another that entitles the holder of the right to some use, privilege or benefit over the land.

Escrow The process in which a neutral third party holds money and documents for delivery to the respective parties in a transaction on performance or established conditions.

Federal National Mortgage Association Commonly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by FHA or guaranteed by VA, as well as conventional home mortgages.

Finance Charge The total cost a borrower must pay, directly or indirectly, to obtain credit according to Regulation Z.

Foreclosure The legal process by which property is sold to satisfy an unpaid debt in the event of default on terms or payments of a mortgage.

Good Faith Estimate (GFE) A document that tells borrowers the approximate costs they will pay at or before settlement, based on common practice in the locality. Under requirements of the Real Estate Settlement Procedures Act (RESPA), the mortgage banker or mortgage broker, if any, must deliver or mail the GFE to the applicant within three business days after the application is received.

Graduated Payment Mortgage A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.

Grant Deed One of many types of deeds used to transfer real property.

Hazard Insurance Real estate insurance protecting against loss caused by fire, some natural causes, vandalism, etc., depending upon the terms of the policy.

Homeowner's Association (1) An association of people who own homes in a given area, formed for the purpose of improving or maintaining the quality of the area. (2) An association formed by the builder of condominiums or planned developments and required by statute in some states.

Impound Account An account held by a lender for the payment of taxes, insurance or other periodic debts against real property.

Index A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.

Joint Tenancy A means of ownership in which two or more persons own equal shares in real property. Upon the death of one tenant, his/her share passes to the remaining tenant(s) until title is vested in the last survivor.

Legal Description A description by which real property can be definitely located by reference to surveys or recorded maps. Sometimes referred to simply as "the legal."

Lien A legal hold or claim on property as security for a debt or charge.

Loan Commitment A written promise to make a loan for a specified amount on specific terms.

Loan to Value Ratio The relationship between the amount of the appraised value of the property and the loan, expressed as a percentage of the appraised value.

Lock-in A guarantee by the lender of a particular loan rate. The loan must fund before the lock expiration in order to receive the guaranteed or "locked" rate.

Margin The number of percentage points the lender adds to the index rate to calculate the ARM's interest rate at each adjustment.

Market Value An appraisal term denoting the highest price that a buyer, willing but not compelled to buy, would pay, and the lowest a seller, willing but not compelled to sell, would accept.

Wyoming Land Title Association (MLTA) A Wyoming statewide association of title insurers and underwritten title companies. The association adopts standard title policy forms.

Mortgage Payment A payment that is owed to the bank/lender each month toward repayment of the loan. The amount is determined by the terms of the loan: principal, interest rate, length of the loan, and periodic adjustments, if applicable.

Multiple Listing Service An exclusive listing, submitted to all members of an association, so that each may have the opportunity to sell the property.

Negative Amortization Occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid principal balance, which means that even after several payments you may owe more than you did at the beginning of the loan. Negative amortization can occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.

GLOSSARY

Note A unilateral agreement containing an express and absolute promise of the signer to pay to a named person, order, or bearer a definite sum of money at a specified date or on demand. Usually provides for interest and, concerning real property, is secured by a mortgage or trust deed.

Origination Fee A fee made by a lender for making a real estate loan. Usually a percentage of the amount loaned, such as one percent.

PITI (Principal, Interest, Taxes and Insurance) The four major components of a usual monthly mortgage payment.

Point An amount equal to 1% of the principal amount of the investment or note. The lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

Power of Attorney An authority by which one person (principal) enables another (attorney-in-fact) to act for him.

(1) General power authorizes sale, mortgaging, etc., of all property of the principal. Invalid in some jurisdictions.

(2) Special power specifies property, buyers, price and terms.

Prepayment Penalty A penalty under a note, mortgage, or deed of trust imposed when the loan is paid before it is due.

Pre-Qualification Letter A letter that states a potential borrower's financial status to determine the size and type of mortgage available to him/her.

Principal (1) The amount of debt, not including interest. (2) The person who is served by an agent or attorney.

Private Mortgage Insurance (PMI) Insurance written by a private mortgage insurance company protecting the mortgage lender against loss occasioned by a mortgage default and foreclosure. The premium is paid by the borrower and is included in the mortgage payment. Typically required if down payment is less than 20% of purchase price.

Processing (or Origination) Fees Fees that cover the administrative cost of processing the loan. These charges vary from lender to lender.

Promissory Note A promise in writing and executed by the maker to pay a specified amount during a limited time, on demand or at sight to a named person, or on order to bearer.

Proration The method used in dividing charges into that portion which applies only to a party's ownership up to a particular date.

Quitclaim Deed A deed operating as a release; intended to pass any title, interest, or claim which the grantor may have in the property, but not containing any warranty of a valid interest or title in the grantor.

Reconveyance The conveyance to the landowner of the title, held by a trustee under deed of trust, when the performance of the debt is satisfied.

Recordation Involves filing for record in the office of the County Recorder for the purpose of giving constructive notice of title, claim or interest in real property.

Right of Survivorship The right of a survivor of a deceased person to the property of said deceased. A distinguishing characteristic of a joint tenancy relationship.

Statement of Information (SI) A confidential form filled out by buyer and seller to help a title company determine if any liens are recorded against either party. It is necessary to differentiate between parties with similar names. Also called a Statement of Identity.

Tenancy in Common An undivided ownership in real estate by two or more persons. The interests need not be equal. In the event of the death of one of the owners, no right of survivorship in the other owner exists.

Title Commitment A report prepared prior to issuing a policy of title insurance that shows the ownership of a specific parcel of land, together with the liens and encumbrances thereon which will not be covered under a subsequent Title Insurance Policy.

Title Insurance Policy A policy that protects the purchasers, mortgagee or other parties against losses.

Uniform Settlement Statement The Standard HUD Form 1 required to be given to the borrower, lender and seller at, or prior to, settlement.

VA Loan A loan that is guaranteed by the Veteran's Administration and made by a private lender.

Vesting Denotes the manner in which title is held. Examples of common vestings are: Community Property, Joint Tenancy, Tenancy in Common, and Community Property with Right of Survivorship.



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A MOTHER LODGE COMPANY

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THE *choice* IS *yours!*
DEMAND THE *best!*