

HOME Investment Partnerships Program Homeownership Documentation for HRA

Administered by



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- The *Homeownership Rehabilitation Assistance (HRA)* Activity requires documentation verifying the applicant household has good and marketable title to the property being assisted
- This presentation provides an overview of basic homeownership documents and terminology frequently encountered during the process of verifying compliance with HRA Program requirements

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Eligible Forms of Ownership

- HOME Program recognizes the following forms of homeownership:
 - Fee Simple
 - Traditional form of ownership with full rights and privileges
 - Life Estate
 - Ownership terminates upon death of an individual
 - Leasehold Interest
 - Conveys rights to *use* the land for specified period of time, and *ownership* of improvements placed on the land
 - HOME Program requires 99-year leasehold term
 - Not the same as a “lease”
- Ownership is documented by:
 - Deed
 - Leasehold Agreement
 - Statement of Ownership and Location (for Manufactured Housing Units)

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Ownership of Real Property Deeds

- Homeownership for real property (i.e. land) is documented by a deed
- A deed is a written legal instrument which conveys title in real property from one person to another
 - Grantor – person conveying the ownership interest (e.g. the seller)
 - Grantee – person receiving the ownership interest (e.g. the buyer)
- Common types of deeds include, but are not limited to:
 - Warranty Deed
 - Warranty Deed with Vendor's Lien
 - Indicates the purchase was financed (i.e. a mortgage loan)
 - Special Warranty Deed
 - Gift Deed
 - Sheriff's Deed
 - Indicates property was sold by the Court to pay tax debt owed by previous owner
 - Quit Claim Deed
 - Only valid if older than 4 years
 - A “contract for deed” is not a deed and does NOT convey ownership
- Deeds must be recorded in county in which the property is located

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Common Types of Deeds

WARRANTY DEED

13112 Vol Ps
297 806

THE STATE OF TEXAS,

County of COCHRAN

That I, **Fermin** 
Of the County of Cochran State of Texas for and in consideration

Of the sum of **Ten and No/100 (\$10.00)**-----DOLLARS

To me paid, and secured to be paid, by **Maria Luisa** As follows:

Have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said **Maria Luisa**
Whose mailing address is _____, Texas
Of the county of **Cochran** State of Texas all that certain

Lot Six (6) and Lot Seven (7) in Block Two Hundred Sixteen (216)
In the original town of _____, Texas

Rec. 3/16/12
2:50 p.m.
00004080

NOTICE OF CONFIDENTIALITY RIGHTS:
IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GIFT DEED

Date: May 16, 2012, but effective May 3, 2012

Grantor: Bessie J. _____ being one and the same person as Bessie Jane _____, a single person, acting by and through her duly authorized attorney-in-fact, Alonzo _____
Grantor's Mailing Address: _____, Texas

Grantee: Queen Ester _____
Grantee's Mailing Address: _____, Texas

Consideration: TEN AND NO/100 DOLLARS (\$10.00) and the further consideration of the love and affection I have for the Grantee herein.

Property (including any improvements): All that certain lot, tract or parcel of land, situated in the City of _____ County, Texas, and being all of Lot No. One (1) in Block No. 82 of the H & TC RR Addition to the City of _____, Texas, according to the Official Map of said City, and being the same identical property conveyed by Q. F. W. _____ to Liberty Investment Company, dated October 24, 1966, recorded in Volume 740, Page 443 of the Deed Records of _____ County, Texas.

Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty: Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases, mineral interests, and water interests outstanding in persons other than Grantor, and any other instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2012, which Grantee assumes and agrees to pay, as well as subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

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WARRANTY DEED WITH VENDOR'S LIEN 1113

The undersigned, OtaBell, a widow, of County, Texas, herein referred to as Grantor (whether one or more), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged, and for the further consideration of the execution and delivery by Grantee of Grantee's one certain Real Estate Lien Note of even date herewith in the original principal sum of \$22,500.00, payable to the order of Grantor as therein provided, and containing the usual provisions concerning acceleration of maturity in the event of default and for attorney's fees, the payment of which note is secured by a vendor's lien hereby retained and is additionally secured by a Deed of Trust of even date herewith to Karl W. Trustee, has GRANTED, SOLD, and CONVEYED, and by these presents hereby GRANTS, SELLS, and CONVEYS unto Robert W. and wife, Sharon Lee, whose mailing address is Rt. 1, Box 37A, County, Texas, herein referred to as Grantee (whether one or more), all of the following described real property in County, Texas:

Tract 1. 12.16 acres of land, comprising: (1) 7.78 acres of the I.P. Freeman Survey No. 1, Abstract No. 893, and (2) 4.38 acres of Block No. Forty five (45) of the South Addition to the City of County, Texas, as said block appears on the recorded map of the plan of said addition, to which map and the record thereof reference is here made; and which 12.16 acres of land is described by metes and bounds as follows:

BEGINNING at an iron pipe set for the Northeast corner of Block No. 45 of the South Ballinger Addition located 605.3 varas South 30° West and 10.8 varas North 60° West from the South east corner of the John Pappé Survey No. 422;
THENCE North 60° 2' West at 139.2 varas pass the Northwesterly corner of said Block No. 45, in all 441 varas to a pipe in the East line of the Bruce Field Access Road;
THENCE South 0° 7' West 202.4 varas along the East right-of-way line to an iron pipe;
THENCE South 40° 50' East 201.6 varas to a point in the East line of the J. P. Freeman Survey, from which a witness pipe at a fence corner bears North 59° 50' West 2.2 varas;
THENCE South 60° 41' East 139.2 varas to a point in the East line of said Block No. 45;
THENCE North 30° East 174.7 varas to the PLACE OF BEGINNING.

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ADMINISTRATRIX DEED

THE STATE OF TEXAS X
COUNTY OF X

WHEREAS, by an Order of the County Court of County, Texas, sitting in the matters of probate, and made on the 31st day of October, 1974, by said Court, Confirming the Sale by this Administratrix of the land therein described belonging to the Estate of Lillie B. deceased, said proceedings being then pending in Cause No. 74-35 on the Docket of said Court, in response to the Report of Sale filed therein by Mrs. K. L. Administratrix of the said Estate: and whereas said Report of Sale was to the effect that this Administratrix had made such sale to Robert L. for the price of \$7500.00 to be paid as follows: \$2000.00 cash, and one installment vendor's lien note to Martin the sole heir to said estate, with interest @ 9% per annum, payable in amortized installments of \$80.58 per month, and that such heir has agreed to the terms of said sale and has

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Ownership of Manufactured Housing Unit (MHU) Statement of Ownership and Location (SOL)

- Homeownership for Manufactured Housing Units (MHUs) must be documented by a *Statement of Ownership and Location (SOL)* issued by TDHCA Manufactured Housing Division
 - If a “title” document was originally issued to the homeowner, the title must be converted to an SOL
 - The \$55 fee for issuance of SOL is not a HOME eligible cost
- Ownership of the MHU and the land must be documented
 - Requires deed to the land on which the MHU is sited plus SOL for the unit
- MHUs sited on rented land are not eligible for HRA assistance

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- Manufactured Housing Division maintains online database for MHU ownership records at:

<http://www.tdhca.state.tx.us/mh/ownership-location.htm>

Manufactured Home Ownership Records

(For best results, enter label/seal number and select label number as the sort order, or enter certificate number and select certificate number as the sort order.)

Please enter at least one of the following and click "Submit".

Label/Seal Number [Help]	<input type="text"/>	[Address Search Help]
Serial Number	<input type="text"/>	Address <input type="text"/>
First Name or Company Name [Help]	<input type="text"/>	City <input type="text"/>
Last Name [Help]	<input type="text"/>	Install County <input type="text"/>
Certificate Number [Help]	<input type="text"/>	Zip Code <input type="text"/>

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Certificate Detail for Certificate # 00469
Home elected as Personal Property

ISSUE DATE: 08/11/1988

Certificate Number: 00469 **New/Used:** USED
Manufacture Date: **Number of Sections:** 1
Date of Sale: 07/25/1988 **Model:** TOURITE
Date of Certificate: 08/11/1988 **Square Feet:** 720
Right of Survivorship: YES **Wind Zone:**

Currently Installed in TRAVIS County

Owners		
Current Owner	Seller	Previous Owners
JOSE RIVERSIDE DR , TX 78741	GLORIA RT. 1 , TX 78756	

You may contact our Customer Service Representatives at 800-500-7074 for verbal confirmation of any additional ownership information regarding this home. For hard copies, you may submit a written request for which there may be a charge. If there is a charge, you will be billed, and the requested copies will be provided after payment is received.

Active Mortgage Liens	
Lien Date	Lien Holder
No Active Mortgage Liens	

- After issuance of an SOL, or conversion of a title to SOL, a “Certificate Detail” will be available in the TDHCA online database
- Certificate Detail is acceptable documentation of MHU ownership
- Active mortgage liens require either a Consent to Demolish or a Release of Lien from existing lender
 - Contact your Performance Specialist for assistance

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Mortgages

- A mortgage is a loan secured by real property
 - Mortgagor – homeowner offering the property as security for a loan
 - Mortgagee – the lender

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Deeds of Trust

- In Texas, a Deed of Trust (DOT) is used as a mortgage agreement
- DOT transfers ownership rights from the borrower to an impartial 3rd party
 - Grantor – the borrower (i.e. the HRA homeowner)
 - Beneficiary – the lender
 - Trustee – 3rd party individual named by the lender
- The trustee holds title to the property on behalf of the beneficiary, but the grantor retains possession of the property
- DOT terms specify the transfer of title to the trustee will be void if the mortgage debt is paid timely
 - If borrower defaults (i.e. fails to pay the loan), the trustee can sell the property

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- DOT does not prove ownership by the applicant – DOT indicates the applicant has borrowed money to purchase a property and has transferred rights to a lender who holds a lien against the property as security for payment
 - Obtain a copy of the deed document provided by the seller to the applicant – typically a Warranty Deed with Vendor's Lien

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Consent to Demolish –vs– Release of Lien

- If the deed instrument provided indicates a mortgage loan on the property, determine whether the debt has been paid.
- If the mortgage debt has not been paid:
 - Obtain a Consent to Demolish authorization from the lender
 - Contact your Performance Specialist for assistance
- If the mortgage debt has been paid:
 - Lender must issue a Release of Lien, which verifies payment of the debt and voids the transfer of title to the trustee
 - Ownership reverts to the grantor
 - Must be recorded in county in which the property is located

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Life Estate

- In Texas, a life estate is a valid form of property ownership and is therefore eligible under the HOME Program
- A life estate establishes an ownership interest that is limited to the lifetime of a designated person.
 - Grantor - the person conveying the life estate
 - Life Tenant - the person who receives the life estate ownership interest
 - Measuring Life - the designated person whose lifetime determines the term of the life estate
 - Frequently the life tenant, but may be a 3rd party
 - Remainderman - the individual who ultimately receives ownership after the death of the “measuring life”

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- The instrument establishing a life estate is typically a Life Estate Deed or a Will
 - May restrict certain rights the life tenant has to the property
- HOME assistance in form of a loan:
 - Requires consent of the remainderman and his/her inclusion and signature as a party to the loan documents
- HOME assistance in form of a grant:
 - Does not require consent/inclusion of the remainderman as a party to the grant documents
- A life estate terminates upon the death of the measuring life (who is frequently the life tenant). Probate proceedings are not required to transfer title to the remainderman.

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Leasehold Interest

- A “leasehold” is not the same thing as a “lease”
- A leasehold interest is a valid form of ownership in which rights to use land for a designated period of time are conveyed
 - Lessor – the landowner
 - Lessee – the person receiving the usage rights
- Lessee owns improvements sited on the land, *but not the land*
 - At termination of the leasehold agreement, ownership of buildings and improvements reverts to the lessor
- HOME Program requires a 99-year leasehold term
- Leasehold agreements must be notarized and recorded in county in which the property is located
 - Must be reviewed and approved by TDHCA Legal Division

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Probate

- Probate is the legal process in which the Court appropriately dissolves the estate of a deceased person through payment of debts and distribution of property to designated heirs or buyers
- Required when heirs other than community property co-owners have potential ownership rights
- Last Will and Testament: Probate Court accepts the Will as “muniment” (evidence) of title and specifies new ownership be filed in public record in accordance with the terms of the Will
- Intestate (deceased person left no Will): Probate may be more involved and time consuming as the Court determines the rightful heirs to the property
- Probate must be completed within 4 years from date of death
- Costs related to probate are not HOME eligible

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Additional Homeownership Documents

- In addition to obtaining the ownership documents vesting title to the homeowner's property, HOME Rules require a title commitment or title report
- HOME assistance in form of a loan: Requires title commitment
 - Mortgagee title policy identifying TDHCA as the insured
- HOME assistance in form of a grant: Title commitment or title report
 - Owner's title policy – "Texas Residential Owner Policy of Title Insurance – One-to-Four Family Residences"
- Purchase of a title policy is not required.
 - If a title commitment is requested, it is prudent to purchase the title policy
 - When you order the title commitment, determine whether the closing will be conducted by the title company or elsewhere
 - Some title companies will not issue a title policy if they do not conduct the closing

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Title Search

- A title search is the process conducted by an attorney or a title company to obtain information about the history of ownership for a property.
 - Review of public record (maintained by County Clerk's Office)
 - Examination of property's chain of title
 - 20-year "look-back"
 - Identifies former property owners and transfers made
 - Identifies recorded liens and judgments against the property
 - Used to determine whether there are defects ("clouds") to title
 - Identifies current vested owner
 - Title search is conducted prior to preparation of a title report, title opinion, or title commitment

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Title Report

- A title report is compiled by an attorney or title company and is based upon findings obtained in the title search.
 - Informational purposes only
 - Identifies property's current owner
 - Does not include chain of title information
 - Does not identify issues potentially affecting title such as liens, judgments, etc.
 - Provides no assurance of accuracy, no guarantee of ownership status, no guarantee of validity of information provided
 - Attorney or title company assumes no liability for any errors included in the title report
- Typical costs for title report: \$150 - \$250

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____ TITLE COMPANY
STATEMENT OF TITLE

WE HEREBY ISSUE A STATEMENT OF TITLE UPON THE FOLLOWING DESCRIBED REAL ESTATE LOCATED IN _____ COUNTY, TEXAS:

LEGAL DESCRIPTION:
LOTS NUMBER TWELVE [12], THIRTEEN [13], FOURTEEN [14] AND FIFTEEN [15], BLOCK NUMBER 19, ARCHER'S FIRST ADDITION TO _____ COUNTY, TEXAS, INCLUDING ALL IMPROVEMENTS SITUATED THEREON.

RECORD OWNER:
SILVINA

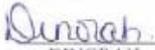
ACQUIRED BY:
DEED DATED JANUARY 22, 1968 FROM VIVIANO _____ AND RAFAELA B. _____, RECORDED IN VOLUME 90, PAGE 370, DEED RECORDS, _____ COUNTY, TEXAS. AND BY DEED DATED SEPTEMBER 27, 1971 FROM JOSE _____, RECORDED IN VOLUME 101, PAGE 191, DEED RECORDS, _____ COUNTY, TEXAS. AND BY DEED DATED JANUARY 31, 1984 FROM ANGELICA _____ AND HUGH JACK _____, RECORDED IN VOLUME 147, PAGE 876, DEED RECORDS, _____ COUNTY, TEXAS.

LIENS:
NONE OF RECORD.

TAXES:
WE HAVE MADE NO EXAMINATION AS TO TAXES.

THIS REPORT IS MADE FROM THE EXAMINATION OF THE RECORDS OF _____ TITLE COMPANY. THIS IS NOT A POLICY OF TITLE INSURANCE. THE RATES FOR TITLE INSURANCE ARE SET BY THE TEXAS BOARD OF INSURANCE AND ARE BASED UPON THE PURCHASE PRICE OF THE PROPERTY INSURED. THE RATES FOR STATEMENTS OF TITLE ISSUED BY _____ TITLE COMPANY ARE SET BY THE COMPANY AND ANY LIABILITY UNDER SUCH REPORT IS LIMITED TO THE PURCHASE PRICE OF THE REPORT. THE PURCHASE PRICE FOR THIS REPORT IS: \$250.00

PREPARED BY _____, TITLE COMPANY THROUGH MARCH 23, 2012.


DINORAH

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Title Opinion

- A title opinion is a form of title report which includes an attorney's opinion on the legal state of the title of a specific property.
 - Prepared and signed by an attorney
 - Carries some assurance of accuracy
 - Considered more substantial than a basic title report
 - Some title companies will not issue a basic title report but will issue an attorney's title opinion
- Typical costs for title opinion: \$250 - \$500

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Title Commitment

- A title commitment is a written promise issued by a title company to provide a policy of insurance covering the title to real property.
- In Texas, title commitments consist of 4 sections, referred to as Schedules
- Title companies cannot charge a fee for issuing just a title commitment, but if a commitment is ordered it is presumed a title policy will be purchased
 - Fees are charged for issuance of the title policy
 - It is prudent to purchase the title policy

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- Schedule A – Actual Facts
 - Effective date of the commitment
 - Amount of insurance coverage
 - Type of policy to be issued
 - Name of proposed insured
 - Name of person in whom title is currently vested
 - Legal description

COMMITMENT FOR TITLE INSURANCE
Issued By
Chicago Title Insurance Company

SCHEDULE A

Effective Date: **September 9, 2012, 8:00 am** GFNo. 31397-TE11
Commitment No. _____, issued **September 24, 2012, 12:00 pm**

1. The policy or policies to be issued are:

- (a) **OWNER'S POLICY OF TITLE INSURANCE (Form T-1)**
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED:
- (b) **TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE - ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)**
Policy Amount: **\$78,500.00**
PROPOSED INSURED: **Robert L**
- (c) **LOAN POLICY OF TITLE INSURANCE (Form T-2)**
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- (d) **TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)**
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- (e) **LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)**
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
- (f) **OTHER**
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is: **Fee Simple**

3. Record title to the land on the Effective Date appears to be vested in:
ROBERT

4. Legal description of the land:

Tract 1

Being a part of Lot No. 1 in Block No. 92 of WESTERN ADDITION, an Addition to the City of County, Texas, according to the Plat thereof recorded in Volume 27, Page 198, Deed Records, County, Texas, being further described as follows:

BEGINNING at a point in the Southerly line of Grove Street, 135 feet South 81 degrees 40 minutes East from the intersection of the Southerly line of Grove Street with the Easterly line of Hattie Street, said point of beginning being the Northeast corner of the Burnett land in said Block, a stake for corner;

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- Schedule B – Buyer Notification
 - Contains a list of standard and specific exceptions that the title policy will not cover
 - Addresses other issues pertaining to the property title
 - Restrictive covenants
 - Mineral rights
 - Easements
 - Building lines
 - Encroachments

SCHEDULE B
EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

Volume 3139, Page 354, Official Public Records, _____ County, Texas; BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN.
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.(Applies to the Owner's Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2011, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year ____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.

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- Schedule C – Clear to Close
 - List of requirements that must be met (cleared) in order for the transaction to close and title policy be issued
 - Identifies judgments and liens
 - Affidavits required before or at closing
 - Schedule C items must be resolved before a project can be setup!

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Item 2, Schedule B may be amended to read "Any shortages in area" in the Owner's Title Policy if Company is furnished a current survey plat prepared by an approved licensed surveyor who certifies that there are no discrepancies, conflicts in boundary lines, or any encroachment(s), or any overlapping of improvements, and the payment of the additional required premium (15% of the basic rate in an Owner's Title Policy or 5% of the basic rate in a Residential Owner's Policy, with a minimum of \$20.00) for this amendment.
6. If record owner **ROBERT** is married, Company requires joinder of spouse in present transaction or affidavit that subject property is the separate property of record owner and is not the homestead property of said owner.
7. NOTE: The Company is prohibited from insuring the area or quantity of the land described on Schedule A hereof. Any statement in such legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.

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- Schedule D – Disclosure
 - Identifies the title company ownership, and offices of the Underwriter and the Agent
 - Identifies parties receiving any portion of the insurance premium
 - Identifies cost of title policy being issued

SCHEDULE D

GFNo. 31397-TE11 Effective Date: September 9, 2012, 8:00 am

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment
CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation

The Shareholders owning or controlling, directly or indirectly, ten (10%), or more of the shares of Chicago Title Insurance Company: **CHICAGO TITLE AND TRUST COMPANY, an Illinois Corporation.**

The names of the Directors of Chicago Title Insurance Company:

Christopher Abbinante	Thomas Evans	Ronald R. Maudsley
Erika Meinhardt	Raymond R. Quirk	Burton J. Rains
Ernest D. Smith	Alan L. Stinson	

The names of the president, the executive or senior vice-president, the secretary and the treasurer of Chicago Title Insurance Company:

Chairman of the Board, President and Chief Executive Officer:	Raymond R. Quirk
Senior Vice President and Corporate Secretary	Todd C. Johnson
Executive Vice President and Chief Financial Officer	Alan L. Stinson
Vice President and Treasurer:	Patrick G. Farenaga

2. The following disclosures are made by the Title Insurance Agent issuing the commitment: American Title Company of East Texas. The following individuals are officers and/or directors, as indicated.

Shareholders:	R. Gregory Lamb 50%	Robert C. Lea 50%
Directors:	R. Gregory Lamb	Robert C. Lea
President:	R. Gregory Lamb	Vice President/Secretary: Robert C. Lea

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	\$698.00
Loan Policy	\$0.00
Endorsement Charges	\$0.00
Other	\$0.00
Total	\$698.00

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

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Title Policy

- A title policy is an insurance policy issued by a title company, which represents the state of title to a specific property. The title policy insures the accuracy of the title company's title search against any future claims of title defect. The title policy protects the homeowner's financial interest in the real property.
 - In the event a future challenge to ownership is made against the property, the title company will cover potential losses up to the stated value of the policy.
 - Insurance coverage begins after closing, but the actual title policy document is issued to the homeowner after completion of construction.

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- Title policies are not required by HOME Rules, but if a title commitment has been requested it is prudent to purchase the title policy
- Costs are regulated by the State Board of Insurance and typically range from \$750 - \$850
 - Title policies are eligible HOME costs

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Terminology

- Closing:
 - A commonly used term referring to “closing the deal.” A closing is a meeting of all parties to an agreement at which legal documents for the real estate transaction are signed.
 - HOME assistance provided in form of a loan: Closing must be conducted by an attorney or a title company
 - HOME assistance provided in form of a grant: Closing may occur at any location designated by the Administrator
 - If the title company requires they conduct the closing in order to issue the title policy, then it is recommended the closing be conducted by the title company (i.e. to purchase the policy).

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- Execution:
 - Refers to the performance of all acts necessary to render a document complete and valid, such as application of signature(s) and notarization
 - The signature(s) implements the terms of the document and puts the actions prescribed by the document in force
 - Signed and delivered documents are commonly referred to as “executed”
 - Signing the document is also referred to as “executing”

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Recording

- Recording refers to the filing of legal documents in the official public records of a county
 - Approximate filing fees: \$16 for first page and \$4 for each page thereafter – varies by county
 - Recording fees are HOME eligible costs
- Submit the *original* fully executed, notarized documents to the Office of the County Clerk in the county in which property is located
 - Clerk stamps the document indicating filing date, type of document, and volume/page of the public record.
- Deeds, deeds of trust and similar legal instruments conveying ownership must be recorded
 - Loan documents, such as the note, generally are not recorded although they can be

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- If closing is conducted by a title company, the title company will handle the recording process
- If closing is conducted outside a title company (permitted only for grants), Administrator must submit documents to the County Clerk
- Administrator is responsible for ensuring TDHCA receives the original recorded documents
- HOME Documents requiring recording:
 - Assistance in the form of a loan:
 - *Deed of Trust* - approximately 15 pages
 - *Mechanic's Lien Contract* - approximately 12 pages
 - Assistance in the form of a grant:
 - *Memorandum of Conditional Grant Agreement* - approximately 4 pages

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Affidavits

- An affidavit is a written sworn statement which is witnessed by a notary
- Based on the personal knowledge of the affiant (the person signing the affidavit)
- There is no standard required wording for an affidavit but for your convenience, common types of affidavits used in the HOME Program are now provided at:

http://www.tdhca.state.tx.us/home-division/forms/home_forms_hra.htm

- Affidavit of Marital Status
- Affidavit of Same Name
- Affidavit of Heirship

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Affidavit of Marital Status

- Attests to the current marital status of the applicant
 - Single: has *never* been married
 - Married: include date of marriage to current spouse
 - Widowed: include date of spouse's death
 - Divorced: include date of divorce
- Frequently required by title companies on Schedule C
- May be necessary for resolution of community property concerns

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Affidavit of Same Name

- Identifies ALL names the applicant may have previously used during his/her lifetime
- Attests that the applicant is one and the same person as the names listed on the affidavit
- Typical “other” names that must be identified include:
 - Maiden name
 - Misspelled names
 - Middle initials
 - Nicknames
 - Previous marriage names

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- Example: Jane Ann Doe is one and the same person as:
 - Jane Ann Smith Doe (maiden name)
 - Jane Ann Dough (misspelled name)
 - Jane A. Doe (middle initial)
 - Janie Ann Doe (nickname)
 - Jane Ann Jones (previous marriage)
- Names identified on the homeownership documents and the title commitment (or title report) must be included in the Affidavit of Same Name
 - Warranty Deed: Jane Ann Smith
 - Intake Application: Jane Ann Doe

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Affidavit of Heirship

- Attests to marital history and potential heirs of a deceased person
- Must be provided by a “disinterested 3rd party” (i.e. a person who will not benefit from the decedent’s estate)
- Identifies name(s) of decedent’s spouse(s) and heirs:
 - All children – inside and outside the marriage
 - Natural and adopted
 - All grandchildren born to any deceased children
 - Parents – if decedent never married and had no children
 - Brothers and sisters
 - Nieces and nephews born to any deceased brothers and sisters
- Use the affidavit form available online:

<http://www.window.state.tx.us/taxinfo/taxforms/53-111-a.pdf>

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- Affidavit of Heirship is typically required when applicant is the surviving spouse who co-owned community property with a now-deceased person who left no Will (i.e. died intestate)
 - Death of spouse prior to 9/1/1993:
 - Married and had children – decedent's half passes to children
 - Married with no children – decedent's half passes to surviving spouse
 - Death of spouse on or after 9/1/1993:
 - Married with only children of surviving spouse – decedent's half passes to surviving spouse
 - Married with children outside the marriage – decedent's half passes to all children
 - Married with no children – decedent's half passes to surviving spouse

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Life Event Documents

- Other “life event” documents may be required:
 - Death certificate of deceased spouse
 - Divorce decree demonstrating disposition of community property
 - Power of attorney authorizing a 3rd party to sign on behalf of the applicant

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Thank you!

- Questions? Contact your HOME Performance Specialist:
 - Abby Versyp – 512-475-0908
 - Frances Acosta – 512-305-8568
 - Jackie Welsh – 512-936-7790
 - Kay Fairbanks – 512-475-4604
 - Rita Bunton – 512-475-2669
 - Suzanne Hemphill – 512-475-2975
 - Sylvia Smith – 512-475-2972
 - Terry Newman – 512-305-9259
- Thank you for participating in the Homeownership Documentation webinar!