

Sold!

A Contract Is Accepted, Now What?

You've found a house, or a buyer has found yours, and everyone has agreed on a price. So what happens between now and the time you or another party legally owns it? At Stewart Title, we understand the home-buying process can be a little confusing. So we've put together this information to help you better understand what happens after the sold sign is posted.



EARNEST MONEY/OPTION FEE

Earnest money is a deposit made by the purchaser as a sign of good intent to purchase the property. Once the earnest money is received, along with an agreement to transfer the title, the process can begin. The buyer then submits a loan application and approval is usually subject to a credit check, an appraisal and sometimes a survey of the property. Option fee is also deposited at this time.



TITLE SEARCH

To begin the title search, copies of documents are gathered from various public records. Deeds, deeds of trust, bankruptcy, heirship and divorce, and various assessments and matters of probate are addressed.



EXAMINATION

The title company now verifies the legal owner, any encumbrances on the land and any debts that may be owed by the owner.



TAX CHECK

The title company determines what taxes are owed on the property and contacts the various assessor-collectors.



DOCUMENT PREPARATION

Appropriate forms are then prepared for the transfer of title and settlement, or the formal transfer of ownership (commonly referred to as the closing).



SETTLEMENT

An escrow officer oversees the closing of the transaction. The seller signs the deed, the buyer signs a new mortgage, the old loan is paid off and the new loan is established. The seller, real estate agents, attorneys, surveyors, title company and other performing parties for the buyer and seller are paid. Additionally, title insurance policies will then be issued to you and your lender.



RECORDING OF LEGAL DOCUMENTS

All final documents are recorded with the county to show transfer of ownership.



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