Seller's Guide To Selling Real Estate

Introduction

This booklet has been prepared to give you an overview of the general process involved during the purchase/sale of a home and explain the various roles that we play in helping to close your transaction.

I hope you find this information beneficial in making your transaction and closing experience a smooth and positive one!

Important Contacts For Your Transaction

Real Estate Agent

Name: ___________________________

Company: ________________________

Address: _________________________

City/State/Zip: ____________________

Phone: ___________________________

Fax: ______________________________

Email: ___________________________

Title/Escrow

Name: ___________________________

Company: ________________________

Address: _________________________

City/State/Zip: ____________________

Phone: ____________________________
Fax: ______________________________
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Contact
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Company: _______________________

Address: ________________________

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The Title Insurance “Value Proposition”: 9 Reasons

Why Title Insurance is Important and Worth the Money

A Value Proposition is the unique value a product or service provides to a customer. It describes the benefits the product delivers.

It answers the question: Why is this worth the money?

1. Title insurance protects the interests of property owners and lenders against legitimate of false title claims by owners or lien holders. It insures the title to the investment, unlocking its potential; as a financial asset for the owner.
2. Title companies access, analyze, and distribute title information, in addition to handling escrow and closing.
3. Title problems are discovered in more than one-third of residential real estate transactions. These “defects” must be resolved prior to closing. The most common problems are existing liens, unpaid mortgages, and recording errors of names, addresses or legal descriptions.
4. A Homeowner’s title insurance policy protects the owner for as long as he or she has an interest in the property; and the premium is paid only once, at closing.
5. Title insurance is different from other forms of insurance because it insures against events that occurred before the policy is issued, as opposed to insuring against events in the future, as auto, health, property or life insurance do. Title insurance is loss prevention insurance.
6. Title Companies preform a thorough search of existing records to identify all possible defects in order to resolve them prior to issuing a policy. They preform intensive and extensive work up-front to minimize claims. The better a Title Company does this, the lower their rate of claims and the more secure your level of protection.
7. Researching titles is extremely labor-intensive since only a small percentage of public records are computerized. The industry invests a substantial amount of time and expense to collect and

evaluate title records. As a result, the industry’s claims experience is low compared to other lines of insurance.

8. It is important to have unquestionable security and peace of mind knowing that your policy is backed by a title insurance company.
9. Dollar for dollar, title insurance is the best investment you can make to protect your interest in one of the most valuable assets you own: your home.

What Is Title? FAQ

*What is Title Insurance?

The purchase of a home is often the single largest investment people will make in a lifetime; therefore, the importance of fully protecting such an investment cannot be over stressed. Title insurance is protection which assures that the rights and interests to the property are as expected, that the transfer of ownership is smoothly completed and that the new owner receives protection from future claims against the property. It is the most effective, most accepted and least expensive was to protect property ownership rights.

Because land endures over generations, many people may develop rights and claims to a particular property. The current owner’s rights- which often involve family and heirs- may be obscure. There may be other parties (such as government agencies, public, utilities, lenders or private contractors) who also have “rights” to the property. These interests limit the “title” of any buyer.

*Why Do You Need a Title Insurance Policy?

If title insurance companies work to eliminate risks and prevent losses caused by defects in the title insurance before closing, why do you need a title insurance policy? The title to the property could be seriously threatened or lost completely by hazards which are considered hidden risks-- “Those matters, rights or claims that are not shown by the public records and, therefore, are not discoverable by a search and examination of those private records.” Matters such as forgery, incompetency or incapacity of the parties, fraudulent impersonation, and unknown errors in the records are examples of “hidden risks” which could provide a basis for a claim after the property has been purchased.

Title insurance isn’t just for a homeowner. Subdividers need it when planning a new tract of homes or a commercial strip center. Attorneys use it for clients who are investing in shopping centers hotels office buildings and countless other projects. Builders need it in order to obtain construction loans from their lender. Everyone wants to have peace of mind when investing their hard-earned money. The title insurance company will help protect these important investments, no matter how large or small, with its own reputation and financial strength.

*How Does Title Insurance Protect the Seller?

An owner of real property whose interest is insured by an owner's title insurance policy has the assurance that the title will be marketable when selling the property. The title insurance policy protects the seller from financial damage if the seller's title is rejected by a prospective purchaser.

*Why Does the Lender Need a Policy on My Property?

For the lender, a title policy is a guarantee that has a valid and enforceable lien (loan or deed of trust) secured by the property, tha no one else other than those listed policy has a prior claim (or loan, etc) and that the party to whom they are making the loan does own the property being used such as security for the loan. This protection remains in effect as long as the loan remains unpaid.

The existence of a lender's title policy encourages lenders such as banks, savings and loan associations, commercial banks, life insurance companies, etc., to loan money. Because they are lending other people's money (savings or policy holder's funds), they must be concerned with safety should the borrower not make their payments. The Title Company insures that the title to the property is marketable in the event of a foreclosure and the guarantee is backed by the integrity and solvency of the title company. Of course, this benefits everyone- from the single-family homeowner to the owner of a high-rise building.

*What Is a Title Search?

Before issuing a policy of title insurance, the title company must review the numerous public records concerning the property being sold or financed. The purpose of this title search is to identify and clear all problems before the new owner takes title or the lender loans money.

Research helps to determine if there are any rights or claims that may have an impact upon the title such as unpaid taxes, unsatisfied mortgages, judgements, tax liens against the current or past owners, easements, restrictions and court actions. These recorded defects, liens and encumbrances are recorded in a "preliminary report" to applicable parties. Once reported, these matters can be accepted, resolved or extinguished prior to the closing of the transaction. In addition, you are protected agains any recorded defects, liens, or encumbrances upon the title that are unreported to you and which are within the coverage of the particular policy issued in the transaction.

*What types of policies are there?

Protection against flaws and other claims is provided by the title insurance policy which is issued after your transaction is complete. Two types of policies are routinely issued at this time: An “Owner’s Policy” which covers the home buyer for the full amount paid for the property: and a “lender’s policy” which covers the lending institution over the life of a loan. When purchased at the same time, a substantial discount is given in the combined cost of the two policies, Unlike other forms of insurance, the title insurance policy requires only one moderate premium for a policy to protect you or your heirs for as long as you own the property. There are no renewal premiums or expiration dates.

*How is Title Insurance Different Than Other Types of Insurance?

With other types of casualty insurance such as auto, home, health and life, a person thinks of insurance in terms of future loss die to the occurrence of some future event. For instance, a party obtains automobile insurance to pay for future loss occasioned by a future “fender bender” or theft of the car. Title insurance is a unique form of insurance which provides coverage for future claims or losses due to title defects which are created by some past event (i.e. Events prior to the acquisition of the property). Another difference is that most other types of insurance charge ongoing fees (premiums) for continued coverage. With Title Insurance, the original premium is the only cost as long as the owners or heirs own the property. There are no annual payments to keep the owners Title Insurance Policy in force. While some people balk at another “closing fee” title insurance is pretty reasonable considering the policy could last a lifetime.

*How Does Title Insurance Protect Against Claims?

If a claim is made against the owner or lender, the title insurance company protects the insurer by:

1. Defending the title, in court if necessary, at no cost to owner/lender.
2. Bearing the cost of the settling case, if it proves valid, in order to protect your title and maintain possession of the property.

Each policy is a contract of “indemnity.” It agrees to assume the responsibility for legal defense of title for any defect covered under the policy’s terms and to reimburse for actual financial losses up to the policy limits.

Why You Need Title Insurance – 21 Reasons

We hope you never have a title claim – with home ownership comes the need to protect the property against the past, as well as the future. Each successive owner brings the possibility of title challenges to the property. Title insurance protects a policy-holder against challenges to rightful ownership of real property, challenges that arise from circumstances of past ownerships.

*Here are 21 reasons why you need Title Insurance:

1. A fire destroys the house and improvements. The ground is left. A defective title may take away not only the house, but also the land on which it stands. Title insurance protects you (as specified in the policy) against such loss.
2. A deed or mortgage in the Chain of Title could be a forgery.
3. A deed or mortgage may have been signed by a person under age.
4. A deed or mortgage may have been made by an incapacitated person or one otherwise incompetent.
5. A deed or mortgage may have been made by a power of attorney after its termination and would, therefore, be void.
6. A deed or mortgage may have been made by a person other than the owner, but with the same name as the owner.

7. A testator of will may have had a child born after the execution of the will, a fact that would entitle the child to claim his or her share of the property.
8. A deed or mortgage may have been procured by fraud or duress.
9. Title transferred by an heir may be subject to a federal estate tax lien.

10. An heir or other person presumed dead may appear and recover the property or an interest therein.

11. A judgment or levy upon which the title is dependent may be void or voidable on account of some defect in the proceeding.

12.Title insurance covers attorney fees and court costs.

13. Title insurance helps speed negotiations when you’re ready to sell or obtain a loan.

14. A deed or mortgage may be voidable because it was signed while the grantor was in bankruptcy.

15. There may be a defect in the recording of a document upon which your title is dependent.

16. Claims constantly arise due to marital status and validity of divorces. Only title insurance protects against claims made by non-existent or divorced “wives” or “husbands.”

17. Many lawyers, in giving an opinion on a title, protect their clients as well as themselves, by procuring title insurance.

18. By insuring the title, you can eliminate delays and technicalities when passing your title on to someone else.

19. Title insurance reimburses you for the amount of your covered losses.

20.Each title insurance policy written is paid up, in full, by the first premium for as long as you or your heirs own the property.

21. Over the past 25 years, claims have risen dramatically.

1. Customer Service verifies legal and vesting if needed and opens order.
2. Title officer orders search from title plant.
3. Searching Department
    a. Pulls property chain & general index
    b. Prepares Plat Maps
    c. Prints required documents
    d. Reviews all chains and recorded documents
4. Examining Department preliminary report/title commitment .
5. Deliver prelim to escrow and lenders.
6. New documents/demands & statement of information submitted to Title Company.
7. Title officer reviews preliminary report/title commitment.
8. Escrow authorizes recording.
9. Documents record & encumbrances of record are paid off.
10. Recording department writes title policy.
11. Policy department prepares final title policy.
12. Title policy is released to client.

What is an Escrow?

Buyers and Sellers of a piece of property establish terms and conditions for the transfer of ownership of the property. These terms and conditions are given to a third party known as the escrow holder. In turn, the escrow holder has the responsibility of seeing that terms of the escrow are carried out. The escrow is an independent neutral account and the vehicle by which the mutual instructions of all parties to the transaction are complied with.

Why is Escrow Needed?

Whether you are the buyer or the seller, you want assurance that no funds or property will change hands until all instructions have been followed. With the increasing complexity of business, law and tax structures, it takes a trained professional to supervise the transaction.

How long is Escrow

The length of an escrow is determined by the terms of the purchase agreement/joint escrow in instructions and can range from a few days to several months.

Who Chooses the Escrow?

The selection of the escrow holder is normally done by agreement between the principals. If a real estate agent is involved, they may recommend an escrow holder.

How Does the Escrow Process Work?

The escrow is a depository for all monies, instructions and documents necessary for the purchase of your home, including your funds for down payment and your lender's funds and documents for the new loan. Generally, the buyer deposits a down payment with the escrow holder and the seller deposits the deed and any other necessary documents with the escrow holder. Prior to the close of escrow the buyer deposits the balance of the funds required and agreed upon by the parties with the escrow holder. The buyer instructs the escrow holder to deliver the monies to the seller when:

- The subject property is free and clear of all title defects
- The deed conveying title of property to buyer has been sent to the county for court recording

The escrow holder thus acts for both parties and protects the interests of each within the authority of the escrow instructions. Escrow cannot be completed until the terms and conditions of the instructions have been satisfied and all parties have signed escrow documents. The escrow holder takes instructions based on the terms of the purchase agreement and the lender's requirements.

Escrow Duties Typically Include the Following:

1. Receive signed Purchase Agreement; prepare Escrow Instructions

2. Receive and deposit buyer’s earnest money into escrow account
3. Serve as the neutral agent and liaison/communication link to all parties to the transaction
4. Order Title Commitment to determine status of title to property
5. Request beneficiary’s statement or pay-off demand related to existing financing.
6. Comply with lender’s requirements as specified in the lender’s closing instructions
7. Secure releases of all escrow contingencies or other conditions required
8. Prorate taxes, interest, insurance and rents
9. Prepare or secure transfer deed or other documents necessary to consummate the transaction

10. Arrange appointments for buyer/seller to sign documents

11. Request and receive purchase funds from the buyer and loan funds from new lender

12. Close escrow pursuant to instructions provided by seller, buyer and lender.

13. Arrange for recording of deeds or any other documents as instructed

14. Request assistance of the title insurance policies

15. Disburse funds as authorized, including charges for title insurance, recording fees, commissions and loan payoffs

16. Disposition of all funds held in escrow account

17. Prepare final accounting statements for the parties

Life of an Escrow

The Seller(s):

- Accepts buyer’s offer to purchase and initial good faith deposit to open escrow.

- Submits documents and information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, any leases and/or rental agreements.
- Approves and signs the escrow instructions, conveyance deed and other related documents required to compete the transaction.
- Orders inspections, receives clearance, and approves final reports and/or repairs to the property as required by the terms or the Purchase and Sale agreement.
- Fulfills any remaining conditions specified in the contract and/or escrow instructions; approves the payoff demands and/or beneficiary's statements
- Approves any final changes by signing amendments to the escrow instructions or contract.
- Requests the Title Company to examine the public records affecting the real property and issue title commitment. Determines the requirements and documents needed to complete the transaction and advises the escrow officer and/or agents
- Reviews and approves the signed documents, releases and the order for title insurance prior to the closing date.
- When authorized by the escrow officer, records the signed documents with the County Recorder's Office and prepares to issue the title insurance policies.

The Escrow Officer

- Receives an order for escrow and title services.
- Orders the title commitment and examination on the subject property.
- Acts as the imperial "stakeholder" or depository, in a fiduciary capacity, for all documents and monies required to complete the transaction per written instructions of principals.
- Prepares the escrow instructions and required documents in accordance with terms of the sale.

- With authorization from the real estate agent or principal. Orders demands on existing deeds of trust and liens or judgements, if any. For assumption or subject to loan, orders the beneficiary's statement or formal assumption package.
- Reviews documents received in the escrow: title commitment, payoff or assumption statements, new loan package and other related instruments. Reviews the conditions in the lender's instructions including the hazard and title insurance requirements.
- Presents the documents, statements, loan package(s), estimated closing statement and other related documents to the principals for approval and signatures and requests the balance of the buyer's funds.
- Reviews the signed instructions and documents, returns the loan package and requests the lenders funds.
- Receives the proceeds of the loan(s) from the Lender(s)
- Determines when the transaction will be in the position to close and advises the parties.
- Assisted by the Title personnel, records the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.
- Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations.
- Delivers the appropriate statements, funds and remaining document to the principals, agents and/or lenders.

Red Flags In the Escrow Process

Below are some of the items that may cause delays or other problems within a transaction and must be addressed well before the closing.

- Bankruptcies
- Business trusts

- Clearing liens and judgements, including child or spousal support liens
- Encroachment or off record easements
- Establishing fact of death-joint tenancy Family trusts
- Foreclosures
- Physical inspection results-Encroachment, off-record easements
- Probates
- Power of Attorney-Use of, proper execution
- Proper execution of documents
- Proper jurats, notary seals
- Recent construction
- Transfers or loans involving corporations or partnerships
- Last minute change in buyers
- Last minute change in type of title insurance coverage

Home Warranty

Home Warranties offer advantages to both the buyer and seller. This policy protects the buyer by paying for certain repairs and costs of major mechanical systems and major appliances in the home such as heating and air conditioning. There are a variety of plans available.

Benefits of home Warranty Coverage to the Seller

- Home may sell faster and at a higher price
- Optional coverage during the listing period
- Protection from legal disputes that occur after the sale increases the marketability of a home

Home Inspections

A home inspection is another component of the escrow process. It is a physical examination to identify material defects in the systems, structure and components of a building, such as foundations, basements and under-floor areas, exteriors, roof coverings, attic areas and roof framing, plumbing, electrical systems, heating and cooling systems, fireplaces, chimney’s and building exteriors.

Is Your Home Inspector Insured?

The should have: Professional Liability Insurance Coverage, General Liability Insurance Coverage, and Worker's Compensation.

How the Seller Should Prepare For a Home Inspection

The seller should have the property fully accessible, including elimination of stored objects that may prevent the inspector from accessing key components of the home. Areas of special concern are attics, crawlspaces, electric panels, closets, garages, gates/yards, furnaces and water heaters. All utilities should be on with functioning pilots lit.

Inspector's Responsibility to the Homeowner

Respect the property. Leave the property as they found it. Answer questions about the report after the inspection is completed. Provide a copy of the report on site.

Federal Requirements

The internal Revenue Service (IRS) requires that sellers report certain information pertaining to sales of real property. Under The Tax Reform Act or 1986, reportable transactions include sales and exchanges of properties including, but not limited to, houses, townhouses, and condominiums. Also reportable is stock in cooperative housing corporations and mobile homes without wheels. Specifically excluded from reporting are foreclosures and abandonment of real property, as well as financing or refinancing or properties.

The Escrow Officer, as the settlement agent, will ask the seller to complete a Certificate for Information Reporting for the 1099 S form which may be required by the IRS. The seller is required to provide their correct taxpayer identification number (social security number), as well as the closing date of the transaction and gross proceeds of the transaction. Most settlement agents now transmit the reportable information electronically to the IRS at the end of the year, although a "hard copy" of the form is included in the seller's closing documents.

Excise Taxes

Excise Tax is a tax on the sale of real estate. The real estate tax typically paid by the seller of the property, although the buyer is liable for the tax if it's not paid. The tax applies to the seller. The tax also applies to transfers of controlling interests (50% or more) in entities that own property in the state.

County treasurers collect the state and local taxes, except for the tax that applies to acquisition of controlling interests which is reported directly to the Department of Revenue.

The state tax rate is .0128 - City and County rates vary depending on the area.

Property Taxes

Homeowners pay property taxes to their appropriate assessment, collection or franchise tax department in each county. A change in ownership or the completion of new construction could result in a change in the assessed value of the property and may result in the issuance of a supplemental property tax bill. Taxes are due on predesignated dates and become delinquent when not paid. Penalties are assessed for delinquent taxes. The yearly “tax calendar” varies by state.

In addition to standard property taxes, many jurisdictions also contain special assessment districts, which may have been formed as a means of financing infrastructure. Bonds may have been sold to finance the infrastructure and the ultimate property owner continues to make payments on the principal and interests of the bond. The bond issues vary in size and term. Other special city and county districts may be assessed for a variety of purposes, including street lights and traffic signals, street maintenance, certain educational purposes, etc.

Change of Ownership Filings

When property changes hands, local government agencies require a notice of change of ownership. At the local level, this would be any county office that assesses or collects taxes. Reporting a change in the ownership of the property allows the local jurisdiction to assess the tax liability for each property as the title is transferred from seller to buyer.

The reporting documents vary from state to state but all states require, at minimum, the names of the seller and buyer, assessor's parcel number or the other property identifying number, the property location and tax address.

The escrow officer will generally assist the client in completing the document and ensuring that it reaches the recorder's office along with the other documents pertinent to the change of ownership.

Some situations which appear to be a change of ownership are exempt from the filing of this type of document, including corrections to the record and status changes such as a change in vesting.

Closing Costs: What Buyers and Sellers Typically Pay For

Closing costs are fees and expenses, over and above the price of the property, incurred by the buyer and/or the seller in the property, incurred by the buyer and/or the seller in the property ownership transfer. Examples are title searches, closing services, loan fees, and deed filing fees. Also called settlement costs. There are two sides (buyer and seller) to the equation when determining closing costs. Below is a simple customary closing cost list. Keep in mind these are typical, but should not be considered hard fast rules, feel free to consult your real estate agent for more detail.

Seller Normally Pays for:

- One-half of the escrow fee (according to contract)
- Work orders (according to contract)
- Owner's title insurance premiums
- Real estate commission
- Any judgements, tax liens, etc. against the seller
- Any unpaid Homeowner Association dues
- Home Warranty (according to contract)

- Any bonds or assessments (according to contract)
- Recording charges to clear all documents of record against seller
- Payoff of all loans in seller's name (or existing loan balance being assumed by buyer)
- Interest accrued to lender being paid off, reconveyance fees and any prepayment penalties
- Excise Tax (percentage based on county and sale price)

Glossary of Terms

Adjustable Rate Mortgage (ARM): A Mortgage in which the interest rate is adjusted periodically in accordance with a market indicator, to more closely coincide with the current rates. Also sometimes known as renegotiable rate mortgage, the variable rate mortgage, or the graduated rate mortgage.

Amortization: Reduction of the principal of a debt in regular, periodic installments.

Annual Percentage Rate (APR): An interest rate reflecting the cost of a mortgage as a yearly rate. This rate is likely to be higher than the stated note or advertised rate on the mortgage. The APR allows home buyers to compare different types of mortgages based on the annual cost for each loan.

Assumption of Mortgage: An obligation undertaken by a new purchaser of land to be liable for payment of an existing note secured by a mortgage.

Caps: Consumer safeguards that limit the amount the interest rate on an adjustable rate mortgage can change at each adjustment or over the life of the loan.

Conditions, Covenants & Restrictions (CC&R's): A document that controls the use, requirements and restrictions of a property.

Certificate of Reasonable Value (CRV): An appraisal issued by the Veterans Administration showing the property's current market value.

Closing (also called “settlement”): The completion of a real estate transfer, where the title passes from seller to buyer, or a mortgage lien is given to secure debt.

Condominium: A statutory from of real estate development of separately-owned units and jointly-owned common elements in a multi-unit project.

Conventional Mortgage: A mortgage securing loan made by investors without governmental underwriting, i.e. a loan which is not FHA insured or VA guaranteed.

Deed: Written instrument which, when properly executed and delivered, conveys title.

Discount Point: An additional charge made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent, e.g. two points on a $100,000 mortgage would cost $2,000

Earnest Money: A deposit of funds made by a buyer of real estate as evidence of good faith.

Easement: A non-possessory right to use all or part of the land owned by another for a specific purpose.

Equity: The difference between the fair market value and current indebtedness, also referred to as the owner’s interest. The value an owner has in real estate over and above the obligation against the property.

Federal Housing Administration Loan (FHA Loan): A loan insured by the Federal housing Administration, open to all qualified home purchasers.

Farmers Home Administration Loan (FMHA Loan): A loan insured by the federal government similar to FHA loan, but usually used for residential properties in rural areas.

Federal National Mortgage Association (FNMA): Also known as "Fannie Mae" A U.S. government sponsored corporation dealing in the purchase of the first mortgages for the secondary market.

Fee Simple Deed: The absolute ownership of a parcel of land. The highest degree of ownership that a person can have in real estate, which gives the owner unqualified ownership and full power disposition.

Joint Tenancy: An equal undivided ownership of property by two or more persons. Upon death of any owner, the survivors take the decedent's interest in the property.

Lien: A claim upon a piece of property for the payment or satisfaction of a debt or obligation.

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

Mortgage: A conditioned pledge of property to a creditor as security for the payment of a debt.

Negative Amortization: Occurs when your monthly payments are not large enough to pay all the interest due on the loan. This unpaid interest is added to the unpaid balance of the loan. The danger of negative amortization is that the home buyer ends up owing more than the original amount of the loan.

Personal Property: Any property which is not real property, e.g. money, savings accounts, appliances, cars, boats, etc.

Principal, Interest, Taxes and Insurance (PITI): Also called monthly housing expense.

Private Mortgage Insurance (PMI): In the event that a buyer does not have a 20% down payment, lenders will allow a smaller down payment—as low as 3% in some cases. With the smaller down payment loans, however, borrowers are usually required to carry private mortgage insurance. Private mortgage insurance will usually require an initial premium payment and may require an additional monthly fee, depending on the loan's structure.

Realtor: A real estate broker or an associate holding active membership in a local real estate board affiliated with the National Association of Realtors.

Subdivision: A tract of land surveyed and divided into lots for purposes of sale.

Tenancy In Common: An undivided ownership in real estate by two or more persons, without right of survivorship—interests need not be equal.

Trustee: The neutral third party in the deed of trust with limited powers. When the loan is paid in full, the property is reconveyed by the trustee back to the person or persons legally entitled to the land, or if delinquent, the property will be conveyed pursuant to non judicial foreclosure proceedings, to the highest bidder in a public sale.

Trustor: The borrower, owner and guarantor of the property conveyed in a deed of trust.

Veterans Administration Loan (VA Loan): Housing loan to veterans by banks, savings and loans, or other lenders that are guaranteed by the Veterans Administration, enabling veterans to buy a residence with little or no down payment.

Warranty: In broad sense, an agreement or undertaking by a seller to be responsible for present or future losses of the purchaser occasioned by deficiency or defect in the quality, condition or quantity of the thing sold. In a stricter sense, the provision or provisions in a deed, lease or other instrument conveying or transferring an estate or interest in real estate under which the seller becomes liable to the purchaser for defect in or encumbrances.