

Frequently Asked Questions



What is a Title Commitment?

This document is American Guaranty Title's "commitment" to eventually issue a policy on the property. The title commitment contains the terms and conditions upon which a policy will be issued.

What is a HUD-1 Settlement Statement?

The HUD-1 is a form used by the settlement agent (also called the closing agent) to itemize all charges imposed upon a borrower and seller for a real estate transaction. It gives each party the amount that is either to be received or is owed at closing.

What is a Title Policy?

There are two major types of title insurance policies. The Owner Policy of Title Insurance insures the owner against certain listed title risks, and the Mortgagee Policy of Title Insurance insures the lender that the mortgage is a valid lien against the property.

What if I need to use a Power of Attorney?

The title company and lender must approve the Power of Attorney prior to preparing the documents. The original Power of Attorney must be delivered to the title company, so it can be recorded in the real property records. On the day of closing, the title company will contact the person to verify they are alive and well and have not revoked the Power of Attorney.

How soon are the Closing Figures available, and may I bring cash to the Closing?

The lender sends to the title company the closing instructions for the preparation of the settlement statement. The title company requests these instructions be provided at least one day prior to the closing. The title company will notify you and/or your agent of the funds needed for closing. The options for bringing money to the closing are:

- Cash
- Personal Check made out to American Guaranty Title (up to \$1499.99)
- Cashier's Check made out to American Guaranty Title
- Wire Transfer (if prefer to wire the money, please contact the title company for the wiring instructions)

Where will the Closing take place and how long will it last?

The closing is held at the title company and (depending on lender's loan documents) generally lasts 30-90 minutes. During the closing, buyers and sellers sign the documents required to complete the transaction. Documents include the settlement statement, deed, note, deed of trust, as well as many lender required documents. Contact your loan officer if you would like to review the documents prior to the closing.

What is funding and when are the funds disbursed?

Funding takes place after the buyer and seller execute the required documents. Certain documents are faxed to the lender for review and approval. The lender's approval is received in the form of a "Funding Number". Once the funding number is received, the title company receipts all the money and disburses funds to the appropriate parties.

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