

# Guiding a Smooth Closing

## Things to look for on a Preliminary Report that might cause a problem prior to or at closing.

**Vesting:** If the Seller signature(s) in the purchase contract is different than the owner name(s) on the title, you need to find out why.

**Taxes and Assessments:** Look to see if payments are current. Be sure that all special assessments have been disclosed to the buyer.

**Deed of Trust:** Deeds of Trust that are paid off but are not reconveyed require a reconveyance from the trustee or a court order to remove it from the record. Are these the loans the seller understands affect his property?

**Identity Matters:** Judgments and Liens may be eliminated with an identity affidavit or a Statement of Information (SI), if they do not affect the party in question. If they do affect the party but have been paid and not satisfied, a release or satisfaction must be obtained and recorded or filed to eliminate these matters.

**Pending Actions:** A civil action affecting real property will generally have to be dismissed or withdrawn before title to the land can be insured. A pending divorce may not need to be finalized for a sale or loan to close, however, there may be special requirements. A probate may have specific requirements. Please check with your Upward Title Company Representative or Title Officer for details.

**Maintenance Agreements:** Roads, driveways, party walls, and access easements may be affected by joint maintenance agreements which may require future payments for general maintenance purposes. The title report will show such agreements if one is of record. Be sure to request a full copy of the maintenance agreement and have the buyer read it.

**Extended Coverage Matters:** If an extended coverage owner's policy is requested beyond the limit provided in either a Standard Coverage Title Policy or Homeowner's Title Policy, an ALTA/NSPS (American Land Title Association/ National Society of Professional Surveyors) survey of the property is required.

**Legal Description:** The legal description should always be compared to the map attached to the Preliminary Report. If you previously received a property profile, compare the legal description in the profile to the report. Be sure that all the property being conveyed has been included in the Preliminary Report.

**Notice of Default:** The seller/owner is behind in his payments and the sale date may be set three months\* after this date.

**Notice of Trustee's Sale:** The sale date has been set. This recorded document contains the date, time and place of this sale. If you are the purchaser in this transaction you should verify for yourself that the COE (Close of Escrow) date is scheduled prior to the sale date or that the sale date has been postponed.

\*CFPA (California Foreclosure Protection Act) or ABX27

[Go to clta.org](http://clta.org) for further details on CFPA

