



BUYING A HOME IN TEXAS

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[Chicago Title Austin Locations](#)
[Yesterday, Today & Tomorrow](#)
[Why Chicago Title](#)
[What is Title Insurance](#)
[Open Order Timeline](#)
[The Closing Process](#)
[Closing Day Reminders](#)
[Generally Who Pays for What?](#)
[Defining the Title Commitment](#)
[Surveys Made Simple](#)
[Top 10 Closing Delays](#)
[Top 10 Closing Delays Detailed](#)
[What is a Home Warranty?](#)
[Why Do You Need Title Insurance on a Refinance?](#)
[Texas Homestead Exemption Summary](#)
[Texas Homestead Exemption Detailed](#)
[Listing Appointment Checklist for Title](#)
[Open House Feedback](#)
[Title Education Video Resources](#)



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Chicago Title Austin Locations



Bee Cave
13215 Bee Cave Pkwy,
Bldg B, Suite 100
Austin, TX 78738
P: 512-840-5290



Cedar Park
1335 E. Whitestone Blvd.
Suite Z-100
Austin, TX 78613
P: 512-690-9490



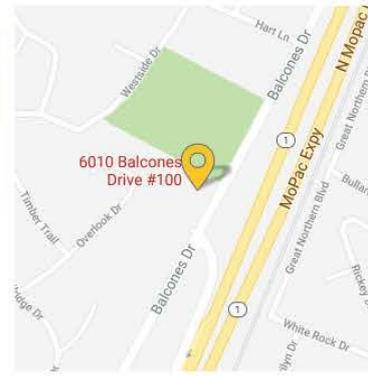
Great Hills
8911 N. Capital of TX
Hwy, Bldg 2, Suite 2120
Austin, TX 78759
P: 512-345-6525



S. Mopac
1501 S. Mopac, Suite 130
Austin, TX 78746
P: 512-480-8353



Westlake
4301 Westbank Dr., Bldg
A, Suite 100
Austin, TX 78746
P: 512-691-7668



Balcones
Fee Attorney
6010 Balcones, Suite 100
Austin, TX 78731
P: 512-459-6010



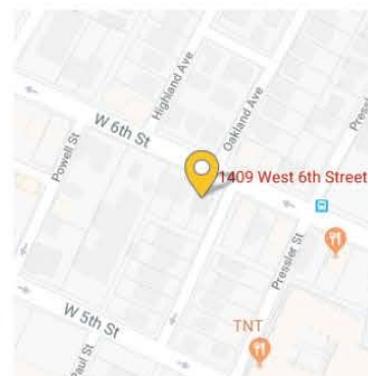
Bastrop
Fee Attorney
908 Main Street
Austin, TX 78602
P: 512-549-6001



Downtown
Fee Attorney
700 Lavaca St. Suite 1400
Austin, TX 78731
P: 512-903-0904



Midtown
Fee Attorney
1715 W. 35th Street, Suite 104
Austin, TX 75254
P: 512-593-2930



W. 6th
Fee Attorney
1409 W. 6th Street
Austin, TX 78703
P: 512-477-9058

Find a Location Near You!
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Yesterday, Today & Tomorrow...

Chicago Title is always here for you!

Our expertise in the Title Industry runs as deep as our history. Since 1847, Chicago Title Austin has been committed to providing our customers with the highest quality service experience, and will continue to do so for many years to come.

Protecting your home and commercial real estate investments is our top priority. You can rest assured that Chicago Title Austin will always be here for you, with the financial strength and stability you can count on and deserve.

Chicago Title Austin is a member of the Fidelity National Financial family of companies and part of the nation's largest group of title companies and title insurance underwriters. As a FORTUNE 500® title company, our underwriters issue more title insurance policies than any other title company in the United States.

We understand your community, because we are part of your community. Chicago Title Austin has offices located throughout the greater Austin area. Our footprint follows your footprint, so wherever you are...we are there too! (And if we aren't there yet, you better believe we will be there soon!)

Local and National Footprint

- 9 Direct and Fee Attorney office locations throughout Austin
- Thousands of locations all across the United States



Why

Chicago Title

PROTECTION

Together with our parent company, Fidelity National Financial, Inc. (FNF), we are the industry leader in all measures of financial strength. This unmatched financial power offers you the peace of mind and protection you need in the event that your property ownership is ever challenged.

EXPERIENCE

Our trusted staff and leadership team have hands on experience with all stages of the closing process, allowing immediate decision making and efficient closings.

SERVICE

Since 1847, the experience and dedication of our full-service, nationwide network of professionals has been a top priority. Chicago Title offers competitive closing costs, expert title searches and examination, which yield a timely and first class closing experience.





What is Title Insurance?

& The Top 3 Reasons You Should Have It

What is Title Insurance?

Title insurance is different from other forms of insurance because it insures against events that occurred before the title policy is issued, as opposed to insuring against events in the future, as health, property and life insurance do. Title insurance is in essence loss prevention insurance.

When purchasing real estate, it is of utmost importance that you receive clear title to the property. In order to do so, you must first be informed of any existing rights or claims that may be asserted against the property, then any of those rights or claims that are unacceptable to you must be resolved or extinguished prior to your purchase of the property.

In Texas, many property records go back to grants from the 1880s, hence it is important that the full history of the property is thoroughly researched and presented to you.

When is the Premium Paid?

Unlike other forms of insurance, for a relatively low one-time premium, the original title premium is your only cost protecting you for as long as you and your heirs own the property. The premium is paid at closing and there are no annual payments to keep your Owner's Title Insurance Policy in force. Rates for title insurance are regulated by the state and are promulgated in Texas.

Top 3 Reasons You Should Have Title Insurance

- 1.** A property may have changed ownership multiple times over the years through events such as sale, marriage, divorce, inheritance, foreclosure, bankruptcy, etc. Title insurance provides you the assurance that a comprehensive search and review of public records has been performed from potentially hundreds of sources including tax records, federal, state and local records, court judgments, and deeds in order to call to your attention any discovered rights or claims against the current or past owners that could have an impact upon title of the property. Once reported to you, these matters can be accepted, resolved or extinguished prior to closing the transaction.
- 2.** Title insurance also provides coverage for future claims or future losses that could threaten ownership of the property due to undiscovered title defects covered by your title insurance policy that are not shown in the public records such as forgery, incompetence, incapacity of the parties, fraudulent impersonation and unknown errors in the records created by some past event.
- 3.** Title insurance helps speed up negotiations when you are ready to sell your property or obtain a loan. Existing title insurance policies can help eliminate delays when passing your title onto someone else. Title insurance also covers attorney's fees and court costs for covered claims. Claims will be disposed of or you will be reimbursed exactly as your title policy provides.

Open Order Timeline

Your help will ensure a positive experience for you and your clients!

Fully signed contract (including execution date)

Provide the following items with the contract

- Any addendums, including seller disclosure
- Contact information for buyers/sellers
- Survey with completed T47 affidavit (if applicable)
- Lender contact information

Seller Information

Please provide within 5 business days of delivering contract

- Payoff information to include:
 - Mortgage company
 - Loan/account numbers
 - Seller's social security number
 - Phone number
- Marital status since acquisition of property
- Confirmation of U.S. Residency as per paragraph 20 of contract
- Total commission percentage
- Mail out or power of attorney

Please provide 14 days prior to closing

- Forwarding address (if known)
- Any special handling of proceeds including title company transfers

Buyer Information

Please provide within 5 business days of delivering contract

- New lender contact information
- Mail out or power of attorney

Please provide 14 days prior to closing

- Home warranty selection and any additional upgrades
- Authorization to order survey as dictated by contract/appraisal
- Homeowner's insurance

*Please advise clients closing costs should be sent in the form of a wire prior to wiring any funds, you should contact the intended recipient via a verified telephone number and confirm that the wiring information is accurate. Do not rely on telephone numbers or Web site addresses provided within an unverified e-mail.



The Closing Process

Contract signed with REALTOR®

Contract and earnest money are received



Buyer applies for loan and the application process is started. Within 3 days, the loan estimate is sent out to borrower

Closer enters order for contract and earnest money is receipted

- Verification of employment (current & previous)
- Verification of bank deposits
- Credit information

Property is researched by the **Title Department**

Title search includes search of the history of the property owners record, liens, clouds on title, documents filed by legal description. Also included is a search of buyer and seller liens, lawsuits, divorces, probates, documents filed by person's name, etc.



Appraisal
(confirmation of property's value)

Information is gathered, packaged and then loan package is submitted to the underwriter



Commitment for title insurance issued and sent to all parties.

Buyer's Loan Approved!

Clear Title, order payoff, Survey, Taxes



Closing disclosure sent to borrower 3 business days prior to closing for review

Parties are ready to close!

Escrow department receives closing instructions and closing disclosure from lender and prepares documents

Closing & Funding
Congratulations!



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Closing Day Reminders

The Seller

- Bring your check/wiring information in order to receive your proceeds
- Bring a valid, unexpired government issued form of identification to closing, such as a driver's license or passport
- Cancel/transfer utilities, homeowner's insurance & flood insurance upon funding

The Buyer

- Bring closing funds (cashier's check or wire transfer) to Chicago Title
 - *Prior to wiring any funds, you should contact the intended recipient via a verified telephone number and confirm that the wiring information is accurate. Do not rely on telephone numbers or Web site addresses provided within an unverified e-mail.*
- Bring a valid, unexpired government issued form of identification to closing, such as a driver's license or passport
- Set up/transfer utilities, homeowner's insurance & flood insurance
- Complete your county tax forms
- Mailing address change
- Homestead exemption form



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When it Comes to Real Estate Transactions in Texas...

Generally, Who Pays for What?

The Seller

- Real estate commission
- Title Insurance premium for Owner's policy
- Escrow fee (one half)
- Payoff of all loans in Seller's name
- Interest accrued to lender being paid off
- Home warranty (or according to the contract)
- Any judgments, tax liens, etc., in Seller's name
- Any and all taxes due
- Tax proration
- Any applicable homeowner's association dues
- Recording charges to clear all documents of record in Seller's name
- Any bonds or assessments
- Accommodation signing fees for mail-out closings, if applicable

The Buyer

- All new loan charges
- Prorated interest on new loan
- Escrow fee (one half)
- Title insurance premium for Lender's policy
- Homeowner's insurance premium
- Inspection fees
- Accommodation signing fees for mail-out closings, if applicable
- Tax proration (from date of acquisition)
- Recording charges for all documents in Buyer's name



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Defining The Title Commitment

The title commitment is a commitment to issue title insurance. It is broken down into four parts or schedules. They are Schedules A, B, C & D.

Schedule A - "A" is for "Actual Facts."

This is where you will find the who, what, where and how much information. The most important information here will be the name of the person who holds the existing title, the legal description of the land and the name of the proposed insured (buyer), the sales price and the name of the lender. All parties and the title company should make sure all of the information is accurate when it is compared to the sales contract.

Schedule B - "B" is for "Buyer Notification."

This is the section of the title commitment that addresses where other parties have any interest or control of the use of the property. Examples of this are utility easements and building setbacks. A utility easement is a common item to find here. This would be a part of the land that a utility company has the right to use. A setback prevents the owner from building a certain distance from a property line. Schedule B is also the area in which exceptions will be noted. Exceptions in this case are anything that will not be covered by title insurance.

Schedule C - "C" is for "Clear to Close."

This is the section in which any issues must be resolved before the buyer can close on the property. Common issues here are an existing mortgage that needs to be paid off, a marital status issue or unpaid taxes and liens on the property.

Schedule D - "D" is for "Disclosure."

This final section outlines all parties who will collect any part of the insurance premium including underwriters, title agents and attorneys. It will also show the amounts being paid for the owner's title insurance policy, the mortgage policy's amount and any endorsements.



Surveys Made Simple

The Importance of Land Surveys

Here are some of the principal reasons to obtain and review a survey:

- To determine whether improvements (buildings, driveways, fences, utility lines, etc.) intended to be located on your property encroach into a neighbor's property, or vice-versa.
- To mark the boundaries on the ground, so that they are clear to observers standing on or near the property.
- To discover trails and other evidence of use by third parties that might suggest that someone has established an implied easement over a portion of the property, or might claim a portion of the property by reason of adverse possession.
- To provide the evidence needed by the title insurer to delete certain standard exceptions to coverage and thereby provide "extended coverage" against off-record title matters (including matters that would be revealed by an accurate survey).

When to Use an Existing Survey

The TREC Contract was revised several years ago giving the option to Sellers and Buyers to use existing surveys when appropriate. Per the TREC Contract, not only does the buyer have to accept the survey, but lenders and title companies must also approve and accept it. Survey Affidavits assist in research and review however the best information comes from those who have been on the property, particularly prospective Buyers and their REALTORS®.

To avoid costly delays, the following guidelines for using an existing survey are provided:

- Survey should be completely legible. It must have the property address, complete legal description, flood certification and the surveyor's signature and seal on the drawing.
- Survey must reflect all permanent improvements that are currently on the property, including pools, fences, spas, decks, and additional square footage.

If the Sellers have added permanent structures that are not shown on survey, it is important to identify new improvements, such as a pool, gazebo, fence, etc. when signing the Survey Affidavit. This notifies all parties that the survey provided is not an accurate rendering of the property as of the current date.

Almost always it is advisable to forego using an existing survey if improvements have been built since the time the initial survey work was performed.

Likewise, when an incorrect survey is delivered to the Buyer and their Agent, a new one should be requested. The title company and lender must be informed of the need for a new survey.

When to Obtain a New Survey

It is recommended that a purchaser obtain a new survey if one or more of the following conditions exist:

- A survey shows that all significant improvements currently located on the property do not exist or cannot be found.
- Surveys exist only for portions of the property, but the property as a whole consists of two or more parcels that are not platted and that are described by "metes and bounds," such that without a surveyor's interpretation of the legal descriptions one cannot be certain of whether the parcels are contiguous, or whether there might exist a "gap" between, or overlap of, property boundaries.

Even when one or more of the foregoing conditions are present, a survey might not be necessary, and the purchaser might wish to bear the risk of proceeding without a survey; unless required by your lender.



TOP 10 REAL ESTATE CLOSING DELAYS & HOW TO AVOID THEM



1. Determining Ownership-Death, Divorce, Trusts, etc.

Verify all owners/sellers names; make sure they are listed on your contract. If any changes have occurred in marital status, such as divorce, there may be an ownership change. If a death has occurred, we will need to determine if a probate or heirship is necessary. If the property is vested in a trust, we will need the certificate of trust to determine who the authorized trustee(s) is (are) to sign for the sale of the property.

2. Foreign Seller

At the listing appointment, determine if the seller is a "foreign person," as defined by applicable law. If you believe the seller could be classified as a foreign person, notify your escrow officer and all parties to the contract. A foreign person requires certain IRS documentation from both the seller and buyer with most of the obligation falling upon the buyer. A withholding equal to a percentage of the sales price will be paid to the Internal Revenue Service.

3. Lender Information

We are required to obtain the seller's loan payoff information. We will need the name and phone number of the lender, the loan number, and the full social security number for each person on the loan. The title company must obtain a written payoff demand from each lienholder.

4. Survey

If an existing survey is to be provided to the buyer by the seller per the contract, it must be accompanied with the Residential Real Property Affidavit (T47). Failure to provide the affidavit with the existing survey could result in the seller paying for a new survey. If any changes have been made to the property disclose those accordingly on the T-47 affidavit. It is likely any improvements to the property not accurately depicted on the prior survey (new deck, new fence, pool, home addition, etc.) will result in a new survey being required. Changes/additions revealed at closing could delay the closing, pending receipt of a new survey. If the prior survey cannot be located or is not approved by the title company or new lender, a new survey will be required.

5. Identification

Valid, unexpired U.S. government issued photo ID is required for each person signing documents. A State issued driver's license, a military ID and/or a passport are acceptable forms of identification.

6. Clouds on Title

Tax liens, judgments, HOA liens, missing liens, IRS liens, bankruptcy and any other involuntary liens will be addressed and some could take an extended time to clear. It is important to have open lines of communication between the seller and the title company to clear any and all clouds on title. Often the lienholder will not speak with a third party regarding these matters without authorization from the seller.

7. Contract Dates

All dates in the contract should be complete. The effective date is the catalyst for all requirements/conditions in the contract. Incomplete dates in the contract can lead to confusion and misunderstandings which could delay your closing and funding!

8. Repairs Not Completed

Agreed repairs must be completed in a timely fashion. Completion of repairs in the contract is often a lender requirement to satisfy the loan. Lenders can require the appraiser to re-inspect the property prior to closing to certify the repairs per the contract were completed and all is in good safe working order.

9. HOA & HOA Addendums

If the property is in a subdivision with a mandatory owners' association, pay special attention to the boxes and blanks on the contract HOA addendum indicating the party responsible for delivering the subdivision information as well as the time frame required for delivery.

10. Short Sales & Foreclosures

It is important to understand the process when contracting into a short sale or foreclosure. Even after the contract is signed, the current lienholder still requires the seller to go through a process before approving the sale. Patience and compliance are the key to navigating through a short sale or foreclosure. Everyone is at the mercy of the current lienholder.



TOP 10 REAL ESTATE CLOSING DELAYS & HOW TO AVOID THEM



1 Determining Ownership - Death, Divorce, Trusts, etc.

Verify all owners/sellers names; make sure they are listed on your contract. If any changes have occurred in marital status, such as divorce, there may be an ownership change. If a death has occurred, we will need to determine if a probate or heirship is necessary. If the property is vested in a trust we will need the certificate of trust to determine who the authorized trustee(s) is (are) to sign for the sale of the property. Not addressing this early **could delay your closing and funding!**

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At the listing appointment, determine if the seller is a "foreign person," as defined by applicable law. If you believe the seller could be classified as a foreign person, notify your escrow officer and all parties to the contract. A foreign person requires certain IRS documentation from both the seller and buyer with most of the obligation falling upon the buyer. A withholding equal to a percentage of the sales price will be paid to the Internal Revenue Service. Not addressing this early **could delay your closing and funding!**

3 Lender Information

We are required to obtain the seller's loan payoff information. We will need the name and phone number of their lender, their loan number, and the full social security number for each person on the loan. A written payoff demand must be obtained from each lien holder by the title company. Not addressing this early **could delay your closing and funding!**

4 Survey

If an existing survey is to be provided to the buyer by the seller per the contract, it must be accompanied with the Residential Real Property Affidavit (T47). Failure to provide the affidavit with the existing survey could result in the seller paying for a new survey. If any changes have been made to the property disclose those accordingly on the T-47 affidavit. It is likely any improvements to the property not accurately depicted on the prior survey (new deck, new fence, pool, home addition, etc.) will result in a new survey being required. Changes/additions revealed at closing could delay the closing, pending the receipt of a new survey. If the prior survey cannot be located or is not approved by the title company or new lender, a new one will be required. Not addressing this early **could delay your closing and funding!**

5

Identification

Valid, unexpired U.S. government issued photo ID are required for each person signing documents. A State issued driver's license, a military ID and/or a passport are acceptable forms of identification. Expired identification ***could delay your closing and funding!***

6

Clouds on Title

Tax liens, judgments, HOA liens, missing liens, IRS liens, bankruptcy and any other involuntary liens will be addressed and some could take an extended time to clear. It is important to have open lines of communication between the seller and the title company to clear any and all clouds on title. Often the lienholder will not speak with a third party regarding these matters without authorization from the seller. Clouds on title ***could delay your closing and funding!***

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8

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Agreed repairs must be completed in a timely fashion. Completion of repairs in the contract is often a lender requirement to satisfy the loan. Lenders can require the appraiser to re-inspect the property prior to closing to certify the repairs per the contract were completed and all is in good safe working order. Not completing repairs ***could delay your closing and funding!***

9

HOA & HOA Addendums

If the property is in a subdivision with a mandatory owners' association, pay special attention to the boxes and blanks on the contract HOA addendum indicating the party responsible for delivering the subdivision information as well as the time frame required for delivery. Failure to satisfy this requirement within the allotted time may result in the buyer terminating the contract and the earnest money being refunded to the buyer. Waiting too long to order this information ***could delay your closing and funding!***

10

Short Sales & Foreclosures

It is important to understand the process when contracting into a short sale or foreclosure. These closings are delayed simply because of the situation. Even after the contract is signed, the current lienholder still requires the seller to go through a process before approving the sale. Patience and compliance is the key to navigating through a short sale or foreclosure. Everyone is at the mercy of the current lienholder. Not understanding and adhering to the process ***could delay your closing and funding!***



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What is a Home Warranty?

A home warranty is a contract between a homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components, such as the furnace, air conditioning, plumbing and electrical system. A home warranty may also cover major appliances such as washers and dryers, refrigerators and swimming pools. Most plans have a basic component that provides all homeowners who purchase a policy with certain coverages. In addition to the standard items, expanded coverage can usually be added at a premium.

A home warranty is not the same as homeowners insurance, nor is it a replacement for homeowners insurance. Homeowners insurance covers major perils such as fire, hail, property crimes and certain types of water damage that could affect the entire structure and/or the homeowner's personal possessions. A home warranty does not cover these perils.

Home warranty companies have agreements with approved service providers. When something that is covered by a home warranty breaks down, the homeowner calls the home warranty company, and the home warranty company sends one of its service providers to examine the problem. If the provider determines that the needed repair or replacement is covered by the warranty, the homeowner only pays a small service fee per your service call at the time service is rendered.

The annual cost can vary depending on coverages and exclusions, but typically ranges from a few hundred dollars for small condominiums to eight hundred dollars for larger homes. This is a negotiable item on the contract.

*For more information about home warranties, please contact your local Chicago Title!
Congratulations on your purchase!*



Fidelity National Home Warranty
Phone: 800-308-1420
HomeWarranty.com

Why Do You Need Title Insurance on a Refinance?

Why Do I Need a New Lender's Policy?

The original lender's title insurance policy protects the lender's interest on the original loan. With the new refinanced loan, the original loan will be paid off, and the lender will require protection of its interest for the new loan. From the lender's standpoint, a refinanced loan is no different than any other mortgage loan. In addition, if the loan is sold in the secondary market, investors like Fannie Mae will require the security of title insurance on the property. The good news is the consumer receives a discount on lender's policies for refinance during the first seven years of the loan. If your refinanced loan is with the same lender as your original loan, your lender may provide additional discounts. Chicago Title will be happy to point out ways you can save on your refinance loan.

Didn't the Original Title Search Resolve Ownership Issues?

The lender needs the title examined again to confirm that no liens or judgments, such as liens filed by contractors, child support liens or other legal judgments, have been recorded against you or your property. Confirming the absence of these items and other title defects protects the lender's security interest in your property.

Generally, Do I Also Need to Get a New Owner's Title Policy?

You'll be glad to know that your original owner's title insurance policy protects your ownership rights for as long as you and your heirs own your property, as long as no value improvements have been made. So there's no need to get another owner's policy on a refinance loan.

If you did not purchase an owner's title policy on your original loan, but now want the protection title insurance gives you, Chicago Title can issue an owner's title policy for you.





What is a Homestead Exemption?

Property tax exemptions are one of the most meaningful and simple ways to reduce property taxes. Homestead exemptions are granted by the county appraisal district where the property is located. The exemption reduces a homeowner's property tax bill by removing part of the home's value from taxation. All Texas homeowners may receive a General Residence Homestead Exemption of \$25,000 on the value of their property for school taxes. Other taxing entities may also offer exemptions of some percentage of the home's value. Other exemptions are available to homeowners who are over 65 or disabled, and require the same application process. This information can be found on the Texas Comptroller website link at the bottom of the page.

How do I know if I qualify for a homestead exemption?

These requirements must be met to receive the exemption:

1. You must own your home on January 1st of the year for which you are applying. (If you are over 65 and/or disabled, January 1st ownership and residency are not required.)
2. You must reside at the home as your principal residence on January 1st of that year, and not claim any other property as homestead.
3. Only individual homeowners (not corporations or other entities) may receive a homestead exemption.
4. A homestead can be a house, condominium or a manufactured home. It can include up to 20 acres, if the land is also owned by the homeowner and used as a yard, or for another purpose related to the residential use of the home.
5. You must apply between January 1st and April 30th of the year for which you want the exemption.

How do I get a homestead exemption?

1. Complete the APPLICATION FOR RESIDENTIAL HOMESTEAD EXEMPTION (available on the websites of most county appraisal districts, or at the Texas Comptroller's website at: <http://comptroller.texas.gov/taxinfo/taxforms/50-114.pdf>)
2. Include a copy of your DRIVER'S LICENSE or IDENTIFICATION CARD from the Texas Department of Public Safety at www.txdps.state.tx.us. The address MUST MATCH the homestead address.

For more information, contact your local county appraisal district office, or visit: <http://comptroller.texas.gov/taxinfo/proptax/exemptions.html>



Texas Homestead Exemption

Property tax exemptions are one of the most meaningful and simple ways to reduce property taxes. The Texas legislature has provided numerous property tax exemptions for Texas taxpayers. Exemptions for homestead, over 65 homestead, disabled homestead, disabled veteran is just the start. Texas property taxes can be reduced by legitimate use of exemptions. This document was prepared by the Texas Comptroller and is presented for your convenience.

Q: Do I, as a homeowner, get a tax break from property taxes?

A: You may apply for homestead exemptions on your principal residence. Homestead exemptions remove part of your home's value from taxation, so they lower taxes.

Q: Do all homes qualify for homestead exemptions?

A: No, only a homeowner's principal residence qualifies. To qualify, a home must meet the definition of a residence homestead: The home's owner must be an individual (for example: not a corporation or other business entity) and use the home as his or her principal residence on January 1 of the tax year. If you are age 65 or older, the January 1 ownership and residency are not required for the age 65 homestead exemption.

Q: What is a homestead?

A: A homestead can be a separate structure, condominium or a mobile home located on owned or leased land, as long as the individual living in the home owns it. A homestead can include up to 20 acres, if the land is used as a yard or for another purpose related to the residential use of the homestead.

Q: How do I get a homestead exemption?

A: You must file an Application for Residential Homestead Exemption with the county appraisal district between January 1 and April 30 of the tax year -- up to one year after you pay your taxes. During the year, if you turn 65 or become disabled, you must apply for the 65 or older or disabled exemption no later than one year from the qualification date. Once you receive the exemption, you do not need to reapply unless the chief appraiser sends you a new application. In that case, you must file the new application. If you should move or your qualifications end, you must inform the appraisal district in writing before the next May 1. A list of appraisal district addresses and phone numbers is available online.

Q: What homestead exemptions are available?

A: There are several types of exemptions you may receive. School taxes: All residence homestead owners may receive a \$25,000 homestead exemption from their home's value for school taxes.

County taxes: If a county collects a special tax for farm-to-market roads or flood control, a residence homestead owner may receive a \$3,000 exemption for this tax. If the county grants an optional exemption for homeowners age 65 or older or disabled, the owners will receive only the local-option exemption.

Age 65 or older and disabled exemptions: Over-65 and/or disabled residence homestead owners may qualify for a \$10,000 homestead exemption for school taxes, in addition to the \$25,000 exemption for all homeowners. If the owner qualifies for both the \$10,000 for over-65 homeowners and the \$10,000 exemption for disabled homeowners, the owner must choose one or the other for school taxes. The owner cannot receive both exemptions.

Optional percentage exemptions: Any taxing unit-including a city, county, school, or special district-may offer an exemption of up to 20 percent of a home's value. But, no matter what the percentage is, the amount of an optional exemption cannot be

less than \$5,000. Each taxing unit decides if it will offer the exemption and at what percentage. This percentage exemption is added to any other home exemption for which an owner qualifies. The taxing unit must decide before July 1 of the tax year to offer this exemption.

Optional over-65 or disabled exemptions: Any taxing unit may offer an additional exemption of at least \$3,000 for taxpayers age 65 or older and/or disabled.

Q: How do I qualify for a disabled person's exemption?

A: You are eligible for this exemption if you can't engage in gainful work because of a physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of the blindness. To qualify, you must meet the Social Security definition for disabled. You qualify if you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration. Disability benefits from any other program do not automatically qualify you. To prove your eligibility, you may need to provide the appraisal district with information on disability ratings from the civil service, retirement programs, or from insurance documents, military records, or a doctor's statement.

Q: What if I miss the deadline for filing for a homestead exemption?

A: You may file for a homestead exemption up to one year after the delinquency date -usually February 1. If you are 65 or older or disabled, you must apply for the exemption no later than one year from your 65th birthday or one year after the delinquency date, whichever is later.

Q: May I continue to receive the residence homestead exemption on my home if I temporarily move away?

A: If you temporarily move away from your home, you may continue to receive the exemption if you do not establish a principal residence elsewhere, you intend to return to the home, and you are away less than two years. You may continue to receive the exemption if you do not occupy the residence for more than two years only if you are in military service or live in a facility providing services related to health, infirmity or aging from the two-year period.

Q: What is a homestead tax ceiling?

A: It is a limit on the amount of taxes you must pay on your residence. If you qualify your home for a 65 and older or disabled person homestead exemption for school taxes, the school taxes on that home can't increase as long as you own and live in that home. The tax ceiling is the amount you pay in the year that you qualified for the 65 - and - older or disabled person exemption. The school taxes on your home may go below the ceiling but not above the amount of the ceiling. If you improve the home (other than normal repairs or maintenance), the tax ceiling may go higher for the new additions. For example, if you add on a garage or game room to the house, the tax ceiling will be adjusted to a higher level for the addition.

Q: Does the school tax ceiling transfer when a person who is age 65 or older or is disabled or is the surviving spouse (age 55 or older) of a person who was age 65 or older moves to another home?

A: A percentage of the school tax ceiling may be transferred. The ceiling on the new home would be calculated to give you the same percentage of tax paid as the ceiling on the original home. For example, if you currently have a tax ceiling of \$100, but would pay \$400 without the ceiling, the percentage of tax paid is 25 percent. If you move to another home and the taxes on the new homestead would normally be \$1,000 in the first year, the new tax ceiling would be \$250, or 25 percent of \$1,000. To transfer the school tax ceiling, you may request a certificate from the chief appraiser in the last appraisal district in which you received the tax ceiling. You present the transfer certificate to the chief appraiser in the district where the new home is located, when you apply for homestead exemptions on the new home.

Q: If I am the surviving spouse of a disabled person, am I entitled to the school tax ceiling?

A: No, only surviving spouses (55 years of age or older) of persons who were 65 years of age or older when they died may benefit from the tax ceiling.

Q: If I am 65 years of age or older, disabled, or a surviving spouse who is age 55 or older, does a tax ceiling apply to county, city or junior college district property taxes?

A: Yes, if the county commissioners court, city council or board of the junior college district authorizes a tax limitation on the homesteads of persons 65 years of age or older or disabled persons. The taxing unit's governing bodies or voters may adopt the limitation. This local option exemption does not apply to other special districts such as water, hospital, etc.

Q: Can the local option ceiling transfer if the owner who is age 65 or older or disabled moves to another home?

A: Yes, but the home must be located within the applicable taxing unit - city, county or junior college district. The ceiling on the new home is calculated the same as the school district.

Q: Can the local option ceiling transfer to another home owned by the surviving spouse who is 55 year of age or older?

A: No, regardless of the underlying qualifications (65 & older or disabled person).

Q: If I own only 50 percent of the home I live in, do I qualify for the residence homestead exemption on the home?

A: Yes. However, if you qualify for a homestead exemption and are not the sole owner of the property to which the homestead exemption applies, the exemption you receive is based on the interest you own. For example, you own a 50 percent interest in a homestead and will receive one half, or \$12,500, of a \$25,000 homestead offered by a school district.

Q: Is the disabled veteran's exemption the same as the disabled person's exemption?

A: No. To receive a disabled veteran exemption, you must either be a veteran who was disabled while serving with the U.S. armed forces or the surviving spouse or child (under 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty.

In order to qualify for a disabled person exemption, you can't engage in gainful work because of physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of your blindness. If you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration, you will qualify for the disabled person exemption.

Q: What is the amount of the disabled veteran's exemption?

A: The exemption amount that a qualified disabled veteran receives depends on the veteran's disability rating from the branch of the armed service:

| Disability Rating | Exemption Amount |
|-------------------|------------------------------------|
| 10% to 30% | \$5,000 from the property's value |
| 31% to 50% | \$7,500 from the property's value |
| 51% to 70% | \$10,000 from the property's value |
| 71% to 100% | \$12,000 from the property's value |

The disabled veteran must be a Texas resident and must choose one property to receive the exemption for all property tax purposes.

Q: May I file for a disabled veteran's exemption after the deadline has passed?

A: Yes. The deadline for filing for a disabled veteran's exemption is between January 1 and April 30 of the tax year. However, you may file for a disabled veteran's exemption up to one year from the delinquency date. To file for a disabled veteran's exemption, you must complete the Application for Disabled Veteran's or Survivor's Exemptions form.

Q: If I lease a vehicle that I use for personal purposes, do I have to pay property taxes on the vehicle?

A: In Texas, all property is taxable, unless exempt by state or federal law. Leased vehicles produce income for the leasing company and are taxable to the leasing company. In many leasing contracts, companies require their lessees to reimburse them for taxes assessed on the vehicles.

Texas does exempt leased vehicles that are not held for the primary purpose of income production by the lessee. These vehicles include passenger cars and trucks with a shipping weight of not more than 9,000 pounds and leased for personal use. Personal use would mean using the vehicle more than 50 percent of its use (based on mileage) for activities that do not involve the production of income. The exemption applies only to vehicles subject to a lease entered into on or after January 2, 2001.

Any leased vehicles contracted before January 2, 2001 would continue to be taxed. In addition, cities that passed an ordinance before January 1, 2002, could opt to tax personal leased vehicles. The law was effective on January 1, 2002.

To qualify for the exemption, you must timely file an affidavit with the leasing company. You timely file an affidavit with the leasing company. You may print the Lessee's Affidavit of primarily Non Income Producing Vehicle Use form now or it is available from the leasing company. Primarily Non Income Producing Vehicle Use form now or it is available from the leasing company. To receive the exemption, the company must file a Lessor's Application for Personal Use Lease Automobile

Exemptions application with the county appraisal district where the property is located before April 30 of each year. The exemption application should contain all vehicles that are used primarily for personal use. If the leasing company does not file the application timely, the vehicle is not exempt.

Chicago Title of Texas, LLC makes no express or implied warranty with respect to the information contained herein and accepts no liability for the consequences of any actions taken on the basis of said information. The forgoing is not intended to provide legal advice. For specific legal questions concerning Homestead Exemption in Texas consultation should be sought from a licensed Texas real estate attorney.

Real Estate Definitions

| | |
|----------------------------|--|
| A.L.T.A | American Land Title Association. |
| Appraisal | Statement of value. |
| Assessed Value | Value of property for taxation purposes. |
| Assumption Fee | The charge made by a lender when a buyer assumes seller's existing loan. |
| Beneficiary | One for whose benefit a trust is created. A lender is secured by a deed of trust. |
| Cloud on Title | A semblance or claim of title that is in fact invalid. |
| Contract of sale | An agreement entered into for the sale and purchase of property. |
| Declaration of Trust | A written instrument by a person (settler/truster), acknowledging that he or she holds the title to property (as trustee) for the benefit of another or others (beneficiary/beneficiaries). |
| Deed of Trust | A three party security instrument conveying title to land as security for the performance of an obligation. Also called "trust deed". |
| Earnest Money | Money paid to confirm a contract. |
| Easement | A limited right or interest in the land of another entitling the holder to some use, privilege, or benefit. |
| Encroachment | Intrusion on a person's territory, rights, etc. |
| Endorsement | The act of signing a name on the back of a check or promissory note to evidence its transfer; also a written document attached to an insurance policy expanding or limiting coverage. |
| Escrow | A transaction in which an impartial third party acts upon instructions for both seller and buyer, or both borrower and lender, in carrying out instructions, delivering papers and documents and disbursing funds. |
| Examination | The process of determining the vesting of title and encumbrances burdening land. |
| Homestead | The dwelling in which an owner or head of a family resides protected to a limited extent from forced sale by a recorded declaration of homestead. |
| Judgment Lien | A statutory lien created by recording a judgment, or an abstract ordering the payment of a sum of money. |
| Legal Description | A description of real property sufficient to locate it on the ground by reference to government surveys or approved recorded maps. |
| Lien | A charge upon property for the purpose of securing the payment or discharge of a debt or obligation. |
| Mortgage | A two party security instrument pledging land as security for the performance of an obligation. |
| Owner's Title Policy (OTP) | A policy of title insurance insuring the title of an owner. |
| Powers of Attorney | A written delegation from a principle authorizing another person, as agent of principal, to act for him or her in his/her name in a designated transaction or transactions. |
| Probate | Relating to proof; the proof of validity of a will of a decedent; the proof of ownership. |
| Promissory Note | An unconditional written promise signed by maker, to pay, absolutely, a sum certain in money, either to the bearer or to a person therein designated by his/her order. |
| Recording | The act of filing documents for the record in the office of the County Recorder. |
| Survey | Land survey required by lender: lot size, easements, encroachments, locations of improvements, etc., may be negotiated requirement on a cash contract. |
| Termite Report | A report of an inspection for wood destroying pests by a person licensed by the state |
| Title Insurance | Assurance of indemnification to loss occasioned by defects in the title to real property or to an interest therein which is insured. |
| Title Policy | A contract indemnifying against loss resulting from a defect in the title to the interest or lien in real property insured. |
| T.L.T.A. | Texas Land Title Association. |
| Vest | To give an immediate fixed right to property. |
| Warranty Deed | A deed containing express covenants as to good title and right to possession. |

Listing Appointment Checklist for Title

Marital history since acquisition of property

Marriage?

Yes No If yes, spouse's name _____ Date of Marriage _____

Divorce?

Yes No If yes, former spouse's name _____ Date of Divorce _____
County/State

Death?

Yes No If yes, please provide copy of Death Certificate.

Is there a Will? Yes No If yes, was it probated? Yes No

How is title held?

Trust, LLC, Corporation, etc?

Yes No If yes, please provide copy of Trust Agreement or LLC/Corporation Documents.

Bankruptcy?

Yes No If yes, County/State _____ Date _____

Party to any lawsuit?

Yes No If yes, please provide details _____

Mortgage Information

Recent Statement?

Yes No If no, please provide Lender's name _____
Phone Number _____
Loan Number _____

Delinquent on payments?

Yes No If yes, how far behind? _____

Existing Survey?

Yes No If yes, is it legible? Yes No
Is it signed? Yes No
Is there a directional Arrow? Yes No

Any changes?

Yes No If yes, please describe the changes and sketch on another copy _____

T-47 Affidavit?

Yes No

Owner's Title Policy?

Yes No

Homeowner's Association

HOA?

Yes No If yes, suggest calling HOA to get information on Resale Certificate and Transfer Fee Charge.
Some HOAs may require a prepayment for a certificate.

Current?

Yes No

How often assessed? Yearly Monthly Quarterly

FIRPTA- Confirmation of US resident per paragraph 20 in the contract

US Citizen? Yes No

Please note: Title company will follow up and ask for SSN/Tax ID number.



CHICAGO TITLE
www.ChicagoTitleAustin.com

**OPEN
HOUSE**



Feedback

Name: _____

Address: _____

Email: _____

Home Phone: _____ Mobile Phone: _____

Do you plan to sell your home in: 1 month 3 months 6 months 9 months 12 months

Do you plan to purchase a home in: 1 month 3 months 6 months 9 months 12 months

Are you working with a Real Estate Professional? Y N

Comments to share: _____



1



2



3



4



5

Curb Appeal

1 2 3 4 5

Living/ Family Room

1 2 3 4 5

Kitchen

1 2 3 4 5

Master Bedroom & Bathroom

1 2 3 4 5

Backyard/Patio

1 2 3 4 5

Overall impression

1 2 3 4 5

Do you feel this home is a...

Bargain

Solid Value

Priced Right

A Little High

Overpriced

At what price would you be highly likely to buy this home today? _____



Title Education Video Resources



CHICAGO TITLE

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