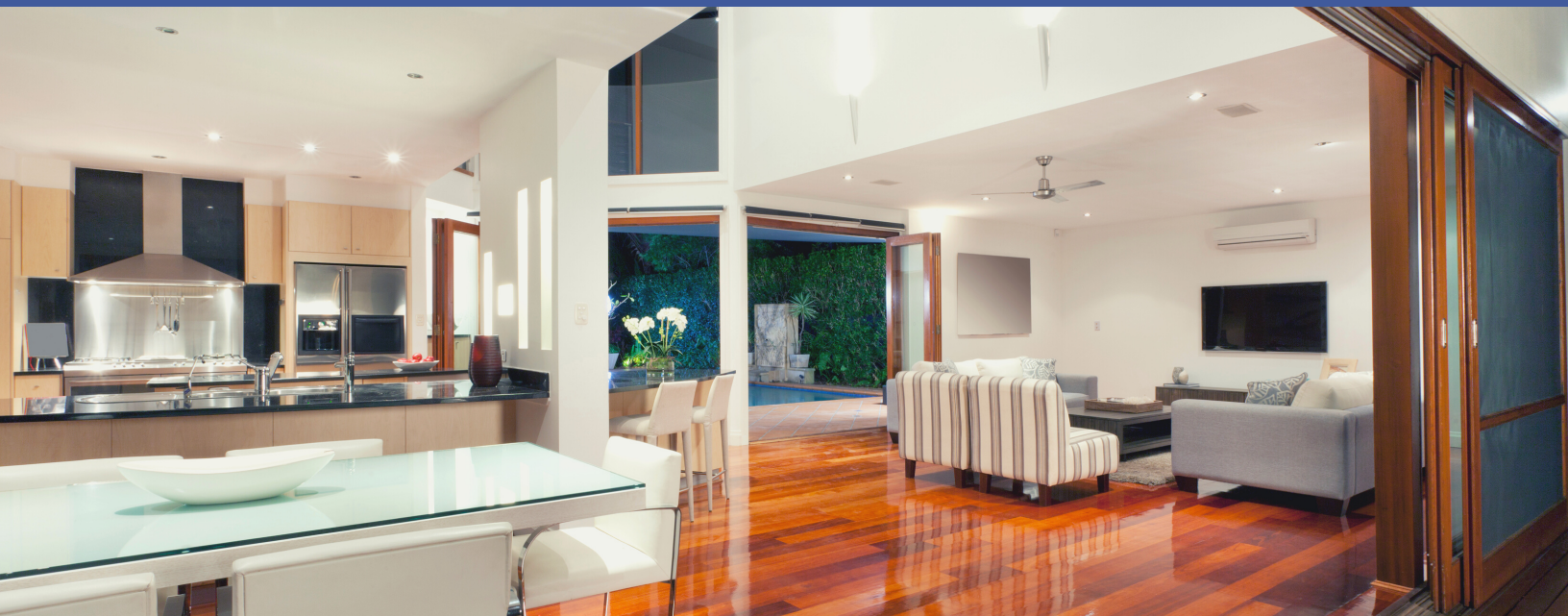




For Sale By Owner

HOMEOOWNER GUIDE



At Capital Title we're sensitive to the needs of home buyers and sellers, when involved in a For Sale By Owner transaction. Our staff is trained to answer questions that may arise during your transaction. While our goal is to make your deal run smoothly and be less stressful, we know that issues arise and you look to the advice of a professional organization. You can be sure Capital Title has your best interests in mind. From our on-staff attorneys to our knowledgeable Customer Service and Escrow Team, our staff will assist you in whatever capacity you need.

“I Sold It Myself!”

Selling your home without the services of a licensed Real Estate Broker can be an intimidating process. Establishing your sales price, screening buyers, arranging showings and many other details take time and much effort. For some, it may not be the way to go. (See [REALTOR.com: FSBO Woes: Why It's So Hard to Sell Your Own Home](#))

However, if you do decide to go the “For Sale By Owner” route, we can help. As a full-service licensed Title Agent, we can assist you in closing your particular transaction by performing the following on your behalf:

- Escrow all funds of buyers and sellers in a bank protected escrow account
- Preparation and review of the title commitment that will be provided to all parties
- Assistance in ordering payoffs, obtaining releases and other documents necessary to transfer title
- Assistance to Seller in preparation of Seller’s documents required to transfer title
- Disbursement of all funds to all parties
- Deliver all documents to the County Register of Deeds in a timely fashion

Enclosed is a sample closing package prepared by Capital Title. Our purpose in preparing this package is to provide a simulated closing package for your review. We have designed our FSBO package in short, easy to understand sections. The sale represented by these papers is a fictional closing. For your closing, the figures or layout of the papers may change. Any relation to any other closing is completely coincidental.

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****Please take the time to thoroughly read all the information provided prior to calling.****

For Sale By Owner Order Form

In order to better serve you, please fill this form out completely.

DATE: _____

PROPERTY ADDRESS: _____
Number/Street, City/Village/Town, Michigan Zip

LEGAL DESCRIPTION (If known): _____

SELLER (S): _____
Last Name First Middle Marital Status Social Security #

Last Name First Middle Marital Status Social Security #

Mailing Address (If different from property address) Phone

Current Mortgage Company Phone Loan #

Home Equity Line of Credit (If applicable) Phone Loan #

Attorney Name (If applicable) Attorney Phone Attorney Fax

BUYERS: _____
Last Name First Middle Marital Status Social Security #

Last Name First Middle Marital Status Social Security #

Address Phone

Attorney Name (If applicable) Attorney Phone Attorney Fax

NEW MORTGAGE: _____
Company Name Mortgage Amount

Company Address Phone

Loan Officer or Contact Person Fax

Sale Price: _____ Anticipated Closing Date: _____

Deposit Amount: _____ Held By: _____

Home Warranty Co: _____ Premium Amount: _____ Paid By: _____

Are there Mandatory Homeowners / Condominium Association dues: Yes _____ No _____

Association / Management Company Name Phone Number Contact Name

Attachments: () Purchase Agreement () Mortgage Payoff Authorization Letter(s)
() Prior Title Insurance Policy () Other _____

Additional Instructions: _____

PURCHASE AGREEMENT- Page 1

1. **PROPERTY** Buyer agrees to buy from Seller the property located at: _____
_____, _____ County, Michigan _____
(address)
_____, _____
(city, township, village) (zip code)
legally described as _____

_____ together with all buildings; gas, oil, and mineral rights owned by Seller; plumbing, heating, and electrical fixtures; built-in appliances; water softener, water pumps and pressure tanks; stationary laundry tubs; radio and television antennas and any mechanical controls; shades, shutter, window blinds, and curtain/drapery rods; attached floor covering; attached fireplaces doors and screens; garage door opener and controls; screens, storm windows and doors; landscaping, fences, mail boxes; and _____

_____ but does not include _____
The property is purchased subject to easements, restrictions and zoning ordinances of record.

2. **SALES PRICE** The sales price is: \$ _____
_____ (Dollars)

3. **DEPOSIT** Buyer deposits \$ _____ showing good faith. Deposit to be held by (Seller/Attorney/Capital Title). Deposit will be applied to sale price. If the conditions in this contract cannot be met, the deposit will be refunded to Buyer in full, subject to the default provision (refer to paragraph 16).

4. METHOD OF PAYMENT (Check One)

___ **CASH** Buyer will pay the sales price by certified check upon Seller's delivery of a warranty deed conveying marketable title.

___ **NEW MORTGAGE** This contract is contingent on Buyer's ability to obtain a _____ mortgage
(VA., FHA, Conventional)

loan in the amount of _____. Buyer will apply for the loan within _____ days after Seller's acceptance. If Buyer fails to deliver to Seller evidence of the loan approval within _____ days, Seller may cancel this contract and deposit will be refunded to Buyer in full. The sale will be completed upon Seller's delivery of a warranty deed conveying marketable title.

___ **LAND CONTRACT** Buyer will pay \$ _____ down payment upon Buyer and Seller signing a Land Contract calling for the payment of the remaining Sales Price. Buyer will pay monthly installments of \$ _____ or more, including annual interest of _____ percent and which DO/ DO NOT include prepaid taxes and insurance. Buyer will pay the entire balance, which may require a lump-sum payment, within _____ years after closing.

___ **MORTGAGE ASSUMPTION or LAND CONTRACT ASSIGNMENT** If the holder of the mortgage or land contract agrees, Buyer will assume and pay the existing mortgage or land contract according to its terms. Buyer will pay the difference between the sales price and the existing balance of approximately \$ _____ upon Seller's delivery of a warranty deed or a land contract assignment. Buyer will reimburse Seller at closing for any funds held in escrow.

5. **CLOSING DATE** Buyer and Seller will close the sale within _____ days after all necessary documents are ready, but in no event later than _____.

6. **OCCUPANCY** Seller will give occupancy within _____ days of closing. Seller will pay Buyer \$ _____ per day, from the day following closing to the day Seller vacates and surrenders the keys to Buyer. At closing, Capital Title will retain from the amount due seller \$ _____ to hold in escrow for the occupancy charge. Upon Seller vacating property and surrendering keys to buyer, Capital Title will pay Buyer the amount due and return to Seller any unused portion. Seller is liable for any damage to property after closing and before vacating.

GENERAL CONDITIONS of sale printed on reverse side are incorporated and made a part of this agreement.

BUYER(S) SIGNATURE(S) Buyer's Address: _____
Date _____ Phone _____

Sig: _____ Sig: _____

Print Name: _____ Print Name: _____
SSN: _____ SSN: _____

SELLER(S) SIGNATURE(S) Seller's Address: _____
Date _____ Phone: _____

Sig: _____ Sig: _____

Print Name: _____ Print Name: _____
SSN: _____ SSN: _____

BUYER'S RECEIPT AND ACCEPTANCE OF CHANGES Buyer has received Seller's acceptance of this contract. If the acceptance was subject to changes, Buyer agrees to accept the changes as written and all unchanged items.

Sig: _____ Date: _____

Sig: _____ Date: _____

GENERAL CONDITIONS – Page 2

THIS IS A LEGAL DOCUMENT. BOTH BUYER AND SELLER ARE ADVISED TO CONSULT AN ATTORNEY.

7. TITLE INSURANCE Seller will provide and pay for an owner's policy of title insurance without standard exceptions from Capital Title insuring Buyer's marketable title in the amount of the Sales Price. Buyer will pay for land survey if needed. Seller will apply for a commitment for title insurance within _____ days of the date of this contract. Upon receipt of the commitment, Buyer will have _____ days to provide Seller with written notice of any title objections. Seller will then have 30 days after receiving written notice to remedy the claimed defects. If Seller is unable to remedy the defects within 30 days, this contract will be terminated and any deposit refunded to Buyer.

8. CLOSING COSTS Unless agreed otherwise, Seller will pay all State transfer taxes and costs required to convey marketable title. Unless agreed otherwise, Buyer will pay the cost of recording the deed and/or security interests and all mortgage closing costs.

9. TAXES/FEES PRORATIONS Seller will pay in full all taxes, which are due and payable at time of closing. Current taxes will be prorated and adjusted as of the date of closing as though they are paid in advance on the due date. Condominium and/or association fees, interest and rents will be adjusted in a like manner.

10. SPECIAL ASSESSMENTS Seller will pay in full all public authority charges (including, but not limited to, special assessments, paving charges, water or sewer contracts, weed cutting and lighting charges), which are a lien as of the date of this contract. Condominium association assessments will be paid in a like manner.

11. WATER/SEWER ESCROW Seller will pay in full all water and/or sewer usage charges through the day of possession. At closing, Seller will give Capital Title a minimum of \$200.00 for water/sewer escrow. Seller will obtain a final bill or reading covering usage through day of possession. Final charges will be paid from escrow and any unused portion returned to Seller.

12. SELLER'S DISCLOSURE (Check One)

Buyer acknowledges that a Seller Disclosure Statement has been provided to Buyer.

Seller will provide a Seller Disclosure Statement with Seller's acceptance of this offer. Pursuant to Public Act 92 of 1993, Buyer will have 72 hours after hand-delivery of the disclosure statement (or 120 hours after delivery by registered mail) to terminate this contract by delivery of a written notice to Seller or Seller's agent.

13. PROPERTY INSPECTION (Check One)

This offer is contingent upon a satisfactory inspection of the property, at Buyer's expense, no later than five (5) business days after the date of this contract. If Buyer is not satisfied with the results of the inspection, upon written notice from Buyer to Seller within two (2) days of the inspection, this contract will terminate and any deposit refunded to Buyer.

Buyer does not desire to obtain an inspection of the property.

14. CONDITION OF PROPERTY Buyer has personally inspected the property and accepts it in its AS IS present condition (subject to Buyer's right to have a property inspection, if any). Seller will obtain certification of occupancy from the municipality, if necessary, and comply with required corrections. Seller agrees to maintain the property in its present condition until possession. Seller agrees to leave property broom clean upon vacating.

15. WALK THROUGH Buyer reserves the right to walk through the property within 24 hours prior to closing.

16. DEFAULT If Buyer defaults Seller may enforce this contract or may cancel the contract, keep the deposit, and pursue legal remedies. If Seller defaults, Buyer may enforce this contract or may demand a refund of the deposit and pursue legal remedies.

17. HEIRS AND SUCCESSORS This contract binds Buyer, Seller, their personal representatives and heirs, and anyone succeeding to their interest in the property. Buyer shall not assign this contract without Seller's prior written permission.

18. OFFER / COUNTER OFFER It is understood that this offer is irrevocable for five (5) days from its date, and if not accepted by the Seller within that time, the deposit shall be returned to the Buyer. If this offer is countered, Buyer must initial the changes, sign it and deliver it to Seller by _____ (a.m.)(p.m.) of _____ or the offer will be null and void and the deposit returned to Buyer.

19. ENTIRE AGREEMENT This contract constitutes the entire agreement between Buyer and Seller. This contract supersedes all prior understandings and agreements, written or oral.

20. ADDITIONAL CONDITIONS (if any) _____

Buyer and Seller have read the GENERAL CONDITIONS.

Buyer initials _____ Seller initials _____

EARNEST MONEY DEPOSIT AGREEMENT

DATE _____

PROPERTY
ADDRESS _____

DEPOSIT AMOUNT \$ _____ CHECK# _____

All parties agree that Capital Title Insurance Agency will hold the earnest money deposit for the above mentioned property in a non-interest bearing account, to be applied to the purchase price at closing pursuant to the Purchase Agreement.

In the event the transaction does not close, Capital Title will require a written and fully executed "Mutual Release of Purchase Agreement" signed by all parties before funds may be released.

If the funds received were accepted as a personal check, Capital Title Insurance Agency must wait for verification from our bank that the funds have cleared before closing or releasing funds.

Capital Title Insurance Agency will pass on all cost incurred on any funds returned by our bank for insufficient funds or checks drawn on closed accounts.

SELLER(S) _____

PURCHASER(S) _____

Capital Title acknowledges receipt of the earnest money deposit check for the above mentioned property.

Account Executive _____

Seller's Disclosure Statement – Page 1

Property Address: _____ MICHIGAN
Street City, Village or Township

Purpose of Statement: This statement is a disclosure of the condition of the property in compliance with the Seller Disclosure Act. This statement is a disclosure of the condition and information concerning the property, known by the Seller. Unless otherwise advised, the Seller does not possess any expertise in construction, architecture, engineering or any other specific area related to the construction or condition of the improvements on the property or the land. Also unless otherwise advised, the Seller has not conducted any inspection of generally inaccessible areas such as the foundation or roof. This statement is not a warranty of any kind by the Seller or by any Agent representing the Seller in this transaction and is not a substitute for any inspections or warranties the Buyer may wish to obtain.

Seller's Disclosure: The Seller discloses the following information with the knowledge that even though this is not a warranty, the Seller specifically makes the following representations based on the Sellers knowledge at the signing of this document. Upon receiving this statement from the Seller, the Sellers Agent is required to provide a copy to the Buyer or the Agent of the Buyer. The Seller authorizes its Agent(s) to provide a copy of this statement to any prospective Buyer in connection with any actual or anticipated sale of property. The following are representations made solely by the Seller and are not the representations of the Sellers Agent(s), if any. **This information is a disclosure only and is not intended to be part of any contract between Buyer and Seller.**

Instructions to the Seller: (1) Answer ALL questions. (2) Report known conditions affecting the property. (3) Attach additional pages with your signature if additional space is required. (4) Complete this form yourself. (5) If some items do not apply to your property, check NOT AVAILABLE. If you do not know the facts, check UNKNOWN. FAILURE TO PROVIDE A PURCHASER WITH A SIGNED DISCLOSURE STATEMENT WILL ENABLE PURCHASER TO TERMINATE AN OTHERWISE BINDING PURCHASE AGREEMENT.

Appliances/Systems/Services: The items below are in working order. (The items listed below are included in the sale of the property only if the purchase agreement so provides.)

	Yes	No	Unknown	Not Avail		Yes	No	Unknown	Not Avail
Range/Oven	_____	_____	_____	_____	Lawn sprinkler system	_____	_____	_____	_____
Dishwasher	_____	_____	_____	_____	Water heater	_____	_____	_____	_____
Refrigerator	_____	_____	_____	_____	Plumbing system	_____	_____	_____	_____
Hood/Fan	_____	_____	_____	_____	Water softener/conditioner	_____	_____	_____	_____
Disposal	_____	_____	_____	_____	Well & pump	_____	_____	_____	_____
TV antenna, TV rotor & controls	_____	_____	_____	_____	Septic tank & drain field	_____	_____	_____	_____
Electrical system	_____	_____	_____	_____	Sump pump	_____	_____	_____	_____
Garage door opener & remote control	_____	_____	_____	_____	City water system	_____	_____	_____	_____
Alarm system	_____	_____	_____	_____	City sewer system	_____	_____	_____	_____
Intercom	_____	_____	_____	_____	Central air conditioning	_____	_____	_____	_____
Central vacuum	_____	_____	_____	_____	Central heating system	_____	_____	_____	_____
Attic fan	_____	_____	_____	_____	Wall furnace	_____	_____	_____	_____
Pool Heater, Wall Lining & equipment	_____	_____	_____	_____	Humidifier	_____	_____	_____	_____
Microwave	_____	_____	_____	_____	Electric air filter	_____	_____	_____	_____
Trash compactor	_____	_____	_____	_____	Solar heating system	_____	_____	_____	_____
Ceiling fan	_____	_____	_____	_____	Fireplace & chimney	_____	_____	_____	_____
Sauna/Hot tub	_____	_____	_____	_____	Wood burning system	_____	_____	_____	_____
Washer	_____	_____	_____	_____	Dryer	_____	_____	_____	_____

Explanations (attach additional sheet if necessary): _____

UNLESS OTHERWISE AGREED, ALL HOUSEHOLD APPLIANCES ARE SOLD IN WORKING ORDER EXCEPT AS NOTED, WITHOUT WARRANTY BEYOND DATE OF CLOSING.

Property conditions, Improvements & additional Information:

1. **Basement/Crawlspace:** Has there been evidence of water? yes _____ no _____
 If yes, explain: _____

2. **Insulation:** Describe, If Known: _____
 Urea Formaldehyde Foam Insulation (UFFI) is installed? unknown _____ yes _____ no _____

3. **Roof:** Leaks? yes _____ no _____
 Approximate age if known: _____

4. **Well:** Type of well (depth/diameter, age and repair history, if known): _____
 Has water been tested? yes _____ no _____
 If yes, date of last report/results: _____

_____Purchasers Initials

_____ Sellers Initials

Seller's Disclosure Statement – Page 2

5. **Septic tanks/drain field:** Condition, if known: _____
6. **Heating System:** Type/approximate age: _____
7. **Plumbing System:** Type: Copper_____ Galvanized_____ Other_____
- Any known problems? _____
8. **Electrical System:** Any known problems? _____
9. **History of infestation,** If any: (termites, carpenter ants, etc.) _____
10. **Environmental problems:** Are you aware of any substances, materials or products that may be an environmental hazard such as, but not limited to asbestos, radon gas, formaldehyde, lead-based paint, fuel or chemical storage tanks and contaminated soil on property.
- unknown_____ yes_____ no_____
- If yes. Please explain: _____
11. **Flood Insurance:** Do you have flood insurance on the property? unknown_____ yes_____ no_____
12. **Mineral Rights:** Do you own the mineral rights? unknown_____ yes_____ no_____

Other Items: Are you aware of any of the following:

1. Features of the property shared in common with the adjoining landowners, such as walls, fences, roads and driveways, or other features whose use or responsibility for maintenance may have an effect on the property? unknown_____ yes_____ no_____
2. Any encroachments, easements, zoning violations or nonconforming uses? unknown_____ yes_____ no_____
3. Any "common areas" (facilities like pools, tennis courts, walkways, or other areas co-owned with others), or a homeowners' association that has any authority over the property? unknown_____ yes_____ no_____
4. Structural modifications, alteration, or repairs made without necessary permits or licensed contractors? unknown_____ yes_____ no_____
5. Settling, flooding, drainage, structural, or grading problems? unknown_____ yes_____ no_____
6. Major damage to the property from lire, wind, flood, or landslides? unknown_____ yes_____ no_____
7. Any underground storage tanks? unknown_____ yes_____ no_____
8. Farm or farm operation in the vicinity; or proximity to a landfill, airport, shooting range, etc.? unknown_____ yes_____ no_____
9. Any outstanding utility assessments or fees, including any natural gas main extension surcharge? unknown_____ yes_____ no_____
10. Any outstanding municipal assessments or fees? unknown_____ yes_____ no_____
11. Any pending litigation that could affect the property or the Seller's rights to convey the property? unknown_____ yes_____ no_____

If the answer to any of these questions is yes, please explain. Attach additional sheets, if necessary: _____

The Seller has lived in the residence on the property from _____ (date) to _____ (date). The Seller has owned the property since _____ (date)

The Seller has indicated above the condition of all items based on that information known to the Seller. If any changes occur in the structural/mechanical/appliance systems of this property from the date of this form to the date of closing, Seller will immediately disclose the changes to Buyer. In no event shall the parties hold the Broker liable for any representations not directly made by the Broker or Brokers Agent.

Seller certifies that the information in this statement is true and correct to the best of the Sellers knowledge as of the date of sellers signature.

BUYER SHOULD OBTAIN PROFESSIONAL ADVICE AN(J) INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY. THESE INSPECTIONS SHOULD TAKE INDOOR AIR AND WATER QUALITY INTO ACCOUNT, AS WELL AS ANY EVIDENCE OF UNUSUALLY HIGH LEVELS OF POTENTIAL ALLERGENS INCLUDING, BUT NOT LIMITED TO, HOUSEHOLD MOLD, MILDEW AND BACTERIA.

BUYER IS ADVISED THAT CERTAIN INFORMATION COMPILED PURSUANT TO THE SEX OFFENDERS REGISTRATION ACT, 1994 PA 295, MCL 28.721 TO 28.732 IS AVAILABLE TO THE PUBLIC. BUYERS SEEKING SUCH INFORMATION SHOULD CONTACT THE APPROPRIATE LOCAL LAW ENFORCEMENT AGENCY OR SHERIFFS DEPARTMENT DIRECTLY.

BUYER IS ALSO ADVISED THAT THE STATE EQUALIZED VALUE OF THE PROPERTY, PRINCIPAL RESIDENCE EXEMPTION INFORMATION AND OTHER REAL PROPERTY TAX INFORMATION IS AVAILAE3LE FROM THE APPROPRIATE LOCAL ASSESSORS OFFICE. BUYER SHOULD NOT ASSUME THAT THE BUYERS FUTURE TAX BILLS ON THE PROPERTY WILL BE THE SAME AS THE SELLERS PRESENT TAX BILLS. UNDER MICHIGAN LAW, REAL PROPERTY TAX OBLIGATIONS CAN CHANGE SIGNIFICANTLY WHEN PROPERTY IS TRANSFERRED.

Seller _____ Date _____

Seller _____ Date _____

Buyer has read and acknowledges receipt of this statement.

Buyer _____ Dale _____ Time _____

Buyer _____ Date _____ Time _____

_____ Purchasers Initials

_____ Sellers Initials

**LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS
DISCLOSURE OF INFORMATION FOR RESIDENTIAL SALES**

PURPOSE OF THIS STATEMENT: The information provided in this statement is required to be provided by all Sellers of residential housing built before 1978. This statement is required by the Residential Lead-Based Hazard Reduction Act of 1992 (42 U.S.C. 4852d), which went into effect in 1996.

PROPERTY ADDRESS: _____

The residence at this address was constructed after January 1, 1978: *(Seller must initial one.)*

_____ Yes _____ No _____ Unknown

(If Yes is initialed, omit the rest of this Disclosure and sign below, otherwise, complete the following Seller's portion and sign below.)

LEAD WARNING STATEMENT

Every Purchaser of any interest in residential real estate on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SELLER'S DISCLOSURE *(Initial)*

_____ **1. Presence of lead-based paint and/or lead-based paint hazards *(check a or b below)*:**
(seller must initial) (a) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(b) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ **2. Records and reports available to the Seller *(check a or b below)*:**
(seller must initial) (a) Seller has provided the Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

_____ **3. Seller acknowledges that Agents have informed Seller of Seller's obligation under 42 U.S.C 4852d, as printed on the back of this form.**
(seller must initial)

PURCHASER'S ACKNOWLEDGEMENT *(Initial)*

_____ **4. Purchaser has received copies of all information listed above and the attached _____**
(purchaser must initial)

_____ **5. Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.**
(purchaser must initial)

_____ **6. As set forth in the Offer to Purchase, Purchaser has *(check a or b below)*:**
(purchaser must initial) (a) Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards
OR
(b) Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

CERTIFICATION OF ACCURACY

The following parties have reviewed the information and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller	Date	Time	Purchaser	Date	Time
Seller	Date	Time	Purchaser	Date	Time

PAYOFF AUTHORIZATION

LENDER _____ DATE _____
ADDRESS _____ LOAN # _____
CITY/ST _____ PHONE _____
PROPERTY ADDRESS _____

The above property has been sold. You are hereby requested to furnish the following information:

___ Payoff figures as of _____ with a daily rate.
___ Equity line payoff figures as of _____ with daily rate. Please block
account once payoff letter is sent. Checks/Cards have been destroyed.
___ Other: _____

Seller's Signatures _____ ss# _____
_____ ss# _____

Phone Number _____

Please forward this information to:

Capital Title Insurance Agency
26261 Evergreen Road, Ste. 520
Southfield, MI 48076
Phone: 248.208.4900
Email: marketing@capitaltitle.net

EXPLANATION - SELLER'S SETTLEMENT STATEMENT

The Seller's Settlement Statement is an outline of the credits and charges from a Seller's perspective.

Seller Credits

- 1. Sale Price**
The Seller is given a credit for the purchase price according to the Purchase Agreement and any addenda.
- 2. Tax Prorations**
The Seller is credited for the summer and winter tax prorations. These prorations are computed based on the terms of the Purchase Agreement. Typically, prorations are done on a tax "due-date" basis. On a due-date basis, taxes are paid for the year in advance. For example, when summer taxes are due in July, the tax bill is actually for July 1st through June 30th of the following year. The Seller is credited the taxes for the portion of the upcoming and/or current year that he/she is no longer the owner of the home.

Seller Charges

- 1. Water/Sewer Escrow**
In order to account for the Seller's final unpaid water bill, we will hold an amount, usually \$200.00, from the Seller's proceeds for payment. See also Water Escrow Agreement on page 12.
- 2. Occupancy Escrow**
If the Purchase Agreement allows, the Buyer is entitled to rent the property to the Seller from the date of closing until the Seller vacates the property. The amount held for occupancy escrow is typically 1/30th of the Buyer's mortgage payment plus taxes and insurance, per day of occupancy. If there is no mortgage, it is a mutually agreed upon price. See also Occupancy Escrow Agreement on page 13.
- 3. Earnest Money Deposit**
The Seller is charged for the amount of the earnest money deposit they have previously received from the buyer if that deposit is held in the Seller's personal account. Capital Title may also hold the deposit and will transfer the funds to the closing table. See also Earnest Money Deposit Agreement on page 4.
- 4. Owner's Policy**
This charge to the Seller is for payment of the Title Insurance Policy, which provides the Buyer with insured proof of ownership. The price of the Policy is determined by the sale price. The Seller may be entitled to a discount on the cost of the new policy if a copy of the title policy they received when they bought the home is provided to the title company. Title insurance rates are regulated by the State of Michigan.
- 5. County and State Transfer Taxes**
Commonly referred to as "stamps" or "revenue stamps", the transfer tax is calculated on the sale price of the home.
- 6. First Mortgage Payoff**
This charge is to payoff the existing mortgage held by the Seller.
- 7. Overnight Delivery Fee**
Capital Title uses overnight delivery services to transport mortgage payoffs in order to insure timely delivery and to track the date of receipt in case of a discrepancy with the mortgage company.
- 8. Document Preparation Fee**
Capital Title charges a fee for preparing the various statements shown in this sample package.

EXPLANATION - BUYER'S SETTLEMENT STATEMENT

The Buyer's Settlement Statement is an outline of the charges and credits from a buyer's perspective.

Buyer Charges

1. Sale Price

The Buyer is charged for the purchase price according to the Purchase Agreement and any addenda.

2. Tax Prorations

The Buyer is charged for the Summer and Winter tax prorations. These prorations are computed based on the terms of the Purchase Agreement. Typically, prorations are done on a tax "due-date" basis. On a due-date basis, taxes are paid for the year in advance. For example, when summer taxes are due in July, the tax bill is actually for July 1st through June 30th of the following year. The Buyer is charged the taxes for the portion of the upcoming and/or current year that he/she will be the owner of the home.

Buyer Credits

1. Earnest Money Deposit

The Buyer is credited for the amount of the deposit previously paid.

2. First Loan Credit

The Buyer is credited the amount of the new mortgage.

WATER/SEWER ESCROW AGREEMENT

This agreement describes the terms and conditions under which the water/sewer escrow will be held and disbursed.

OCCUPANCY ESCROW AGREEMENT

This agreement describes the terms and conditions under which the occupancy escrow funds will be held and disbursed.

SAMPLE PURCHASE AGREEMENT

The Purchase Agreement is a binding contract between the Buyer and the Seller. It provides a blueprint of the transaction with regard to the major terms and provisions of the sale.

The seller and buyer must work together to arrive at the terms of the purchase agreement. These terms often include:

- Purchase price
- Type of sale (sale with new mortgage, cash sale, land contract, etc).
- Earnest money deposit
- Occupancy terms
- Personal property included with the sale (washer, dryer, etc).