

Universal Settlements, LLC's Guide to Home Buying in Virginia

This booklet was designed to provide a professional and understandable approach to the ever-changing home buying process.

We hope it is helpful to you in understanding the process as you search for your new home and we urge you to call us with any questions.

—UNIVERSAL SETTLEMENTS, LLC

www.UniversalSettlements.net

OUR MISSION:

We are a service company, anticipating the needs and exceeding the expectations of real estate and mortgage professionals and individual consumers.

We will continue our heritage of integrity, quality and respect while expanding our services throughout the Mid-Atlantic region, while making Universal Settlements, LLC truly the best.

We believe in our strengths, in our associates as talented, professional individuals and in our shared ability to meet the needs of everyone we serve. We believe that together we can all achieve our fullest potential.

Contents

Purchasing a Home - Summary for the Buyer	4
The Home Buying Process (chart)	6
Residential Contract of Sale	7
The Regional Sales Contract	7
Sample Regional Contract	12
The Virginia Jurisdictional Addendum	22
Sample Virginia Jurisdictional Addendum	24
NVAR Contingencies/Clauses Addendum	29
Sample NVAR Contingencies/Clauses Addendum	30
Summary of Rights and Obligations of Sellers and Purchasers Under the Virginia Residential Property Disclosure Act	33
Sample Residential Property Disclaimer Statement	35
Sample Residential Property Disclosure Statement	37
The Mortgage Loan Process	40
Estimate Your Mortgage Payment	40
Typical Mortgage Loan Process (chart)	41
Items Commonly Required for Loan Application	42
How Much Can I Borrow?	43
Settlement	44
Before Settlement	44
During Settlement	45
Sample Settlement Statement (HUD- 1)	46
Truth in Lending Explanation	48
Buyer's Estimate of Settlement Charges	49
Buyer's Settlement Costs Worksheet	50
Seller's Settlement Costs Worksheet	51
After Settlement	52
What Is Title Insurance?	52
Why You Should Have Owner's Title Insurance	53
Enhanced Owner's Title Insurance	53
In Closing	54
Planning for Your Move	55
Glossary	56
Directory of Utilities and County Services	61

PURCHASING A HOME – SUMMARY FOR THE BUYER

GETTING STARTED

The initial step in your home purchase is your selection of a real estate agent. The real estate professional that you select will help you to focus your search for the home that fits your needs and desires, as well as your budget. Your REALTOR® will introduce you to the entire home buying process from identifying areas, features and types of homes in which you are interested, to assisting you in determining your qualifications for the financing of your purchase.

Prior to discussing your purchase of a home with your REALTOR®, he or she will provide you with an Agency Disclosure Form. This form is required to ensure you understand the relationship with your REALTOR® and to whom your REALTOR® has fiduciary obligations. **A fiduciary obligation exists whenever one person, the client, places special trust and confidence in another person and relies upon that person, the fiduciary, to exercise his discretion or expertise in acting for the client; and the fiduciary knowingly accepts that trust and confidence and thereafter undertakes to act in behalf of the client by exercising his, the fiduciary's, own discretion and expertise.** Do not be alarmed by this form. Do not be afraid to sign it. The standard disclosure forms are not binding as a contract between a Buyer or Seller and agent and clearly state this within the disclosure language.

Regardless of which type of relationship you establish, the real estate professional will perform countless services for you, all with the goal of making the home buying and settlement process as simple and enjoyable as possible. Your REALTOR® has the tools and professionalism needed to help you achieve this goal.

FINDING YOUR HOME

In order to determine the attributes of the home you desire, it will be necessary for your real estate agent to ask many questions regarding your particular requirements and finances. These questions are designed to help frame your search for the perfect home and determine exactly what you want and what you can afford. Before meeting with your REALTOR®, you may wish to develop a “wants and needs” list of your own. The more details and characteristics you are able to identify, the more focused your search will be.

Once you and your REALTOR® have identified the general characteristics, types and styles of homes you are interested in, as well as the areas or neighborhoods in which you wish to purchase and the price range which

you can afford, your REALTOR® will formulate a list of homes that meets your guidelines. Your REALTOR® has access to the Metropolitan Regional Information System (MRIS), which lists all homes currently for sale and registered with the local Association. Your REALTOR® will then be able to show you these homes.

CONTRACTING FOR YOUR PURCHASE

Once you have identified the home you wish to purchase, you will need to prepare a written contract specifying the details of your purchase of the property. Your REALTOR® will help you to prepare a purchase contract utilizing the proper forms. These standardized forms are used to address all important issues and ensure both the Buyer and the Seller comply with the various laws and regulations that govern the home sale and purchase transaction. If there are specific issues you wish to be identified in the contract that are not provided for in the standardized forms, your REALTOR® or an attorney can recommend language tailored to meet those concerns.

Once the contract has been completed and signed by you, your REALTOR® will present it to the Seller's agent (often referred to as the “Listing Agent”) for presentation to the Seller. At this time, your contract is an OFFER TO PURCHASE and the Seller may proceed in one of three ways. First, the Seller may ACCEPT your offer in the form presented. If the Seller accepts your offer and signs the contract as presented, you now have a RATIFIED contract. Second, the Seller, although interested in your offer, may make a COUNTER OFFER, by modifying one or more of the terms of your offer to purchase. At this point you have the option of a) accepting the Seller's counter offer and thus ratifying the contract; b) countering the Seller's counter offer; or c) rejecting the Seller's counter offer thus nullifying the offer. The Seller's third option when presented with your initial purchase offer is to entirely reject the offer.

Once the contract has been signed and ratified by both the Buyer and the Seller, it is important that you contact **Universal Settlements, LLC** to arrange for settlement. In order to facilitate a smooth and timely settlement, it is imperative that the contract be forwarded to the **Universal Settlements, LLC** office most convenient to you, so that we may begin the process of gathering all of the information necessary to conduct the settlement. It is not necessary to await approval of your loan before forwarding the contract to our office; in fact, to do so may delay the date of settlement.

OBTAINING YOUR LOAN

Shortly after ratification of the purchase contract, it will be necessary to make application for the financing of your purchase. Selecting a Lender for financing is crucial to the smooth completion of the purchase. Your loan officer will

be responsible for taking your loan application and for overseeing the processing of that application as you move toward loan approval.

Often, loan officers work with a loan processor. The loan processor is responsible for gathering the information and documentation necessary to complete your application. He or she will be responsible for ordering your credit report, appraisal, employment verification and several other documents. Once this information has been received, it must be organized by the loan processor before submission for loan approval.

It is imperative that your Lender, loan officer and loan processor be capable and qualified. Your REALTOR® will be able to provide you with the names of loan officers with whom they have worked in the past and have had successful transactions. If you prefer, we can provide you with names of qualified professional Lenders. A more detailed analysis of the loan process begins on page 40 of this booklet.

SETTLEMENT

Settlement is the culmination of your hard work and the time when the purchase of your home is completed. The role of **Universal Settlements, LLC** is to coordinate all of the parties involved in this transaction, examine the title search and survey to the property, conduct the settlement and complete all necessary post-settlement work, which includes the issuance of the final title insurance policies. Beginning on page 44, you will find a more detailed discussion of the settlement process and the services performed by **Universal Settlements, LLC**.

FEDERAL LEAD PAINT DISCLOSURE LAW

Effective December 6, 1996, the Residential Lead-Based Paint Hazard Reduction Act required disclosure of information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built prior to 1978. A Seller must disclose all known (based on “actual knowledge”) lead-based paint or lead-based paint hazards in the property and provide the Buyer with any available reports on lead paint in the property.

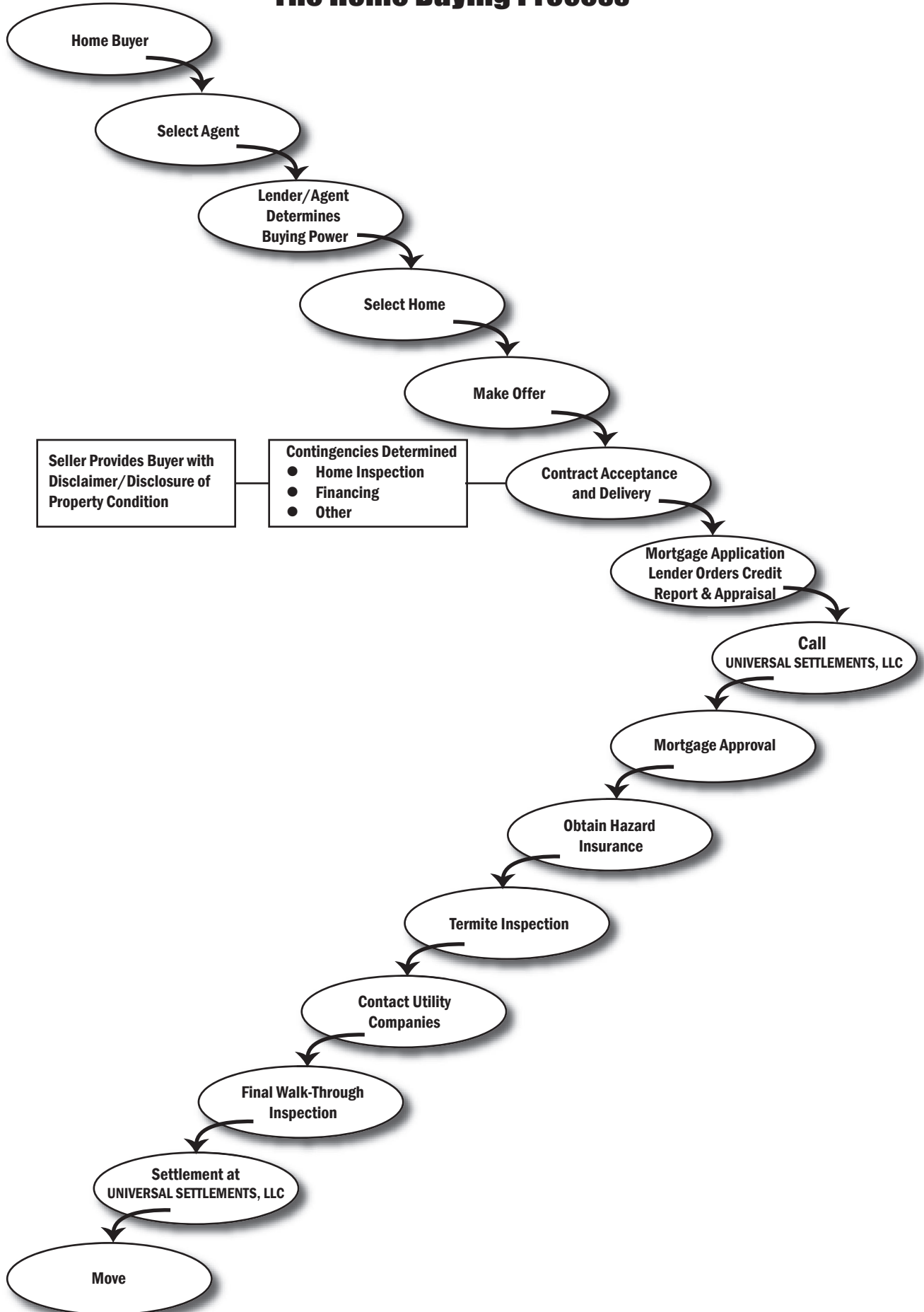
The Seller is not required to conduct a lead paint inspection prior to the sale, but this law requires the Seller to notify the Buyer, by separate addendum to the contract, that the Buyer can conduct such inspections at the Buyer’s cost.

The Seller must also provide to the Buyer the EPA pamphlet entitled, “Protect Your Family from Lead in Your Home.”

This law does not require the Seller to remove any lead-based paint or lead-based paint hazard from the home. Any cost for removal or remediation of lead-based paint

hazards discovered pursuant to the lead inspection would need to be negotiated between Buyer and Seller during the time set forth in the appropriate contract addendum.

The Home Buying Process



RESIDENTIAL CONTRACT OF SALE THE REGIONAL SALES CONTRACT

The Regional Sales Contract, provided to you by your REALTOR[®], is a standardized form. This contract, along with the appropriate addenda and disclosures, will address nearly every aspect of the purchase and sale of a home. The Regional Sales Contract was designed for use in the purchase of residential property located in the District of Columbia and certain areas of Maryland and Virginia. Each state, county, and/or city will require the use of certain addenda particular to the laws and customs of each jurisdiction.

The Regional Sales Contract has been reprinted on the following pages for your review. Our intent is to provide you an easy-to-understand guide to the terms contained in this Contract. Each paragraph will be identified and explained in the following synopsis.

The initial paragraph of the Contract indicates the date the contract was written, the full names of the purchasers and sellers, and identification of the real estate companies assisting each party to the Contract.

Paragraph 1. REAL PROPERTY. This paragraph provides a description of the property you intend to purchase. Necessary information includes the address of the property being conveyed, as well as additional identifying information regarding the property as available, such as the tax identification number and legal description.

Paragraph 2. PRICE AND FINANCING. This paragraph identifies the terms under which the Buyer plans to purchase the property and the final sales price. The down payment is the total cash portion of the sales price paid by Buyer. The financing amount(s) should reflect the loan(s) Buyer will obtain to complete the purchase. The amount of the down payment and the financing should always equal the sales price.

Paragraph 3. DEED(S) OF TRUST. This paragraph describes the specific type of financing Buyer will obtain to complete the purchase. Your loan officer will help you determine the best financing available to you. An advance meeting with a loan officer, prior to writing a contract offer, will allow you to make an informed and proper purchase offer to Seller. This paragraph requires the specifics of the loan Buyer will apply for under Paragraph 9 of the Contract. Included here is the type of financing (Conventional, FHA, VA, or other), the repayment term of your loan(s), interest

rate, and any other special terms of financing. Be aware, the contract obligates the Buyer to accept the market rate of interest, provided the Buyer is qualified to do so by their lender. Section B of this paragraph identifies the terms of a second trust loan. Second trusts are secured loans given in a secondary lien position, which allows a Buyer to avoid payment of mortgage insurance. Ask your loan officer for details. In the event of an assumption, Purchaser agrees to pay all lender fees and the parties will negotiate Seller's release of repayment obligations.

Paragraph 4. DEPOSIT. This paragraph specifies the amount of the initial deposit offered by the Buyer and identifies who will hold the deposit in escrow. In most areas, the Real Estate Broker working with the Buyer holds the deposit until time of settlement. The deposit must be placed in the escrow account after the Buyer and Seller have ratified the Contract. The escrow account will not bear interest for the benefit of the Buyer, unless specified in an addendum to the contract. The deposit will be applied towards the Buyer's closing costs and/or down payment at settlement. In the event settlement does not occur, the escrow agent can only release the deposit after both the Buyer and Seller have agreed in writing to who the deposit should be returned. If the parties cannot agree to the disposition of these funds, the deposit will be held until the proper court orders disbursement. **Universal Settlements, LLC** can also act as the escrow agent, holding the Buyer's deposit and apply the funds directly to the Buyer at time of settlement.

Paragraph 5. DOWN PAYMENT. This paragraph identifies the form of payment made by the Buyer at closing. The balance of the down payment along with any Buyer paid closing costs must be paid by the Buyer at settlement. These funds must be brought to settlement in the form of certified or cashier's check, payable to the Buyer or settlement agent, or transferred to the settlement agent via bank wired funds.

Paragraph 6. SETTLEMENT. This paragraph sets forth the date of settlement and the company selected to conduct the closing. Settlement must occur on or before this date as agreed by the parties. Any changes to this date must be made in writing and consented to by both Buyer and Seller. As for the Settlement Agent, the Buyer is entitled to select the settlement agent who will conduct and oversee the settlement process. This paragraph provides for identification of the settlement company to all parties. The Buyer will have ten (10) days from the Date of Contract Ratification to contact a settlement agent,

schedule closing and arrange for the order of the title search and survey. We hope you will choose **Universal Settlements, LLC**, to help you with your purchase and settlement. This selection does not prohibit either Buyer or Seller from retaining separate legal counsel. Please notify your REALTOR® and Lender of your selection, if not elected in the Contract.

Paragraph 7. EQUIPMENT, MAINTENANCE AND CONDITION.

This paragraph describes the condition in which the property must convey at time of settlement. The Seller agrees to deliver the property in “substantially the same condition as on the contract date.” This requires the Seller to continue his maintenance and care of the property between the time of contract ratification and settlement. By way of illustration, should someone throw a rock through a window after contract acceptance, but before settlement, the Seller would be responsible for repairing the window prior to settlement. Ordinary wear and tear is permissible during this time period. The Seller must also have the “existing appliances, heating, cooling, plumbing, electrical systems and equipment, and smoke and heat detectors” in “normal working order” at the time the Buyer takes possession of the property. Repairs or corrections to any items outside of these listed categories must be negotiated between the Buyer and Seller prior to contract ratification or during the time negotiated for a home inspection, if any. The property is to be broom clean and free of trash and debris. Lastly, the parties recognize that the agents are not responsible for the failure of either the Buyer or Seller to abide by the terms of this property condition paragraph.

Paragraph 8. UTILITIES. This paragraph identifies the type of water, sewage, heating and central air conditioning available with the property.

Paragraph 9. PERSONAL PROPERTY, FIXTURES AND UTILITIES.

This paragraph identifies all items to remain and convey with the property at time of settlement. The price of any fixtures and any personal property identified in this paragraph is included in total sales price listed in paragraph 4 of the Contract. It is important for you to be clear as to what items are to be included in the purchase. If an item is not addressed in this area of the contract, assume that the Seller will remove that item prior to settlement.

Paragraph 10. CONVENTIONAL FINANCING TERMS.

A. SELLER SUBSIDY. This subsection identifies the amount of any credit from Seller towards Buyer’s closing costs. It is the Buyer’s obligation to confirm that any credit negotiated is allowable by the Buyer’s Lender.

B. APPRAISAL. This subsection identifies whether or not the parties have negotiated for the contract to be contingent on an Appraisal. In the event the contract specifies that the contract is contingent, the parties must execute a separate Addendum.

C. FINANCING. Like the Appraisal provision above, the parties choose whether or not the contract is contingent. In the event the parties choose Option 1, the contract will be contingent on the Buyer’s ability to obtain financing. This section specifies the number of days available for the Buyer deliver Notice to the Seller removing the contingency. Such Notice, at the election of the parties will be accompanied by a lender’s approval letter to the Seller indicating the loan has been approved. In the event the Seller does not receive written notice of loan approval and Buyer’s Notice removing the contingency (if required) by the Financing Deadline, the Seller, in their sole discretion, may exercise the option to declare the Contract null and void at any time after the loan contingency period has expired. If the Seller declares the Contract null and void, the Buyer has a three (3) day time period to obtain a written lender approval or remove this contingency before the Contract is finally null and void. If prior to satisfaction or removal of the contingency the Lender denies the Buyer loan approval, the Contract becomes void and the Buyer will be released from the obligation to purchase the property. The Lender’s denial must be made in writing and be delivered to the Seller.

Paragraph 11. VA OR FHA FINANCING AND APPRAISAL. The box next to the appropriate loan type should be marked. The first sentence identifies whether the Buyer will pay or finance the VA Funding Fee/FHA initial Mortgage Insurance Premium. Each are based on a percentage of the sales price/loan amount, ask your loan officer for details. The next area specifies the amount of any Seller contribution given towards payment of Buyer’s costs (as permitted by Buyer’s Lender). Your Lender will be able to give you an estimate of these fees. FHA and VA guidelines require that the home must minimally appraise for the Sales Price negotiated between Buyer and Seller. In the event the home appraises for less than the Sales Price, the Buyer may decide whether or not they wish to proceed under the contract terms. The Buyer, if permitted by their Lender, may exercise the option to proceed regardless of the appraised value if the Buyer has evidence of valid and approved funds necessary to complete the purchase. The Seller cannot unilaterally decide to lower the Sales Price to the lower appraised value without the Buyer’s approval. Notification of the Buyer’s decision must be

communicated in writing to the Seller within three (3) days of notification from the Lender. In the event the Buyer does nothing, the contract shall become void and the Buyer is entitled to a full refund of any deposit.

Paragraph 12. FINANCING APPLICATION. The Buyer has seven (7) calendar days from the Date of Ratification to make a formal loan application. The Buyer's REALTOR® and lender may discuss general information concerning the progress of the Buyer's application and approval process with both the Seller and the Seller's agent. If the Buyer fails to complete settlement due to failure to comply with these provisions the Default Paragraph 26 will apply.

Paragraph 13. ALTERNATE FINANCING. The Buyer has the right to obtain financing different from the type specified in the Contract as long as the change does not increase the costs to the Seller or result in a delay of settlement.

Paragraph 14. PURCHASER'S REPRESENTATIONS. The Buyer must disclose if this property will be their principal residence. Also, the Buyer affirms they do not need to sell or lease other real property in order to obtain loan financing. In the event Buyer must rent or sell other property before purchasing the subject property, this must be disclosed to the Seller, in writing, as part of the contract. Failure to make this disclosure may place the Buyer in default of the Contract if settlement does not occur or is delayed. The Buyer will also decide whether the REALTOR® working with the Buyer is authorized to disclose known financial or credit information to the Seller and the Seller's agent. Lastly, the Purchaser acknowledges that the Seller has relied on the accuracy and disclosure of all necessary financial information made by Buyer to the real estate agents, Lender, and/or Seller.

Paragraph 15. ACCESS TO THE PROPERTY. Seller must allow reasonable access to the property for the Buyer, the Broker, appraisers, and/or any inspectors representing the Buyer as agreed in the Contract. The Buyer has the right to make a final inspection, often called the "final walk-through", prior to settlement or occupancy. Also, the Seller must have all utilities on at this time.

Paragraph 16. TERMITE INSPECTION. This paragraph identifies whether the Buyer or Seller will pay for and obtain an inspection and written report, from a pest control firm, indicating the dwelling and any garage is free from active termite and wood-destroying insect infestation and/or visible structural damage due to infestation. The Buyer may select whether the inspection should be done

within thirty (30) or sixty (60) days of settlement. Be sure to check with your Lender as to their requirements. The scope of the inspection will include the home, garage and any fence or shrubs abutting the dwelling and/or garage. Any extermination and structural repairs indicated by the termite inspection are to be made at the Seller's expense.

Paragraph 17. REPAIRS. The Buyer and Seller can negotiate which party, if any, will be responsible for the cost and completion of any lender required repairs, not previously addressed by other terms within the contract. If neither party will make the repairs, the Contract will become null and void. This paragraph will not release the Seller from any responsibility to make repairs as agreed pursuant to other terms of this Contract.

Paragraph 18. DAMAGE OR LOSS. The Seller is responsible for any loss or damage occurring on or to the subject property until the Deed is properly signed and delivered at settlement. The Buyer should have homeowner's or hazard insurance in full force and effect on the day of settlement and the Seller should not cancel their insurance until after closing.

Paragraph 19. TITLE. The Seller is obligated to transfer the property to Buyer "free and clear" of any liens, judgments or other claims that would affect the Buyer's use, ownership, or ability to transfer the property. This is referred to as "marketable and insurable title". **Universal Settlements, LLC**, as the settlement agent, is responsible for ensuring that the Buyer receives marketable and insurable title. The Buyer must place the order for title and survey promptly, as failure to do so may release the Seller from their obligation to sell the property to the Buyer. The title report and survey are necessary to determine the Seller's ability to convey the property to you at settlement. Settlement cannot occur until these two items have been completed and reviewed. This paragraph provides for a one time extension of up to ten business days to obtain the necessary documentation. In the event there are any issues with the title report or survey, the Seller must bear the cost to remedy or clear the title for sale. If the Seller cannot clear any title issues within thirty days of the settlement date, the Buyer may declare the Contract void. This paragraph also sets forth the type of Deed the Seller will sign at closing and lists the types of forms which may be required for Seller signature. The Seller also authorizes the settlement agent, **Universal Settlements, LLC**, to obtain information and payoff any existing mortgages or liens affecting the property.

Paragraph 20. POSSESSION DATE. Possession of the property is to be given to the Buyer at time of settlement, unless the parties have agreed to change the possession day to another date. Any agreement concerning possession must be made in writing and agreed to by both parties. In the event Seller does not deliver possession of the property to Buyer as agreed, the Buyer will have the ability to pursue possession through any legal means available. The Seller will be required to pay all damages, attorney's fees and costs incurred by Buyer in bringing any legal action to obtain possession.

Paragraph 21. FEES. This paragraph identifies which charges associated with the settlement will be paid by Buyer and/or Seller. The Seller is responsible for the cost associated with deed preparation, seller's closing fee, releases of encumbrances (i.e. mortgage payoff), and any appropriate legal fees or charges assessed to Seller. The Buyer is responsible for the title examination/abstract, survey, recording fees, and buyer's closing/settlement fees. All fees shall be reasonable and customary for the jurisdiction where the property is located. Payment of local/state recordation and/or transfer taxes is to be addressed separately in a separate addendum to the contract.

Paragraph 22. BROKER'S FEE. This paragraph authorizes the settlement agent to pay the agents' commissions, as agreed upon per the listing agreement, at time of settlement.

Paragraph 23. ADJUSTMENTS. All rents, taxes, homeowner's association fees, condo fees, water bills and public assessments are to be prorated and adjusted between the parties through the date of settlement. The Buyer assumes the responsibility for each of these items from the date of settlement, unless the Seller remains in the property (with permission of the Buyer) after settlement. If the property has an oil or propane tank, the Buyer will receive fuels in the tanks at the time of settlement without the requirement of reimbursement to the Seller. If any Deed of Trust is assumed by the Buyer, the Buyer will reimburse the Seller for any existing lender escrow accounts.

Paragraph 24. ATTORNEY'S FEES. If the Buyer and the Seller do not meet their obligations under this contract and a lawsuit arises, the losing party may be responsible for paying the attorney's fees incurred by the other party. In the event the Real Estate Broker is made party to any litigation, Buyer and Seller shall share in the cost of any attorney fees incurred by the broker.

Paragraph 25. PERFORMANCE. This paragraph defines performance of the Contract. By delivering the funds necessary to complete settlement and/or executing the documents of transfer, Buyer and Seller have performed. The settlement agent is as authorized to use the funds from this transaction to payoff any of the Seller's existing liens on the property so as to deliver "marketable and insurable" title.

Paragraph 26. DEFAULT. The Buyer must act in good faith and comply with the terms set forth in this paragraph to obtain the loan. In the event the Buyer fails to comply with the lender's requirements, makes financial misrepresentations, or deliberately takes any actions to prevent loan approval which results in failure to complete settlement, the Buyer will be declared to be in default. The paragraph further addresses the legal remedies available to the parties in the event the other party does not perform as required by the Contract. In the event the Buyer fails to settle, the Seller may elect to retain the deposit or take any further legal action against the Buyer. If the Seller fails to complete settlement, the Buyer will have all legal and equitable remedies available to him, including a cause for specific performance and damages. If either party unreasonably refuses (as determined by the courts) to execute a release of deposit, the refusing party will pay all of the other party's costs of litigation. The escrow agent's liability for release and/or disbursement of the deposit is limited to gross negligence or willful misconduct. Also, a party in default is obligated to pay, in addition to all other damages, the costs incurred in title examination, appraisal, survey and the Real Estate Broker's fee in full.

Paragraph 27. OTHER DISCLOSURES. There are a number of matters related to the purchase transaction for which the parties are advised to seek professional advice. This disclosure and its subsections list a few areas of possible further investigation. It is important to note that the disclosures contained in this section do not create contingencies, therefore, appropriate addenda may need to be attached.

Paragraph 28. ASSIGNABILITY. Neither the Buyer nor the Seller may assign his interest in the Contract to any third party without the prior written approval of the other party. Moreover, should the Contract be assigned, the original parties to the Contract remain obligated to its terms until settlement.

Paragraph 29. DEFINITIONS. This paragraph defines a few important Contract terms including: “Days” which refers to calendar days; “Date of Ratification” which is the day of final acceptance in writing of the terms of the Contract; and “Delivery” which includes facsimile transmittal, overnight service, hand-delivery and/or receipt acknowledged by writing. When computing time under the provisions of the Contract, the first day is the day following Delivery. If settlement falls on a Saturday, Sunday, or a legal holiday, then settlement will take place on the prior business day.

Paragraph 30. MISCELLANEOUS. This paragraph acknowledges that a Contract may be executed at various locations and times. As such, each copy even if executed individually will be considered an original; together all executed copies will constitute the “original” Contract (this includes documents obtained via facsimile). It is also important to note that all handwritten or typewritten provisions of the Contract will control over the provisions of the pre-printed form that are in conflict.

Paragraph 31. VOID CONTRACT. Should the Contract become null and void, the parties agree to execute a release of the deposit and have the Buyer’s deposit funds returned in full as provided for in Deposit Paragraph 4.

Paragraph 32. ADDITIONS. This paragraph identifies any addenda attached to the initial contract offer. Many different consumer protection laws and various jurisdictions require separate disclosures to be made for various issues. Be sure to consult your REALTOR® and/or **Universal Settlements, LLC**, for the necessary and appropriate addenda. Don’t be alarmed or frustrated by the number of forms you need to sign. These forms are intended for your benefit and protection.

Paragraph 33. HOMEWARRANTY. This paragraph designates if a home warranty will be purchased in connection with the sale of the home and the party responsible for paying for the warranty.

Paragraph 34. OTHER TERMS. In this paragraph the parties can provide additional Contract terms not addressed in the form Contract. Please consult your REALTOR® and/or **Universal Settlements, LLC**, for the proper language of additional provisions.

Paragraph 35. ENTIRE AGREEMENT. The Buyer and Seller acknowledge that the Contract represents the full and final agreement between the parties, that neither party

is relying on any other provisions or representations not contained in the written Contract, and that this Contract is binding on the parties. Moreover, the provisions, obligations and responsibilities contained in this Contract are not extinguished by settlement, but survive delivery of the deed. Parties still maintain contractual rights after settlement.

SIGNATURES It is necessary that all parties execute their copies of the Contract and deliver them to the other party. Remember that a contract need not contain original signatures on the form to be enforceable.



REGIONAL SALES CONTRACT

This SALES CONTRACT ("Contract") is made on _____ ("Contract Date") between _____ ("Purchaser") and _____ ("Seller") who, among other things, hereby confirm and acknowledge by their initials and signatures herein that by prior disclosure in this real estate transaction _____ ("Listing Company") represents Seller, and _____ ("Selling Company") represents

Purchaser or Seller. The Listing Company and Selling Company are collectively referred to as ("Broker"). (If the brokerage firm is acting as a dual representative for both Seller and Purchaser, then the appropriate disclosure form is attached to and made a part of this Contract.) In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. REAL PROPERTY Purchaser will buy and Seller will sell for the sales price ("Sales Price"), Seller's entire interest in the real property (with all improvements, rights and appurtenances) described as follows ("Property"): TAX Map/ID # _____ Legal Description: Lot(s) _____ Block/Square _____ Section _____ Subdivision or Condominium _____ Parking Space(s) # _____ County/Municipality _____ Deed Book/Liber # _____ Page/Folio # _____ Street Address _____ Unit # _____ City _____ State _____ Zip Code _____

2. PRICE AND FINANCING

A. Down Payment \$ _____

B. Financing 1. First Trust (if applicable) \$ _____ 2. Second Trust (if applicable) \$ _____ 3. Seller Held Trust \$ _____ Addendum attached (if applicable)

TOTAL FINANCING \$ _____

SALES PRICE \$ _____

3. DEED(S) OF TRUST

A. First Deed of Trust Purchaser will Obtain or Assume a Conventional FHA VA Other _____ First Deed of Trust loan amortized over _____ years at a Fixed or an Adjustable rate bearing (initial) interest of _____ % per year or market rate available. Special Terms (if any): _____

B. Second Deed of Trust Purchaser will Obtain or Assume a Second Deed of Trust loan amortized over _____ years at a Fixed or an Adjustable rate bearing (initial) interest of _____ % per year or market rate available. Special Terms (if any): _____

C. Assumption Only Assumption fee, if any, and all charges related to the assumption will be paid by the Purchaser. If Purchaser assumes Seller's loan(s): (i) Purchaser and Seller will, or will not obtain a release of Seller's liability to the U.S. Government for the repayment of the loan by Settlement, (ii) Purchaser and Seller will, or will not obtain substitution of Seller's VA entitlement by Settlement. Balances of any assumed loans, secondary financing and cash down payments are approximate.

4. DEPOSIT

A. Purchaser has delivered a deposit ("Deposit") to _____ ("Escrow Agent") of \$ _____ by check and/or \$ _____ by note due and payable on _____.

B. The Deposit will be placed in an escrow account of the Escrow Agent after Date of Ratification in conformance with the laws and regulations of the appropriate jurisdiction and/or, if VA financing applies, as required by Title 38 of the U.S. Code. This account may be interest bearing and all parties waive any claim to interest resulting from the Deposit. The Deposit will be held in escrow until: (i) Credited toward the Sales Price at Settlement; (ii) All parties have agreed in writing as to its disposition; (iii) A court of competent jurisdiction orders disbursement and all appeal periods have expired; or, (iv) Disposed of in any other manner authorized by the laws and regulations of the appropriate jurisdiction. Seller and Purchaser agree that Escrow Agent will have no liability to any party on account of disbursement of the Deposit or on account of failure to disburse the Deposit, except in the event of the Escrow Agent's gross negligence or willful misconduct.

5. DOWN PAYMENT The balance of the down payment will be paid on or before the Settlement Date by certified or cashier's check or by bank-wired funds. An assignment of funds shall not be used without prior written consent of Seller.

6. SETTLEMENT Seller and Purchaser will make full settlement in accordance with the terms of this Contract ("Settlement") on, or with mutual consent before, _____, ("Settlement Date") except as otherwise provided in this Contract. Purchaser selects: _____ ("Settlement Agent") to conduct the Settlement. (For transactions in Virginia, use the Virginia Jurisdictional Addendum to select the Settlement Agent.) Either party may retain their own legal counsel. Purchaser agrees to contact the Settlement Agent within 10 Days after the Date of Ratification to schedule Settlement and to arrange for ordering the title exam and, if required, a survey.

7. EQUIPMENT, MAINTENANCE AND CONDITION Purchaser accepts the Property in the condition as of the Contract Date except as otherwise provided herein. Seller warrants that, except as otherwise provided, the existing appliances, heating, cooling, plumbing, electrical systems and equipment, and smoke and heat detectors (as required), will be in normal working order as of the Possession Date. Seller will deliver the Property in substantially the same condition as on the Contract Date and broom clean with all trash and debris removed. Purchaser and Seller will not hold the Broker liable for any breach of this paragraph. Seller will have all utilities in service through Settlement or as otherwise agreed.

8. UTILITIES - WATER, SEWAGE, HEATING AND CENTRAL AIR CONDITIONING (Check all that apply)

- Water Supply: Public Private Well Community Well
- Sewage Disposal: Public Septic for # BR _____ Community Septic Alternative Septic for # BR: _____
- Hot Water: Oil Gas Elec. Other _____
- Air Conditioning: Oil Gas Elec. Heat Pump Other _____ Zones _____
- Heating: Oil Gas Elec. Heat Pump Other _____ Zones _____

9. **PERSONAL PROPERTY AND FIXTURES** The Property includes the following existing personal property and fixtures: built-in heating and central air conditioning equipment, plumbing and lighting fixtures, sump pump, attic and exhaust fans, storm windows, storm doors, screens, installed wall-to-wall carpeting, window shades, blinds, window treatment hardware, smoke and heat detectors, TV antennas, exterior trees and shrubs. Unless otherwise agreed to in writing, all surface or wall mounted electronic components/devices **DO NOT** convey. If more than one of an item convey, the number of items is noted.

The items marked YES below are currently installed or offered.

Yes	No	#	Items	Yes	No	#	Items	Yes	No	#	Items
<input type="checkbox"/>	<input type="checkbox"/>	___	Alarm System	<input type="checkbox"/>	<input type="checkbox"/>	___	Freezer	<input type="checkbox"/>	<input type="checkbox"/>	___	Satellite Dish
<input type="checkbox"/>	<input type="checkbox"/>	___	Built in Microwave	<input type="checkbox"/>	<input type="checkbox"/>	___	Furnace Humidifier	<input type="checkbox"/>	<input type="checkbox"/>	___	Storage Shed
<input type="checkbox"/>	<input type="checkbox"/>	___	Ceiling Fan	<input type="checkbox"/>	<input type="checkbox"/>	___	Garage Opener	<input type="checkbox"/>	<input type="checkbox"/>	___	Stove or Range
<input type="checkbox"/>	<input type="checkbox"/>	___	Central Vacuum	<input type="checkbox"/>	<input type="checkbox"/>	___	w/ remote	<input type="checkbox"/>	<input type="checkbox"/>	___	Trash Compactor
<input type="checkbox"/>	<input type="checkbox"/>	___	Clothes Dryer	<input type="checkbox"/>	<input type="checkbox"/>	___	Gas Log	<input type="checkbox"/>	<input type="checkbox"/>	___	Wall Oven
<input type="checkbox"/>	<input type="checkbox"/>	___	Clothes Washer	<input type="checkbox"/>	<input type="checkbox"/>	___	Hot Tub, Equip, & Cover	<input type="checkbox"/>	<input type="checkbox"/>	___	Water Treatment System
<input type="checkbox"/>	<input type="checkbox"/>	___	Cooktop	<input type="checkbox"/>	<input type="checkbox"/>	___	Intercom	<input type="checkbox"/>	<input type="checkbox"/>	___	Window A/C Unit
<input type="checkbox"/>	<input type="checkbox"/>	___	Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>	___	Playground Equipment	<input type="checkbox"/>	<input type="checkbox"/>	___	Window Fan
<input type="checkbox"/>	<input type="checkbox"/>	___	Disposer	<input type="checkbox"/>	<input type="checkbox"/>	___	Pool, Equip, & Cover	<input type="checkbox"/>	<input type="checkbox"/>	___	Window Treatments
<input type="checkbox"/>	<input type="checkbox"/>	___	Electronic Air Filter	<input type="checkbox"/>	<input type="checkbox"/>	___	Refrigerator	<input type="checkbox"/>	<input type="checkbox"/>	___	Wood Stove
<input type="checkbox"/>	<input type="checkbox"/>	___	Fireplace Screen/Door	<input type="checkbox"/>	<input type="checkbox"/>	___	w/ ice maker				

OTHER

AS IS ITEMS

Seller does not warrant the condition or working order of the following items and/or systems:

If entire Property is sold "As Is", appropriate addendum must be attached.

LEASED ITEMS

Any leased items, systems or service contracts (including, but not limited to, fuel tanks, water treatment systems, lawn contracts, security system monitoring, and satellite contracts) DO NOT CONVEY absent an express written agreement by Purchaser and Seller. The following is a list of the leased items within the Property:

10. CONVENTIONAL FINANCING TERMS

A. **SELLER SUBSIDY** Based on the financing terms specified in this Contract, Seller will pay at Settlement \$ _____ toward Purchaser's charges, (including but not limited to loan origination fees, discount fees, buy down or subsidy fees, prepaids or other charges as allowed by the lender). Purchaser will pay all remaining Purchaser's charges. If applicable, Purchaser will pay at Settlement or finance any initial private mortgage insurance required by lender. It is Purchaser's responsibility to confirm with his lender, if applicable, that the entire credit provided herein may be utilized. If lender prohibits Seller from the payment of any portion of this credit, then said credit shall be reduced to the amount allowed by the lender.

B. APPRAISAL (Must Select Option 1 or 2)



Option (1) This Contract is contingent on Purchaser obtaining an Appraisal certifying the value of the Property to be no less than the Sales Price. See Attached Addendum. If the appropriate Appraisal Contingency Addendum is not attached, this Contract is not contingent on an Appraisal and Option (2) below will apply.

OR



Option (2) This Contract is not contingent on an Appraisal. Purchaser shall complete Settlement without regard to the value of the Property set forth in any Appraisal and acknowledges that this may reduce the amount of financing available from lender and may require Purchaser to tender additional funds at Settlement. If Purchaser fails to settle except due to any Default by Seller, then the provisions of paragraph #26 (Default) shall apply.

C. FINANCING (Must Select Option 1 or 2) Not to be used with Seller Financing



Option (1) This Contract is contingent on Purchaser obtaining approval for loan(s) to purchase the Property (The "Financing Contingency").

This Contract is contingent until 9 p.m. _____ Days after Date of Ratification ("Financing Deadline") upon Purchaser Delivering Notice to Seller on the Regional Form #100 removing this Financing Contingency. Such Notice

shall or

shall not be accompanied by a letter from the lender ("Lender's Letter). Such Lender's Letter shall include the following statements or statements substantially similar thereto:

- 1) Purchaser is approved for the Specified Financing,
- 2) a ratified Contract has been received,
- 3) a written application for the financing has been made,
- 4) income, asset, and liability documentation on Purchaser have been received,
- 5) Purchaser's credit has been reviewed, and
- 6) the application has been reviewed and meets underwriter and investor guidelines.

If Purchaser fails to Deliver Regional Form #100 and Lender's Letter (if required) by the Financing Deadline, this contingency will continue, unless Seller at Seller's option gives Notice to Purchaser that this Contract will become void. If Seller Delivers such Notice this Contract will become void at 9 p.m. on the third day following Delivery of Seller's Notice unless prior to that date and time:

- a) Purchaser Delivers to Seller Regional Form #100 and Lender's Letter (if required); or
- b) Purchaser Delivers to Seller Regional Form #100 and provides Seller with evidence of sufficient funds available to complete Settlement without obtaining financing.

Upon Delivery to Seller of either (a) or (b) above, this Contract will no longer be contingent on Purchaser being approved for the Specified Financing and this Contract will remain in full force and effect.

Prior to satisfaction or removal of the Financing Contingency, if Purchaser receives a written rejection for the Specified Financing and Delivers a copy of the written rejection to Seller, this Contract will become void.

OR



Option (2) This Contract is not contingent upon Purchaser obtaining approval for loan(s) to purchase the Property. Purchaser acknowledges that there is not a Financing Contingency. Purchaser has provided sufficient documentation to satisfy Seller that Purchaser has been approved for the Specified Financing or has sufficient funds available to complete Settlement without obtaining financing. If Purchaser fails to settle except due to any Default by Seller, then the provisions of paragraph #26 (DEFAULT) shall apply.

11. VA or FHA FINANCING AND APPRAISAL

Purchaser will pay at Settlement, or finance any VA Funding Fee or FHA initial Mortgage Insurance Premium. Based on the Specified Financing in this Contract, the Seller will pay _____ toward Purchaser's charges (including but not limited to loan origination fees, discount fees, buydown or subsidy fees, prepaids or other charges as allowed by the lender) except that the total amount of any lender charges which cannot by law or regulation be charged to Purchaser will be paid by the Seller. These charges, if any, will first be deducted from any Seller credit, and the remaining balance, if any, will then be applied to Purchaser's other charges. Purchaser will pay all remaining Purchaser's charges. If VA or FHA financing applies, it is expressly agreed that, notwithstanding any other provisions of this Contract, Purchaser will not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless Purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner or Direct Endorsement Lender/Department of Veterans Affairs or the Lender Approval Processing Program (LAPP) underwriter setting forth the appraised value of the Property (excluding closing costs) of not less than \$ _____. Purchaser will have the privilege and option of proceeding with consummation of this Contract without regard to the amount of the appraised valuation. THE APPRAISED VALUATION IS ARRIVED AT TO DETERMINE THE MAXIMUM MORTGAGE THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT/DEPARTMENT OF VETERANS AFFAIRS WILL INSURE/GUARANTEE. HUD/DEPARTMENT OF VETERANS AFFAIRS AND THE MORTGAGEE DOES NOT WARRANT THE VALUE NOR THE CONDITION OF THE PROPERTY. PURCHASER SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE PROPERTY ARE ACCEPTABLE. If VA Financing applies, Purchaser agrees that should Purchaser elect to complete the purchase at an amount in excess of the reasonable value established by the Department of Veterans Affairs, Purchaser shall pay such excess amount in cash from a source which Purchaser agrees to disclose to the Department of Veterans Affairs, and which Purchaser represents will not be borrowed funds except as approved by the Department of Veterans Affairs. Purchaser's exercise of the option shall be made in writing within 3 Days of the notification to Purchaser of the appraised value, or this Contract shall become void. If FHA financing applies, Purchaser's exercise of the option of proceeding with consummation of this Contract without regard to the amount of the appraised valuation shall be made in writing within 3 Days of the notification to Purchaser of the appraised value, or this Contract shall become void.

12. FINANCING APPLICATION If this Contract is contingent on financing, Purchaser will make written application for the Specified Financing and any lender required property insurance no later than 7 days after the Date of Ratification. Purchaser grants permission for the Selling Company and the lender to disclose to the Listing Company and the Seller general information available about the progress of the loan application and loan approval process. If Purchaser fails to settle except due to any Default by Seller, then the provisions of paragraph #26 (DEFAULT) shall apply.

13. ALTERNATE FINANCING Purchaser may substitute alternative financing and/or an alternative lender for Specified Financing provided:

- (a) Purchaser is qualified for alternative financing;
- (b) There is no additional expense to Seller; and
- (c) The Settlement Date is not delayed.
- (d) If Purchaser fails to settle except due to any Default by Seller, then the provisions of paragraph #26 (DEFAULT) shall apply.

14. PURCHASER'S REPRESENTATIONS Purchaser will, or will not occupy the Property as Purchaser's principal residence. **Unless specified in a written contingency, neither this Contract nor the financing is dependent or contingent on the sale and settlement or lease of other real property.** The Selling Company is, or is not authorized to disclose to the Listing Company and Seller the appropriate financial or credit information statement provided to the Selling Company by Purchaser. Purchaser acknowledges that Seller is relying upon all of Purchaser's representations, including without limitation, the accuracy of financial or credit information given to Seller, Broker or the lender by Purchaser.

15. ACCESS TO PROPERTY Seller will provide the Broker, Purchaser, inspectors representing Purchaser and representatives of lending institutions for Appraisal purposes, reasonable access to the Property to comply with this Contract. In addition, Purchaser and/or Purchaser's representative will have the right to make a final inspection within 5 days prior to Settlement and/or occupancy, unless otherwise agreed to by Purchaser and Seller.

16. TERMITE INSPECTION The **Purchaser at Purchaser’s expense** or **Seller at Seller’s expense**, will furnish a written report from a pest control firm dated not more than 30 days prior to Settlement showing that all dwelling(s) and/or garage(s) within the Property (excluding fences or shrubs not abutting garage(s) or dwelling(s)) are free of visible evidence of active termites and other wood-destroying insects, and free from visible structural insect damage. Any extermination and structural repairs identified in the inspection report will be made at Seller’s expense.

17. REPAIRS If, as a condition of providing financing under this Contract, the lender requires repairs to be made to the Property, then Purchaser will give Notice to Seller of the lender’s required repairs. Within 5 Days after such Notice, Seller will give Notice to Purchaser as to whether Seller will make the repairs. If Seller will not make the repairs, Purchaser will give Notice to Seller within 5 Days after Seller’s Notice as to whether Purchaser will make the repairs. If neither Seller nor Purchaser will make the repairs, then this Contract will become void. This clause will not release Seller from any responsibilities set forth in the paragraphs titled UTILITIES; PERSONAL PROPERTY AND FIXTURES; EQUIPMENT, MAINTENANCE AND CONDITION; WELL AND SEPTIC; TERMITE INSPECTION; or OTHER TERMS, or any terms specifically set forth in this Contract and any addenda. If the Property is sold “as is”, Purchaser will be responsible for all repairs.

18. DAMAGE OR LOSS The risk of damage or loss to the Property by fire, act of God, or other casualty remains with Seller until the execution and delivery of the deed of conveyance to Purchaser at Settlement.

19. TITLE The title report and survey, if required, will be ordered promptly and, if not available on the Settlement Date, then Settlement may be delayed for up to 10 business days to obtain the title report and survey after which this Contract, at the option of Seller, may be terminated and the Deposit will be refunded in full to Purchaser according to the terms of the DEPOSIT paragraph. Fee simple title to the Property, and everything that conveys with it, will be sold free of liens except for any loans assumed by Purchaser. Title is to be good and marketable, and insurable by a licensed title insurance company with no additional risk premium. Title may be subject to commonly acceptable easements, covenants, conditions and restrictions of record, if any; otherwise, Purchaser may declare this Contract void, unless the defects are of such character that they may be remedied within 30 Days beyond the Settlement Date. In case action is required to perfect the title, such action must be taken promptly by Seller at Seller’s expense. The Broker is hereby expressly released from all liability for damages by reason of any defect in the title. Seller will convey the Property by general warranty deed with English covenants of title (Virginia); general warranty deed (West Virginia); special warranty deed (D.C. and Maryland) (“Deed”). Seller will sign such affidavits, lien waivers, tax certifications, and other documents as may be required by the lender, title insurance company, Settlement Agent, or government authority, and authorizes the Settlement Agent to obtain pay-off or assumption information from any existing lenders. The manner of taking title may have significant legal and tax consequences. Purchaser is advised to seek the appropriate professional advice concerning the manner of taking title. Unless otherwise agreed to in writing, Seller will pay any special assessments and will comply with all orders, requirements, or notices of violations of any county or local authority, condominium unit owners’ association, homeowners’ or property owners’ association or actions in any court on account thereof, against or affecting the Property on the Settlement Date.

20. POSSESSION DATE Unless otherwise agreed to in writing between Seller and Purchaser, Seller will give possession of the Property at Settlement, including delivery of keys, if any. If Seller fails to do so and occupies the Property beyond Settlement, Seller will be a tenant at sufferance of Purchaser and hereby expressly waives all notice to quit as provided by law. Purchaser will have the right to proceed by any legal means available to obtain possession of the Property. Seller will pay any damages and costs incurred by Purchaser including reasonable attorney fees.

21. FEES Fees for the preparation of the Deed, that portion of the Settlement Agent’s fee billed to Seller, costs of releasing existing encumbrances, Seller’s legal fees and any other proper charges assessed to Seller will be paid by Seller. Fees for the title exam (except as otherwise provided) survey, recording (including those for any purchase money trusts) and that portion of the Settlement Agent’s fee billed to Purchaser, Purchaser’s legal fees and any other proper charges assessed to Purchaser will be paid by Purchaser. Fees to be charged will be reasonable and customary for the jurisdiction in which the Property is located. (Recording, Transfer and Grantor’s Taxes are covered in the appropriate jurisdictional addenda).

22. BROKER’S FEE Seller irrevocably instructs the Settlement Agent to pay the Broker compensation (“Broker’s Fee”) at Settlement as set forth in the listing agreement and to disburse the compensation offered by the Listing Company to the Selling Company in writing as of the Contract Date, and the remaining amount of Broker’s compensation to the Listing Company.

real estate matters, but if legal advice is desired by either party, such party is advised to seek legal counsel. Purchaser and Seller are further advised to seek appropriate professional advice concerning the condition of the Property or tax and insurance matters. The following provisions of this paragraph disclose some matters which the parties may investigate further. These disclosures are not intended to create a contingency. Any contingency must be specified by adding appropriate terms to this Contract. The parties acknowledge the following disclosures:

A. PROPERTY CONDITION See paragraph #7 (EQUIPMENT, MAINTENANCE AND CONDITION) Various inspection services and home warranty insurance programs are available. The Broker is not advising the parties as to certain other issues, including without limitation: water quality and quantity (including but not limited to, lead and other contaminants;) sewer or septic; soil condition; flood hazard areas; possible restrictions of the use of the Property due to restrictive covenants, zoning, subdivision, or environmental laws, easements or other documents; airport or aircraft noise; planned land use, roads or highways; and construction materials and/or hazardous materials, including without limitation flame retardant treated plywood (FRT), radon, urea formaldehyde foam insulation (UFFI), mold, polybutylene pipes, synthetic stucco (EIFS), underground storage tanks, asbestos and lead-based paint. Information relating to these issues may be available from appropriate government authorities.

B. LEGAL REQUIREMENTS All contracts for the sale of real property must be in writing to be enforceable. Upon ratification and Delivery, this Contract becomes a legally binding agreement. Any changes to this Contract must be made in writing for such changes to be enforceable.

C. FINANCING Mortgage rates and associated charges vary with financial institutions and the marketplace. Purchaser has the opportunity to select the lender and the right to negotiate terms and conditions of the financing subject to the terms of this Contract. The financing may require substantial lump sum (balloon) payments on the due dates. Purchaser has not relied upon any representations regarding the future availability of mortgage money or interest rates for the refinancing of any such lump sum payments.

D. BROKER Purchaser and Seller acknowledge that the Broker is being retained solely as a real estate agent and not as an attorney, tax advisor, lender, appraiser, surveyor, structural engineer, mold or air quality expert, home inspector or other professional service provider. The Broker may from time to time engage in the general insurance, title insurance, mortgage loan, real estate settlement, home warranty and other real estate-related businesses and services. Therefore, in addition to the Broker's Fee specified herein, the Broker may receive compensation related to other services provided in the course of this transaction pursuant to the terms of a separate agreement/disclosure.

E. PROPERTY TAXES Your property tax bill could substantially increase following settlement. For more information on property taxes contact the appropriate taxing authority in the jurisdiction where the Property is located.

F. PROPERTY INSURANCE Obtaining property insurance is typically a requirement of the lender in order to secure financing. Insurance rates and availability are determined in part by the number and nature of claims and inquiries made on a property's policy as well as the number and nature of claims made by a prospective Purchaser. Property insurance has become difficult to secure in some cases. Seller should consult an insurance professional regarding maintaining and/or terminating insurance coverage.

28. ASSIGNABILITY This Contract may not be assigned without the written consent of Purchaser and Seller. If Purchaser and Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until Settlement.

35. ENTIRE AGREEMENT This Contract will be binding upon the parties, and each of their respective heirs, executors, administrators, successors and permitted assigns. The provisions not satisfied at Settlement will survive the delivery of the deed and will not be merged therein. This Contract, unless amended in writing, contains the final and entire agreement of the parties and the parties will not be bound by any terms, conditions, oral statements, warranties or representations not herein contained. The interpretation of this Contract will be governed by the laws of the jurisdiction where the Property is located.

SELLER:

PURCHASER:

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

Date of Ratification see paragraph #29 (DEFINTIONS) _____

For information purposes only:

Listing Company's Name and Address:

Selling Company's Name and Address:

Office # _____ FAX # _____

Office # _____ FAX # _____

MRIS Broker Code and Office ID _____

MRIS Broker Code and Office ID _____

Agent Name _____

Agent Name _____

Real Estate License Number & Jurisdiction _____

Real Estate License Number & Jurisdiction _____

Agent MRIS ID# _____

Agent MRIS ID# _____

Team Leader/Agent _____

Team Leader/Agent _____

Agent Email Address _____

Agent Email Address _____

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VIRGINIA JURISDICTIONAL ADDENDUM

Provides additional requirements specific to Virginia law.

Paragraph 1. Delivery. Defines the term “delivery,” the various methods of delivery, and under what circumstances delivery is deemed to have occurred. Delivery requirements for property or condominium association documents are addressed in Paragraphs 8 & 9.

Paragraph 2. Notice. Defines the term “notice” and time computation methods.

Paragraph 3. FHA/VA Financing. This provision requires inclusion of the FHA/VA Financing Addendum if FHA or VA Financing is selected in Paragraph 3(A) of the Regional Sales Contract.

Paragraph 4. Appraisal Contingency for Conventional Financing (Only). The contract is contingent upon an appraisal for the specified number of days. The Purchaser shall provide Notice to the Seller, by the Appraisal Deadline that either 1) the appraisal is equal to or greater than the sales price of the appraisal and the appraisal contingency is satisfied OR 2) the appraisal is not equal to or greater than the sales price and the Purchaser will not proceed to settlement unless the sales price is lowered to the appraised value. The Seller, within his sole discretion, may lower the sales price to the appraised value. If the Seller does not elect to lower the sales price to the appraised value, the parties may negotiate mutually acceptable terms. Each election must be made by notice within 3 days after Notice from the other party. Both the Purchaser and Seller agree to sign any appropriate amendments resulting from the price negotiations. If the parties fail to agree the contract becomes void or 3) The Purchaser may proceed to closing without regard to the appraisal.

If Purchaser doesn't give Notice to the Seller by the Appraisal Deadline, the contingency continues unless the Seller elects to notify the purchaser that the contract will become void. The contract will become void 3 days after the Seller's delivery of the Notice, unless before such date and time the Purchaser delivers the Appraisal Notice.

Paragraph 5. Virginia Residential Property Disclosure Act. Virginia law requires the Seller to provide a Residential Property Disclaimer/Disclosure Form prior to contract acceptance for the Property, unless the property qualifies for an exemption. If a Disclaimer is elected, the Seller makes no representations or warranties regarding the condition of the property and Purchaser accepts the property in “as is” condition (subject to other terms in the Contract). If a Disclosure is given, the Seller must accurately represent the condition of the property, and must notify the Purchaser of any changes to the condition of the property which occur prior to closing. If the

Disclaimer/Disclosure is given after contract acceptance, the Purchaser MAY have the right to cancel the contract.

Paragraph 6. Target Lead-Based Paint Housing. Federal law requires disclosure of information regarding lead-based paint hazards to certain purchasers. If you are buying a home constructed earlier than 1978, please consult a real estate agent or an attorney to learn more about lead-based paint hazards, and your rights and liabilities.

Paragraph 7. Private Well and/or Private Sewage System. If the property is on a well and/or utilizes a septic sewage system as indicated in paragraph 8 of the contract, certified test results, certified no longer than 120 days before settlement, must be provided to the Purchaser indicating that the well water and/or septic system meets acceptable health standards. The results must be certified from the appropriate government authority and/or a private company licensed to perform such tests. This paragraph indicates which party will arrange and pay for the certification, as well as indicates that some alternative septic systems may require regular maintenance in order to prevent failure. This paragraph also states that in the event that either system is found defective or substandard according to government standards, the Seller will be responsible to remediate the condition at his or her own expense.

Paragraph 8. Virginia Property Owners' Association Act. If the property is located within a Property Owners' Association, the Seller must obtain an Association Disclosure Packet from the association and provide it to the Purchaser. This paragraph provides the Purchaser with the option to cancel the contract within a specified period of time after having received the packet, and/or if the packet is not made available to the Purchaser under certain conditions. The Purchaser will specify where the packet or notice of its non-availability will be delivered to. Most association disclosure packages contain a vast amount of material to review. It is very important to be sure that you are aware of the amount of Association dues, whether the property has violated any Association rules, and that you understand the restrictions and covenants pertaining to the property. Please consult your REALTOR® or attorney to help review this material.

Paragraph 9. Notice to Purchaser Regarding the Consumer Real Estate Settlement Protection Act. Virginia lawmakers have enacted a statute to protect Purchasers and Sellers in real estate transactions. A title company, such as Universal Settlements, LLC, is engaged to coordinate numerous clerical and administrative functions to make your closing occur smoothly. There are strict guidelines regulating the performance and licensing of settlement agents and title companies in Virginia. In Virginia, the Purchaser normally chooses which title company will

be used to provide settlement services. If a party desires to have counsel represent them at closing, they must independently retain or engage counsel to provide such specific services.

Paragraph 10. Virginia Condominium Act. Similar to Paragraph 8 (“Virginia Property Owners’ Association Act”), this provision requires the Seller to obtain from the condominium unit owners’ association certain financial and other disclosures and provide them to the Purchaser. This Act requires that the Seller provide a disclosure of all Condominium documentation, and provides the purchaser with an appropriate time period for review.

Paragraph 11. Notice of Possible Filing of Mechanics’ Lien. Under Virginia law, any person or entity which has performed labor or furnished materials for the construction, removal, repair, or improvement to any structure on the property has a right to file a lien against the property. The entity which has performed labor or furnished materials has 90 days from the last day of the month in which he last performed the work or furnished materials to the property to file such a lien, which lien can take precedence over other liens. This right could result in the filing of a lien against the property after the date of settlement for work contracted by the Seller of the property. Please consult an attorney regarding the danger of mechanic’s liens, and the advantages of purchasing an owners’ title insurance policy which affirmatively covers such liens.

Paragraph 12. Additional Fees. This paragraph further clarifies which fees are to be paid by the Purchaser and Seller in addition to those listed in Paragraph 21 the Regional Sales Contract.

Paragraph 13. Arbitration. None of the language in the Contract prevents the parties for pursuing their claims against other parties before an arbiter instead of traditional proceedings through the court system.

Paragraph 14. Time is of the Essence as to All Terms of This Contract. This phrase is a legal concept which requires any performance obligations called for in the contract to be met exactly within that time frame. Failure to meet a time obligation could result in default of the contract.

A: The Appraisal is equal to or greater than the Sales Price. This contingency has been satisfied and removed. The parties shall proceed to Settlement;

OR

B: The Appraisal is not equal to or greater than the Sales Price and the Purchaser elects not to proceed with consummation of this Contract, unless the Seller elects to lower the Sales Price to the appraised value. It will be the Seller's option to lower the Sales Price to the appraised value and the parties shall proceed to Settlement at the lower Sales Price. If the Seller does not make this election, the parties may agree to mutually acceptable terms. Each election must be made by Notice within 3 Days after Notice from the other party. The parties will immediately sign any appropriate amendments. If the parties fail to agree, this Contract will become void;

OR

C: The Purchaser elects to proceed with consummation of this Contract without regard to the Appraisal. The parties shall proceed to Settlement.

If Purchaser fails to give Seller Notice by the Appraisal Deadline, this contingency will continue, unless Seller at Seller's option gives Notice to Purchaser that this Contract will become void. If the Seller delivers such Notice, this Contract will become void at 9 p.m. on the third day following Delivery of the Seller's Notice, unless prior to such date and time the Purchaser delivers the required Notice.

5. VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT. The Virginia Residential Property Disclosure Act requires the Seller to deliver a disclaimer or disclosure statement prior to the acceptance of this Contract unless the transfer of the Property is exempt. The law allows the Seller, on a disclaimer or disclosure statement provided by the Real Estate Board, either to: (1) make no representations or warranties to the condition of the Property and sell the Property "as is", except as otherwise provided in this Contract; **OR** (2) make a written disclosure concerning the Property, based on the Seller's knowledge of its condition. If the Seller furnishes a disclosure statement, then the Seller is required at Settlement to disclose any material change in the physical condition of the Property or to certify to the Purchaser that the condition of the Property is substantially the same. If the disclaimer or disclosure required by law is delivered to the Purchaser after the acceptance of this Contract, the Purchaser may terminate this Contract by giving written notice to the Seller either by hand delivery or by United States mail, postage prepaid, at or prior to the earliest of (1) 3 Days after delivery of the disclosure or disclaimer in person, (2) 5 Days after the postmark if the disclosure or disclaimer is properly mailed, (3) Settlement on the Property, (4) occupancy of the Property by the Purchaser, (5) written waiver by the Purchaser in a separate document, or (6) the Purchaser's application for a mortgage loan where such application contains a disclosure that the right to terminate ends upon applying for the mortgage loan.

6. TARGET LEAD-BASED PAINT HOUSING. The Seller represents that any residential dwellings at the Property were **OR** were not constructed before 1978. If the dwellings were constructed before 1978, then, unless exempt under 42 U.S.C. 4852d, the property is considered "target housing" under the statute. A copy of the "Sale: Disclosure and Acknowledgment of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" has been attached and made a part of the Contract as required by law. The Purchaser Yes **OR** No waives the right to a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards. If No, a copy of the "Sales Contract Addendum for Lead-Based Paint Testing" is attached to establish the conditions for a lead-based paint risk assessment or inspections.

7. PRIVATE WELL AND/OR PRIVATE SEWAGE SYSTEM.

A. Well. If the Property is on private well, the Purchaser, at Purchaser's expense **OR** Seller, at Seller's expense, will furnish the Purchaser on or before Settlement with certified test results dated not more than 120 days prior to Settlement from the appropriate local government authority and/or a private company licensed to perform such tests.

B. Sewage. If the Property is on private Septic or private Alternate Septic Sewage Disposal System as indicated in Contract paragraph 8 (Utilities) then the Purchaser, at the Purchaser's expense **OR** Seller at Seller's expense, will furnish the Purchaser on or before Settlement with certified test results dated not more

13. **ARBITRATION.** Nothing in this Contract shall preclude arbitration under the Code of Ethics and Standards of Practice of the National Association of REALTORS®.

14. **TIME IS OF THE ESSENCE AS TO ALL TERMS OF THIS CONTRACT.**

SELLER:

PURCHASER:

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

_____/_____(SEAL)
Date Signature

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SAMPLE



NVAR CONTINGENCIES/CLAUSES ADDENDUM TO SALES CONTRACT

This addendum conditions the contract on the performance or occurrence of certain events. If the items are not satisfied or removed within the applicable timeframe, the contract becomes void. Upon the execution of a contract release by all parties, the deposit will be returned to the purchaser.

CONTINGENCIES

1. Home Inspection. The “Home Inspection” contingency allows the purchaser to have an evaluation of the condition of the house performed by a professional inspector, at the purchaser’s expense, within a specified time period. If the inspection is not completed by the deadline, the contingency will automatically expire. Once the inspection is performed, a written addendum listing the specific deficiencies must be presented to the Seller. There are strict time periods for the parties to negotiate items which will be corrected or left as is. If the parties do not agree, the contract will become null and void.

2. Radon Testing. Similar to the “Home Inspection” contingency, the purchaser is given an opportunity to have the home inspected for the presence of radon gas by an EPA, NRSB or NEHA listed firm. If radon is found and exceeds the EPA’s established acceptable levels, the purchaser can (a) request that the seller remediate the gas at the seller’s expense, (b) accept the property as is, or (c) void the contract. The parties have strict time periods to negotiate resolution.

3. Sale of the Purchaser’s Property and Kick-Out. Many purchasers need to use the equity in their current home to purchase a new residence. To accomplish this, purchasers can contract to buy a new residence before their current home has been sold by utilizing the “Sale of Home” contingency. Therefore, the purchase of the new property is conditioned upon obtaining a contract on their current property. The seller may continue to accept back-up offers during this time. The purchaser may be compelled to satisfy or remove the contingency within a certain time if the seller accepts a back-up offer. Upon satisfaction of the “Sale of Home” contingency, the contract also provides for a coinciding settlement contingency which states that the settlement for the new property is contingent upon the settlement of the purchaser’s current property. Parties can specify how long the purchaser is allowed to delay closing based on this clause.

4. Qualification Letter Contingency. The purchaser has a certain period of time after contract ratification to obtain a prequalification letter stating that the financing specified in the sales contract is forthcoming subject to appropriate underwriting requirements.

5. Contingent on the Seller Purchasing Another Home. Seller has a specified time period to find another home to purchase.

6. Gift Letter. Some purchasers receive funds in the form of a gift from a third party to be used for the purchase of a new home. A “gift letter” is executed by the third party as proof of the pledge of funds which does not require repayment by the purchaser. If the purchaser needs a gift letter to buy a property, this provision gives them a specified time period to procure one. Once the letter is received, the purchaser must close (even if the gift funds are not actually received) or the purchaser will be in default.

7. Third Party Approval. Either party may make the contract contingent on third party approval; for example, review by their attorney or by a spouse. If no disapproval notice is given, the contract is in full force and effect once the contingency expires.

8. General. Enables the parties to customize particular contingencies for their transaction; for example, compliance with 1031 tax deferral requirements, corporate relocation status, etc.

CLAUSES

1. Back-up Contract or Offer. Explicitly outlines that the contract is a back-up offer and what events must transpire to upgrade the contract to primary status.

2. “Coinciding” Settlements. This clause is used when a purchaser requires use of the equity from the sale of their current residence in order to purchase the new residence. Unlike the sale of home contingency outlined above, a contract for the sale of the current residence has already been obtained. Settlement on the purchaser’s current property must occur before settlement on the new property. Parties can specify how long the purchaser is allowed to delay closing based on this clause.

3. “As Is” Property Condition. The purchaser agrees to accept the property in its condition based on a certain date....what you see is what you get. There will be no corrections or changes made to the property by the seller. The only requirement is that the property remain in the same condition as of the specified date.

4. Real Estate Licensed Parties. Discloses that a party to the contract is a licensed real estate agent.

5. Pre- or Post-Settlement Occupancy Agreement. Gives notice that a pre- or post-settlement agreement is made part of the sales contract.

C. SALE OF PURCHASER'S PROPERTY AND KICK-OUT. This Contract is contingent until 9 p.m. _____ Days after the of Ratification ("Deadline") upon the sale of Purchaser's property located at _____, _____ ("Purchaser's Property"). If the Purchaser does not satisfy or remove this contingency by the Deadline pursuant to paragraph C(iii) below, this Contract will become void.

(i) The Seller may continue to offer the Property for sale and accept bona fide back-up offers to this Contract until this contingency is satisfied or removed. If a back-up offer is accepted, the Seller will Deliver Notice to the Purchaser requiring that this contingency be satisfied or removed pursuant to paragraph C(iii) below not later than 9 p.m.

_____ Days after Delivery of the Notice, or this Contract will become void.

(ii) The Purchaser's Property will be listed exclusively and actively marketed by a licensed real estate broker and entered into a multiple listing service within 3 Days after the Date of Ratification at a price not to exceed \$ _____

(iii) The Purchaser may:

(a) satisfy this contingency by Delivering to the Seller by this contingency Deadline a copy of the ratified contract for the sale of the Purchaser's Property with evidence that all contingencies, other than financing, have been removed or waived, along with a prequalification letter as described in the QUALIFICATION LETTER CONTINGENCY paragraph of this addendum for the purchaser of the Purchaser's Property.

- OR -

(b) remove this contingency by Delivering to the Seller (1) the Lender's Letter stating that the financing is not contingent in any manner upon the sale and settlement of any real estate or obtaining a lease of any real estate and that the Purchaser has sufficient funds available for the down payment and closing costs necessary to complete Settlement; OR (2) Evidence of sufficient funds available to complete Settlement without obtaining financing.

(iv) If the Purchaser satisfies requirements of paragraph C(i) above, this Contract will remain contingent upon the settlement of the sale of the Purchaser's Property. This paragraph will survive the satisfaction of the contingency for the sale of the Purchaser's Property. Settlement (under this Contract) may not be delayed more than _____ Days after the Settlement Date (specified in this Contract) without the parties' written consent. If a further delay is required to obtain coinciding settlements and the parties do not agree, then this Contract will become void. If at any time after the Date of Ratification the contract for the sale of the Purchaser's Property becomes void, the Purchaser will immediately Deliver Notice to the Seller together with evidence of such voiding, at which either the Seller or the Purchaser may declare this Contract void by Delivering Notice to the other party.

D. QUALIFICATION LETTER CONTINGENCY. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon the Purchaser Delivering to the Seller a prequalification letter from an institutional lender stating that the financing described in this Contract is available to the Purchaser and, based upon a preliminary credit report and the information provided by the Purchaser, the financing should be committed subject to appropriate verification, approval and commitment. At anytime after the Deadline but prior to Delivery to the Seller of the prequalification letter, the Seller may with Notice to the Purchaser declare this Contract void.

E. CONTINGENT ON THE SELLER PURCHASING ANOTHER HOME. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon the Seller Delivering a notice to the Purchaser that: (1) the Seller has entered into a ratified contract to purchase another home; OR (2) the Seller removes this Contingency.

F. GIFT LETTER. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon the Purchaser providing a gift letter and necessary documentation satisfactory to the lender in the amount of \$ _____ from _____ At anytime after the Deadline but prior to Delivery to the Seller of the gift letter, the Seller may with Notice to the Purchaser declare this Contract void. Once the gift letter has been Delivered, if the Purchaser does not have the gift funds to settle as provided in this Contract, the Purchaser will be in default.

G. THIRD PARTY APPROVAL. This Contract is contingent upon the approval of _____ By 9 p.m. _____ Days after the Date of Ratification ("Deadline"). If Notice of disapproval is not Delivered to the other party by the Deadline, this contingency will terminate and this Contract will remain in full force and effect. No Notice of approval is required. If Notice of disapproval is Delivered by the Deadline, this Contract will become void.

H. GENERAL. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon: _____

2. CLAUSES.

A. BACK-UP CONTRACT OR OFFER. This Contract is first back-up to another contract or offer dated _____ Between the Seller and _____ as purchaser. This Contract becomes the primary contract immediately upon Notice from the Seller that the other contract or offer is void. The Purchaser may void this back up Contract at any time by Delivering Notice to the Seller prior the Delivery of Notice from the Seller that this Contract has become the primary Contract. If the other contract settles, this Contract will become void. The rights and obligations of the parties under the primary contract are superior to the rights and obligations of the parties to this back-up Contract.

B. "COINCIDING" SETTLEMENTS. Settlement of this Contract is contingent upon the settlement of the contract for the sale of the Purchaser's property located at _____, _____ ("Purchaser's Property"). Settlement (under this Contract) may not be delayed more than _____ Days after the Settlement Date (specified in this Contract) without the parties' written consent. If a further delay is required to obtain coinciding settlements and the parties do not agree, then this Contract will become void. If at an time after the Date of Ratification the contract for the sale of the Purchaser's Property becomes void, the Purchaser will immediately Deliver Notice to the Seller together with the evidence of such voiding, at which time either the Seller or the Purchaser may declare this Contract void by Delivering Notice to the other party.

C. "AS IS" PROPERTY CONDITION. The Property is sold in its "As Is" physical condition, to be determined as of the _____ Contract Date, the date of the home inspection OR other _____. The Seller makes no representation or warranty, express or implied, as to the condition of the Property or any equipment or system contained therein. All clauses in this Contract pertaining to Property condition, termites or compliance with city, state or county regulations are hereby deleted from this Contract. The Seller will have no obligation to make repairs to the electrical, plumbing, heating, air conditioning, or any other mechanical system, equipment or fixture. Smoke detectors will be installed as required by the laws or regulations of the appropriate jurisdiction.

D. REAL ESTATE LICENSED PARTIES. The parties acknowledge that the Seller OR the Purchaser is a real estate licensee in DC MD VA WV Other _____

E. PRE-OR POST-SETTLEMENT OCCUPANCY AGREEMENT. The parties adopt the attached occupancy agreement as part of this Contract.

Copies of any addenda, amendments, and Notices required by the Contract will be provided to the Brokers at the Brokers' addresses provided in the Contract. The parties agree that any such copies sent to the Broker will NOT constitute Delivery and will be for informational purposes only.

Except as modified by this Addendum, all of the terms and provisions of this Contract are hereby expressly ratified and confirmed and will remain in full force and effect.

WITNESS OUR SIGNATURES AND SEALS:

SELLER:

PURCHASER:

_____/_____
Date Signature (SEAL)

_____/_____
Date Signature (SEAL)

_____/_____
Date Signature (SEAL)

_____/_____
Date Signature (SEAL)

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**SUMMARY OF RIGHTS AND OBLIGATIONS
OF SELLERS AND PURCHASERS UNDER
THE VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT**



Virginia's Residential Property Disclosure Act (the "Act") (Virginia Code Sections 55-517 et. seq.) requires real estate licensees to inform the parties to a transaction with whom they deal of their rights and obligations under the Act. The licensee providing this information to you is prepared to answer any questions you may have about what the Act means to you, and to furnish you with a copy of the Act at your request.

The Act applies to sales, exchanges, installment sales, or leases with option to purchase of residential real property improved with one to four dwelling units. The Act does not apply to: transfers pursuant to court order (in estate administration, pursuant to writ execution, foreclosure, bankruptcy, condemnation, or by decree for specific performance); transfers among co-owners; transfers among spouses; transfers among parents or grandparents and their children or grandchildren; tax sales; transfers involving a government or housing authority; or (subject to certain exceptions discussed below) sales of new homes.

The Act requires sellers to furnish purchasers with either a disclosure or disclaimer statement developed by the Virginia Real Estate Board. The statement must be furnished to the purchaser before final ratification of the purchase contract or the purchaser may terminate the contract or sue later for damages.

A seller who chooses to furnish a disclaimer statement is stating that the property and all improvements are being sold "as is" with no representations or warranties as to condition, except as otherwise provided in the purchase contract. A seller who disclaims may nonetheless not divert the purchaser from making inspections or inquiries which would reveal the true condition of the property.

A seller who chooses to disclose information about the property's condition must disclose all defects of which the seller has actual knowledge by answering the questions contained in the disclosure statement. A seller is not required to have an independent inspection or investigation done in order to disclose, but may furnish the results of inspections performed by professionals, including public agencies, in lieu of answering any questions dealt with by such inspections as long as the inspections so furnished are clearly labeled as such. A seller is not liable for errors or omissions in the disclosure statement IF the seller has no "actual knowledge" about such errors or omissions, or if the seller "reasonably" relies on representations by public agencies or other experts as noted above, and if the seller is not grossly negligent in obtaining such information and transmitting it to the purchasers. A seller is not in violation of the law if information disclosed is later found to be inaccurate as long as such material change is disclosed at or before settlement.

A builder of a new home must disclose to a purchaser in writing all known material defects which would constitute a violation of any applicable building code. This disclosure does not abrogate any warranty or other obligations the builder may have to the purchaser. The builder may not satisfy its obligations under the Act by furnishing a disclaimer statement.

A purchaser must be furnished with a disclaimer or disclosure statement signed by the seller prior to final ratification of the purchase contract. If such statement is not received by final ratification, the purchaser has the right to terminate the purchase contract by sending written notice to the seller either by hand delivery or U. S. Mail, postage prepaid, any time before receiving the statement, or within 3 days of receiving the statement (if delivered in person) or 5 days of postmark (if sent by U. S. Mail, postage prepaid). A purchaser may waive the right to receive a statement, as long as the waiver is not in the purchase contract.

A purchaser who receives a disclaimer statement loses the right to terminate the contract upon settlement or occupancy, or upon application for a mortgage loan if the application states that the right to terminate ends at application. If a purchaser receives a disclosure statement, the purchaser may terminate the purchase contract in the event of a misrepresentation in the statement, but the right to terminate ends at settlement or occupancy, or upon application for a mortgage loan if the application states that the right to terminate ends at application. A purchaser who receives a disclosure statement may bring an action against the seller within one year of the receipt of the statement for actual damages sustained because the seller misrepresented defects which would have been disclosed if the seller had complied with the law, and of which the purchaser was not aware at the time of settlement or occupancy. A purchaser retains the right to pursue any remedy otherwise available against a seller in the event the seller intentionally or willfully misrepresents the condition of the property. If the purchaser does not receive a disclosure or disclaimer statement, and the right to receive one was not waived, the purchaser may bring an

action against the seller within one year of settlement or occupancy (if under a lease with option to purchase) for actual damages sustained as a result of defects in the property which would have been disclosed had the seller complied with the law, and of which, the purchaser was unaware at the time of settlement or occupancy.

Purchasers should be aware that neither a seller nor a real estate licensee is obligated to disclose facts or occurrences which have no effect on the physical structure of the property, its physical environment, or the improvements located thereon, or the fact that the property was the site of a homicide, felony, or suicide. Furthermore, it is a violation of federal law to disclose whether a previous occupant of the property was afflicted with the HIV virus or has AIDS.

Purchasers should be aware that whether a seller chooses to provide a disclosure statement or a disclaimer statement:

(a) The seller is making no representations with respect to any matters which may pertain to parcels adjacent to the subject parcel. Purchasers should exercise whatever due diligence they deem necessary with respect to adjacent parcels in accordance with the terms and conditions of the purchase contract, but in any event prior to settlement on the subject property.

(b) The seller is making no representations with respect to whether the property contains any resource protection areas established in an ordinance implementing the Chesapeake Bay Preservation Act (§10.1-2100 et seq.) adopted by the locality where the property is located pursuant to §10.1-2109. Purchasers should exercise whatever due diligence they deem necessary to determine whether the provisions of any such ordinance affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the purchase contract, but in any event prior to settlement on the property.

(c) If the property is located in a historic district designated by the locality pursuant to §15/2-2306 and the seller has knowledge of such designation, the seller shall disclose such fact to purchasers. Purchasers should exercise whatever due diligence they deem necessary to determine whether the provisions of any historic district ordinance affect the property, including review of any local ordinance creating such district or any official map adopted by the locality depicting historic districts, in accordance with terms and conditions as may be contained in the purchase contract, but in any event prior to settlement on the property.

(d) The seller represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§36-97 et seq.) that affect the safe, decent and sanitary living conditions of the property of which the seller has been notified in writing by the locality.

Purchasers should exercise whatever due diligence they deem necessary with respect to information on any sexual offenders registered under Chapter 23 (§19.2-387 et seq.) of Title 19.2, whether the owner furnishes Purchasers with a disclosure or disclaimer statement under subdivision 1 or 2 of subsection A of §55-519. Such information may be obtained by contacting the local police department or the Department of State Police, Central Criminal Records Exchange, at (804) 674-2000, or in the Internet at www.vsp.state.va.us/vsp.html.

Please acknowledge receiving a copy of this summary by signing below.

Date ___/___/___ _____

Date ___/___/___ _____

NOTE TO PURCHASER(S): You should note that whether the owner proceeds under subdivision 1 or 2 of subsection A of §55-519, the owner(s) make no representations with respect to any matters which may pertain to parcels adjacent to the subject parcel. You should exercise whatever due diligence you deem necessary with respect to adjacent parcels in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement. You should exercise whatever due diligence you deem necessary to determine whether the provisions of any historic district ordinance affect the property, including review of any local ordinance creating such district or any official map adopted by the locality depicting historic districts, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement. The owner(s) make no representations with respect to whether the property contains any resource protection areas established by an ordinance implementing the Chesapeake Bay Preservation Act (§10.1-2100 et seq.) adopted by the locality where the property is located pursuant to §10.1-2109. You should exercise whatever due diligence you deem necessary to determine whether the provisions of any such ordinance implementing the Chesapeake Bay Preservation Act affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement. You should exercise whatever due diligence you deem necessary with respect to information on any sexual offenders registered under Chapter 23 (§19.2-387 et seq.) of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Criminal Records Exchange, at 804-674-2000 or www.vsp.virginia.gov.

The purchaser(s) acknowledge receipt of a copy of this disclaimer statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Purchaser

Date

Purchaser

Date

DPOR 7/01/06

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT
THIS IS NOT A WARRANTY OF THE CONDITION OF THE PROPERTY

OWNER(S): Complete and sign this statement only if you elect to disclose defects in the conditions of the property actually known by you; otherwise, sign the RESIDENTIAL PROPERTY DISCLAIMER STATEMENT.

Property Address/Legal Description:

How long have you owned the property? Dates lived in property?

Property Systems: Water, Sewage, Heating & Air Conditioning (Answer all that apply)

- Water Supply: Public, Well, Other
Sewage Disposal: Public, Septic System approved for (#) BR
Garbage Disposal: Yes, No, Dishwasher: Yes, No
Heating: Oil, Natural Gas, Electric, Heat Pump, Age, Other
Air Conditioning: Oil, Natural Gas, Electric, Heat Pump, Age, Other
Hot Water: Oil, Natural Gas, Electric, Capacity, Age, Other

Please indicate your actual knowledge with respect to the following:

- 1. Structural Systems, including Roof, Walls, Floors, Foundation and any Basement: Any known defects (structural or otherwise)?
2. Basement: Any leaks or evidence of moisture?
3. Roof: Any leaks or evidence of moisture?
4. Fireplace/Chimney(s): In working condition?
5. Plumbing System: Is the system in working condition?
6. Septic/Sewer Systems: Is the System functioning properly?
7. Water Supply: Any problems with water quality or supply?
8. Heating System: Is heat supplied to all finished rooms?
9. Air Conditioning system: Is cooling supplied to all finished rooms?
10. Electric System: Are there any problems with electrical fuses/circuit breakers, outlets or wiring?

11. Insulation:

- In exterior walls? Yes No Unknown
- In ceiling/attic? Yes No Unknown
- In other areas? Yes No Unknown

Comments: _____

12. Exterior Drainage: Does water stand on the property for more than 24 hours after a heavy rain?

- Yes No Unknown
- Are gutters and downspouts in working condition?
- Yes No Unknown Does Not Apply

Comments: _____

13. Wood-destroying organisms: Any infestation and/or prior damage?

- Yes No Unknown
- Any treatments or repairs?
- Yes No Unknown

Comments: _____

14. Are there any substances, materials or environmental hazards (including, but not limited to asbestos, radon gas, lead-based paint, underground storage tanks, or other contamination) or other adverse environmental site conditions on or affecting the property?

- Yes No Unknown

Comments: _____

15. Are there any additions, structural modifications or other alterations or repairs made without required permits or not in compliance with building codes?

- Yes No Unknown

Comments: _____

16. Are there any zoning violations, nonconforming uses, violations of building restrictions or setback requirements, or any recorded or unrecorded easements, except for utilities, on or affecting the property?

- Yes No Unknown

Comments: _____

17. Are there any pending enforcement actions pursuant to the Uniform Statewide Building Code (§36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the property of which you have been notified in writing by the locality?

- Yes No Unknown

Comments: _____

18. Are there any other material defects affecting the physical condition of the property?

- Yes No Unknown

Comments: _____

19. Are there any defects in the following, if installed in the property?

- Water treatment system
- Yes No Unknown Does Not Apply

Comments: _____

- Lawn sprinkler system
- Yes No Unknown Does Not Apply

Comments: _____

- Security system
- Yes No Unknown Does Not Apply

Comments: _____

20. Is the property located in a historic district designated by the locality pursuant to §15.2-2306?

- Yes No Unknown

Comments: _____

21. Is the property subject to covenants and restrictions, the VA Condominium Act, VA Property Owners Association Act or Real Estate Cooperative Act?

- Yes No Unknown

Comments: _____

22. If the property on which the new dwelling is situated is located wholly or partially in any locality comprising Planning District 15*:

A. Were there any mining operations previously conducted on the property?

- Yes No Unknown

B. Are there any abandoned mines, shafts or pits present on the property?

- Yes No Unknown

Comments: _____

*Planning District 15 includes the Town of Ashland, City of Richmond, Charles City County, Chesterfield County, Goochland County, Hanover County, Henrico County, New Kent County and Powhatan County.

THE MORTGAGE LOAN PROCESS

The majority of home purchases involve financing obtained from an institutional lending source. Whether that source is a mortgage loan broker, a federal savings bank or the bank you've been associated with your entire "banking life," you, as the borrower, will be required to supply that Lender with a myriad of documents. The purpose of obtaining this information is to document and support your request that the Lender invest its money for your purchase of a home.

Throughout the mortgage loan process you will be assisted by various representatives of the Lender who are responsible for compiling your personal financial information and for presenting that information in a manner that will best support your request for financing. Generally, the first person you will work with will be the mortgage loan officer or mortgage banker, who will help you complete a loan application and provide you with a list of documents you will need to provide the Lender (following this explanation, you will find a list of documents which are typically required for loan approval). You may wish to collect these documents prior to loan application to expedite the approval process. This list is not all-inclusive, but does include the basic documents required to support your application.

Assisting both you and the loan officer will be the loan processor. The processor's role is to oversee your loan application as it proceeds toward loan approval and to manage your file. The processor is responsible for obtaining documentation from you, the credit bureau, the appraiser, and your insurance company, as well as others. It is important that you communicate with the processor frequently and provide requested information in a timely fashion or you may run the risk of being in default under Paragraph 9(C) of the Contract. Your ability to communicate with the Lender and to quickly provide needed documentation will expedite the loan approval process.

On the previous page, you will find a flow chart which will familiarize you with the general path that your loan will follow. Be aware, although the time frames noted are estimates, they can be greatly delayed if you, the borrower, do not provide complete and accurate information.

The loan officer and processor are bound by guidelines set by both the Lender's risk assessors ("underwriters"), as well as guidelines imposed by the secondary mortgage market and governmental regulations. Your loan officer and loan processor will interpret these guidelines for you so that they may be quickly satisfied.

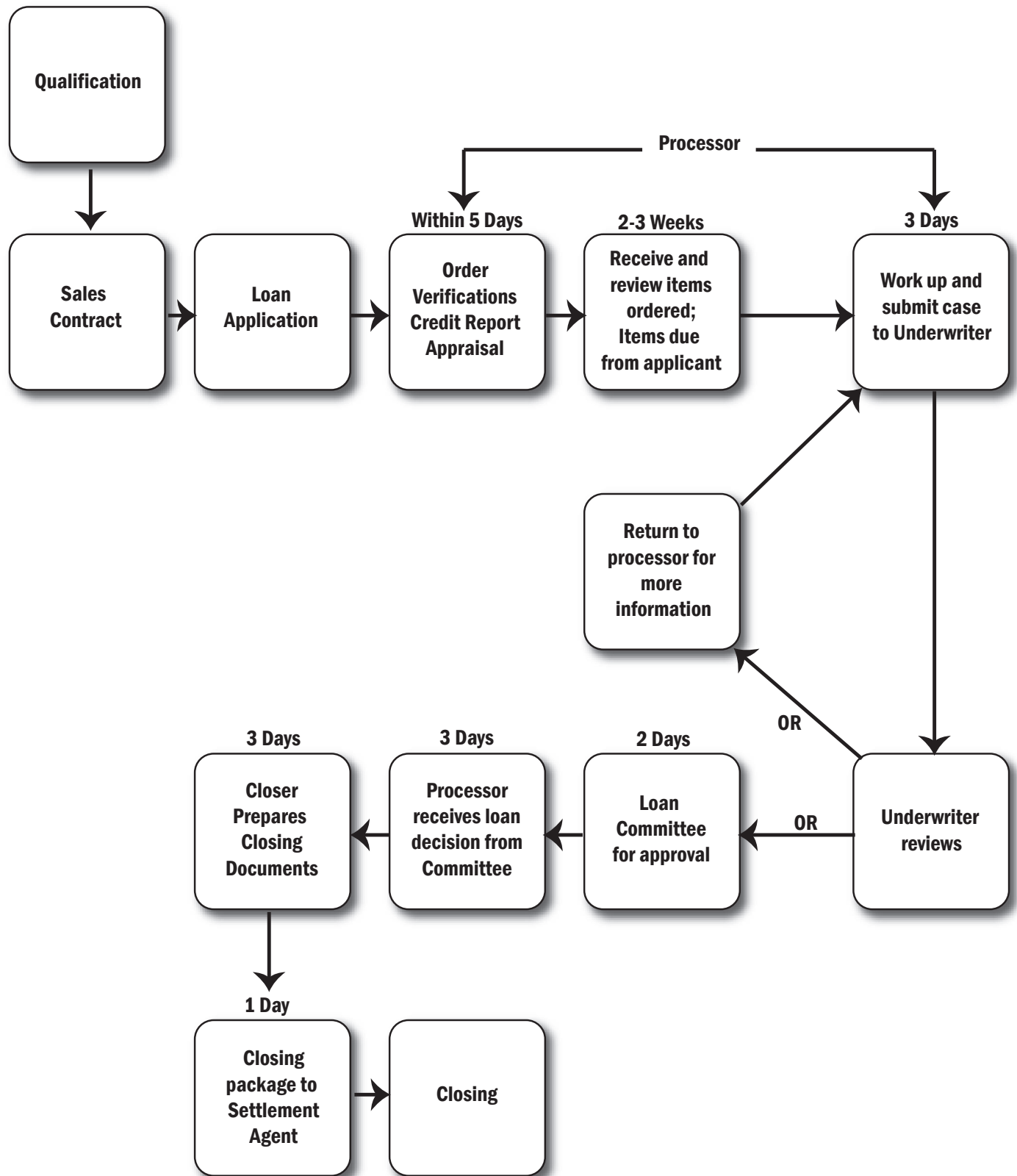
ESTIMATE YOUR MORTGAGE PAYMENT

Multiply your monthly payment per thousand by the number of thousands you plan to borrow.

Interest Rate	Monthly Payment Per Thousand Dollars		
	15 Years	20 Years	30 Years
4.25%	7.53	6.21	4.93
4.50%	7.65	6.34	5.08
4.75%	7.78	6.48	5.22
5.00%	7.91	6.60	5.37
5.25%	8.04	6.74	5.53
5.50%	8.18	6.89	5.69
5.75%	8.31	7.03	5.84
6.00%	8.44	7.17	6.00
6.25%	8.58	7.32	6.16
6.50%	8.72	7.46	6.33
6.75%	8.85	7.61	6.49
7.00%	8.99	7.75	6.65
7.25%	9.13	7.90	6.82
7.50%	9.27	8.06	6.99
7.75%	9.41	8.21	7.16
8.00%	9.56	8.36	7.34
8.25%	9.70	8.52	7.51
8.50%	9.85	8.68	7.69
8.75%	9.99	8.84	7.87
9.00%	10.14	9.00	8.05
9.25%	10.29	9.16	8.23
9.50%	10.44	9.32	8.41
9.75%	10.60	9.49	8.60
10.00%	10.75	9.66	8.78
10.25%	10.91	9.82	8.97
10.50%	11.06	9.99	9.15
10.75%	11.22	10.16	9.34
11.00%	11.37	10.33	9.53
11.25%	11.53	10.50	9.72
11.50%	11.69	10.67	9.91
11.75%	11.85	10.84	10.10

Visit www.UniversalSettlements.net for our Amortization Calculator

TYPICAL LOAN PROCESS FLOW CHART



Precise steps may vary from Lender to Lender and time frames are estimates only.
 Reminder: You must abide by the terms of your contract regarding loan application and loan approval.

ITEMS COMMONLY REQUIRED FOR LOAN APPLICATION

- Legible copy of the sales contract including all addenda signed by Buyer and Seller.
- Social Security Number of all applicants.
- Complete addresses for the past 7 years (including complete name and address of landlords for past 24 months).
- Name, address and all income earned from all employers for past 24 months.
- Copies of W-2 forms for the last two years.
- Copy of most recent year-to-date pay stub.
- Name, address, account number, monthly payment and current balance for installment loans, revolving charge accounts, student loans, mortgage loans and auto loans.
- Name, address, account number and balance of all deposit accounts, including: checking account, savings accounts, stocks, bonds, etc.
- Three months most recent statements for deposit accounts, stocks, etc.
- If you choose to include income from Child Support/ Alimony bring copies of court records or cancelled checks showing receipt of payment.

If you are applying for a VA Loan:

- DD-214, Certificate of Eligibility, or statement from your Commanding Officer if you are on active duty.

If you are self-employed or paid by commission:

- Previous two years Federal Income Tax Returns with all schedules and a year-to-date profit and loss statement.

If you own other properties:

- Address of properties and current market value.
- Any debt owed on properties; Lender's name, address, account number, monthly payment, and current balance.
- Copy of Federal Income Tax Returns with all schedules for previous 2 tax years.
- If rented; copy of lease(s).

If you have filed bankruptcy in the last seven years:

- Copy of petition and discharge, handwritten explanation of the reason for bankruptcy.

WHAT CAN YOU AFFORD?

To be considered for a mortgage, you generally have to meet two conditions before the Lender checks your credit. You must be able to afford the monthly payments of principal, interest, taxes and insurance (PITI), homeowner’s or condominium association fees, and you must have an adequate down payment. Below is a guideline of what you can afford and how some Lenders make this decision.

Check with your loan officer to determine the prevailing interest rates, required down payment percentage, and loan term. Typically, in addition to the mortgage you borrow from a Lender, you may be required to make a down payment—a percentage of the purchase price you must pay in cash.

There are a myriad of loan programs available. Work with your Agent, loan officer or loan broker to find out which program best suits your needs.

HOW MUCH CAN I BORROW?*		
	Column A	Column B
Annual income before taxes	\$ _____	
Divide by number of months	÷12	
Monthly gross income	\$ _____	\$ _____
<i>Record it in both columns. Perform operations only on figures in the same vertical columns.</i>		
Many Lenders will not allow you to spend more than 28% of your monthly gross income on housing expenses: (column B)	x .28	
Maximum monthly housing expense allowance: (column B)		= \$ _____
any Lenders allow 36% of monthly gross income for long-term debt:	x.36	
Long-term monthly expense allowance:	= \$ _____	
Figure out your total monthly long-term obligations below, and subtract it from the allowance:		
child support	\$ _____	
auto loan	\$ _____	
credit cards	\$ _____	
association fees	\$ _____	
other	\$ _____	
Total long-term obligations	\$ _____	= \$ _____
Look at the last amount in each column above. Record the smaller amount: \$ _____		
About 20% of the housing expense allowance is for taxes and insurance, leaving 80% for payment of mortgage (principal and interest):		
		x.80
Allowable monthly principal and interest (PI) expense:		= \$ _____
Divide by monthly payment per thousand dollars in “Estimate” chart		÷ _____
Multiply by \$1,000 to find what the Lender will lend		= \$ _____
* Sample chart based on conventional lender practices		

SETTLEMENT

BEFORE SETTLEMENT

When **Universal Settlements, LLC** receives your contract from either you or your real estate agent, we do the following (as required by your contract or Lender):

- 1** Order title examination/search;
- 2** Order House Location Survey from Surveyor;
- 3** Review title abstract and survey to determine marketability and insurability of property;
- 4** Contact your Lender to schedule settlement and prepare any required documents;
- 5** Contact the Seller's Lender to obtain the amount needed to pay off the Seller's existing loan(s);
- 6** Prepare title insurance commitment/binder pursuant to your Lender's requirements;
- 7** Contact the local taxing authority to verify the payment and amount of property taxes and determine prorations between the Buyer and Seller;
- 8** Contact Homeowner's or Condominium Association to verify the amount of homeowner's dues and determine prorations between the Buyer and Seller;
- 9** Obtain the loan documents and loan funding check or wire from your Lender;
- 10** Prepare the HUD-1 Settlement Statement, obtain the deed (prepared by Ridgway, Griffin, Kestner, Smyth, Stanton and Nalls, Chartered) and compile all other required documents for settlement.

Your Contract requires that funds due at settlement be in the form of a cashier's/certified check or bank wired funds. These costs include: the balance of your down payment, charges from your Lender, and the title company and government recording fees and taxes. Every mortgage Lender structures charges to the borrower differently, and the allocation of specific charges between you and the Seller will depend upon the type of loan and the allocation agreed upon in your sales contract. When you apply for your loan, your Lender will give you a **GOOD FAITH ESTIMATE** of closing costs which should include both the Lender's and title company's estimated charges, as well as recording fees and taxes. Keep in mind this is just an estimate; however, you may rely upon this sum when obtaining your cashiers check. **Universal Settlements, LLC** will refund any overage due to you at time of settlement and make arrangements with you for any additional amounts required at settlement.

Also, your Lender may require you to provide evidence of homeowner's insurance prior to settlement. Check with your loan processor prior to settlement to see if you are required to bring any additional documents to settlement.

DURING SETTLEMENT

A settlement officer from **Universal Settlements, LLC** will conduct the settlement. We will go through the settlement documents as you sign them, explaining the purpose of each. After all parties have signed, you will give us a cashier's/certified check and receive the keys to your new home. This process takes approximately an hour. If any problems arise during settlement, we will assist the parties in reaching an agreement. An attorney with Ridgway, Griffin, Kestner, Smyth, Stanton and Nalls, Chartered, General Counsel to **Universal Settlements, LLC**, may conduct your settlement.

Unless you are assuming an existing loan or paying cash, you will be signing many documents at settlement. The following are explanations of documents commonly executed at closing.

HUD-1 SETTLEMENT STATEMENT

The first document you will review and sign is the HUD-1 Settlement Statement. This form details all the charges and credits to the Buyer and Seller. The Buyer's figures are on the left-hand side of each page, the Seller's on the right. We have provided a sample of this document for your review on pages 46 and 47.

NOTE

The Note is your promise to repay the borrowed funds to your Lender. This document will detail the terms and conditions of your loan and the manner and form of repayment of the borrowed funds.

DEED OF TRUST

This document is a standardized security instrument filed at the courthouse to establish the Lender's lien on the property for the original principal amount of the loan. The Deed of Trust secures the home as the collateral for the repayment of the loan. This document provides that in the event of default or non-payment, the Lender may foreclose on the property, as provided by local law, in order to recoup the loan balance, interest and any other fees due to the Lender.

FIRST PAYMENT LETTER

This document indicates the total amount of your monthly payment. The total monthly payment will typically include principal and interest, as well as any escrow for taxes, hazard insurance or mortgage insurance.

LOAN APPROVAL LETTER OR LOAN COMMITMENT LETTER

This is a letter from the Lender which explains that your loan has been approved on certain terms and subject to certain requirements. The letter will state the terms of the loan (i.e., loan amount, interest rate, length of the loan). The Lender will also list any additional requirements, such as a hazard insurance policy naming the Lender as mortgagee, a survey or a termite report necessary to complete the loan.

LOAN APPLICATION

You may be asked to sign a typed copy of the loan application. This typed form is a confirmation of the form the loan officer filled out when you initially applied for the loan. The Lender is asking you to verify that the information was correct and that there have been no material changes in your employment, marital or financial status.

FLOOD INSURANCE

This document will inform you whether your home is located in a flood zone as determined by the Department of Housing and Urban Development. If the property is located in a flood zone, the Lender will require you to obtain flood insurance on the property; if it is not (as is usually the case in our area) the document states that if the Federal Government ever deems the property to be within a flood zone, the Lender may require you to obtain flood insurance.

TAX AUTHORIZATION

Some Lenders have you sign written instructions to the local real estate taxing authority. This authorizes the county or city to send a copy of the tax bill directly to the Lender who is holding money in escrow for payment of the bill.

AGGREGATE ESCROW DISCLOSURE/ANALYSIS

At settlement, your Lender should disclose to you how much will be in your escrow account after each monthly payment during the first year of the mortgage. It will also show when the bills for taxes, hazard insurance, and/or mortgage insurance will be paid.

HOUSE LOCATION SURVEY

If the home you are purchasing is a single family detached home or a townhouse, your Lender will require that you obtain, at a minimum, a House Location Survey. This document is prepared by a licensed surveyor for the purpose of showing the location of the improvements (structures) within the boundaries of the property. If you desire, you can request a Boundary Survey, which certifies the exact locations of your property lines and places readily visible monuments on the property corners. This type of survey is considerably more expensive. You may want to order this type of survey if you are concerned for any reason about your boundary line location or are contemplating construction or installation of fencing.

WOOD DESTROYING INSECT INSPECTION REPORT

You may be asked to acknowledge receipt of a copy of the termite inspection report. This report will indicate whether or not any evidence of infestation by wood-destroying insects and/or damage has been discovered by the inspector.

(A) Virginia taxes are paid in arrears. Here the Buyer is reimbursing the Seller for paid taxes.

(B) Sales Price per contract

(C) These charges are itemized in the second page

(D) Gross amount due (before credits)

(E) The amount of the deposit you submitted with your original contract offer

(F) Your loan amount

(J) Contract sales price

(K) Gross amount due to seller

(L) These charges are itemized on the second page.

(M) This is the principal balance of the Seller's loan plus all accrued, unpaid interest and charges.

(N) Any mandatory assessments (i.e. Homeowners or Condominium Association fees) will be proved.

(O) Total charges to Seller

A. Settlement Statement		U.S. Department of Housing and Urban Development		OMB Approval No. 2502-0265	
B. Type of Loan					
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input checked="" type="checkbox"/> Conv. Unins.	6. File Number: SAMPLE	7. Loan Number: 123456	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.);" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.					
D. Name & Address of Borrower:		E. Name & Address of Seller:		F. Name & Address of Lender:	
Mr. Buyer Ms. Buyer 123 South Street Pleasantville, VA 22222		Mr. Retiring Seller Ms. Retiring Seller 555 Sunny Lane Sunny, FL 12345		Sample Lender 5678 Money Avenue Anytown, VA 20800	
G. Property Location: 123 South Street Pleasantville, VA 22222 Lot 1 Block A			H. Settlement Agent: Universal Settlements, LLC Place of Settlement:		I. Settlement Date: 06/15/07
J. Summary of Borrower's Transaction			K. Summary of Seller's Transaction		
100. Gross Amount Due From Borrower			400. Gross Amount Due To Seller		
101. Contract sales price	(B)	500,000.00	401. Contract sales price	(J)	500,000.00
102. Personal property			402. Personal property		
103. Settlement charges to borrower (line 1400)	(C)	13,627.19	403.		
104.			404.		
105.			405.		
Adjustments for items paid by seller in advance			Adjustments for items paid by seller in advance		
106. City/town taxes to			406. City/town taxes to		
107. County taxes 06/15 to 06/30	(A)	265.19	407. County taxes 06/15 to 06/30	(A)	265.19
108. Assessments to			408. Assessments to		
109. HOA Adjustment 6/15/07 to 7/1/07	(N)	37.50	409. HOA Adjustment 6/15/07 to 7/1/07	(N)	37.50
110.			410.		
111.			411.		
112.			412.		
120. Gross Amount Due From Borrower	(D)	513,929.88	420. Gross Amount Due To Seller	(K)	500,302.69
200. Amounts Paid By Or In Behalf Of Borrower			500. Reductions In Amount Due To Seller		
201. Deposit or earnest money	(E)	20,000.00	501. Excess deposit (see instructions)		
202. Principal amount of new loan(s)	(F)	400,000.00	502. Settlement charges to seller (line 1400)	(L)	30,305.00
203. Existing loan(s) taken subject to			503. Existing loan(s) taken subject to		
204.			504. Payoff of first mortgage loan	(M)	256,000.00
205.			505. Payoff of second mortgage loan		
206.			506.		
207.			507.		
208.			508.		
209.			509.		
Adjustments for items unpaid by seller			Adjustments for items unpaid by seller		
210. City/town taxes to			510. City/town taxes to		
211. County taxes to			511. County taxes to		
212. Assessments 01/01 to 06/15			512. Assessments 01/01 to 06/15		
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517.		
218.			518.		
219.			519.		
220. Total Paid By/For Borrower	(G)	420,000.00	520. Total Reduction Amount Due Seller	(O)	286,305.00
300. Cash At Settlement From/To Borrower			600. Cash At Settlement To/From Seller		
301. Gross Amount due from borrower (line 120)		513,929.88	601. Gross amount due to seller (line 420)		500,302.69
302. Less amounts paid by/for borrower (line 220)		(420,000.00)	602. Less reductions in amt. due seller (line 520)		(286,305.00)
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	(H)	93,929.88	603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	(I)	213,997.69

(G) Total credits/ deposit/money borrowed

(H) Amount due from Buyer at settlement. Please bring a certified or cashier's check payable to **Universal Settlements, LLC.**

(I) Net Proceeds to Seller

P Points- Each point is 1% of the loan amount. Points vary depending on your loan program*

Q Most lenders require you to pay for an appraisal and credit report before closing. POC means Paid Outside of Closing

R Fees charged by your Lender for preparing and servicing your loan

S In addition to your monthly principal and interest payment, you will pay these amounts into your Lender's escrow account monthly

T This adjustment is made at settlement to ensure that you have only the minimum escrow amount needed to pay taxes and insurance bills

U Total title insurance premium. Unlike most insurance, you only pay for owner's title insurance once. Owner's and Lender's premiums are itemized on lines 1109 and 1110 and based upon filed rates.

L. Settlement Charges						Paid From Borrowers Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price \$	500,000.00	@	6.00	% =	30,000.00		
Division of Commission (line 700) as follows:							
701. \$	15,000.00	to	Buyer Broker, Inc.				
702. \$	15,000.00	to	Seller Broker, Inc.				
703. Commission paid at Settlement							
704. Realtor Administrative Fee					295.00		295.00
800. Items Payable In Connection With Loan							
801. Loan Origination Fee	1 %	to	Sample Lender			P 4,000.00	*
802. Loan Discount	%						
803. Appraisal Fee		to	Timely Appraisers		Q 350B		
804. Credit Report		to	Credit Check USA		27B		
805. Lender's Inspection Fee							
806. Tax Service Fee		to	Sample Lender			79.00	
807. Flood Certification Fee		to	Sample Lender			25.00	
808. Underwriting Fee			Sample Lender			150.00	
809. Document Preparation Fee			Sample Lender			400.00	
810.							
811.							
900. Items Required By Lender To Be Paid In Advance							
901. Interest from	06/15/07	to	07/01/07	@ \$	67.12 /day	16 days	Z 1,073.92
902. Mortgage Insurance Premium for						months to	
903. Hazard Insurance Premium for					a 1	years to	Hazard Co. 600B
904.						years to	
905.							
1000. Reserves Deposited With Lender							
1001. Hazard insurance	2	months@\$	S 50.00	per month			b 100.00
1002. Mortgage insurance		months@\$		per month			
1003. City property taxes		months@\$		per month			
1004. County property taxes	8	months@\$	S 500.00	per month			b 4,000.00
1005. Annual assessments		months@\$		per month			
1006.		months@\$		per month			
1007.		months@\$		per month			
1008. Aggregate Credit for Hazard/Flood Ins, City/County Prop Taxes, Mortgage Ins & Annual Assessments							T -50.33
1100. Title Charges							
1101. Settlement or closing fee		to					
1102. Abstract or title search		to					
1103. Title examination		to					
1104. Title insurance binder		to					
1105. Document preparation		to					
1106. Notary fees		to					
1107. Attorney's fees		to					
(includes above items numbers:)							
1108. Title insurance		to	Title Insurance Company				
(includes above items numbers:)							
1109. Lender's coverage		\$					
1110. Owner's coverage		\$					
1111.							
1112. R 5/E Filing Fee							f 10.00
1113.							
1200. Government Recording and Transfer Charges							
1201. Recording fees: Deed \$	V 33.00	; Mortgage \$	V 46.00	; Releases \$		79.00	
1202. City/county tax/stamps: Deed \$	417.00	; Mortgage \$	333.60			750.60	c
1203. State tax/stamps: Deed \$	1250.00	; Mortgage \$	1000.00			2250.00	
1204. County Transfer Tax -							
1205.							
1300. Additional Settlement Charges							
1301. Survey	to	Surveys, Inc.				W 350.00	
1302. Pest inspection	to	Termite and Pest Control				50.00	d
1303.		Pleasant HOA July Fee				75.00	
1304.							
1305.							
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)						X 13,627.19	e 30,305.00

Visit UniversalSettlements.net for our Closing Calculator or Call your local Universal Settlements, LLC Office for fees

Y Real estate commission and Administrative fees

Z Prepaid interest. In this case the first mortgage payment will be due August 1st. Interest accrues in arrears

a Homeowner's insurance must be obtained prior to closing and the first year's premium paid by the Buyer prior to closing

b These amounts are held by your lender in escrow to pay your future hazard insurance and property tax bills

c State and county transfer and recordation taxes. These charges are calculated as a percentage of the sales price and loan amount

d Fees for having the property inspected for wood destroying insects

e This amount is shown on Line 502 of Page 1

f Fee for filing Virginia State taxation form for non-residents or certification of residency

V Standard recording fees per Commonwealth of Virginia

W A house location survey is usually required by the Lender or title insurance company

X This amount is shown on Line 103 of page 1

* These items may be tax deductible. Check with your accountant or tax attorney.

TRUTH-IN-LENDING STATEMENT

Federal law requires the Truth-in-Lending disclosure be provided to each borrower. The purpose of this document is to disclose to the borrower an estimate of the annual cost, expressed as a percentage, known as the Annual Percentage Rate (A.P.R.), over the term of the loan. This

document also disclosed the total dollar amount paid in principal and interest over the life of the loan. The Annual Percentage Rate includes all costs and fees incurred in placing the loan. The A.P.R. is not the same as your note interest rate upon which your monthly payment is based.

TRUTH-IN-LENDING			
<p>ANNUAL PERCENTAGE RATE The cost of your credit at a yearly rate.</p> <p style="text-align: center; font-size: 1.2em;">A %</p>	<p>FINANCE CHARGE The dollar amount the credit will cost you.</p> <p style="text-align: center; font-size: 1.2em;">\$ B</p>	<p>AMOUNT FINANCED The amount of credit provided to you or on your behalf.</p> <p style="text-align: center; font-size: 1.2em;">\$ C</p>	<p>TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled.</p> <p style="text-align: center; font-size: 1.2em;">\$ D</p>

Q. What is a Truth -in -Lending Disclosure and why do I receive it?

A. The Disclosure is designed to give you information about the costs of your loan so that you may compare these costs with those of other loan programs or Lenders.

Q. What is the Annual Percentage Rate? (Box A.)

A. The Annual Percentage Rate (A.P.R.) is the cost of your credit expressed as an annual rate. Because you may be paying loan discount “points” and other “prepaid” finance charges at closing, the A.P.R. disclosed is often higher than the interest rate of your loan. This A.P.R. can be compared to the A.P.R. on other loan programs to give you a consistent means of comparing rates and programs.

Q. Why is the Annual Percentage Rate different from the interest rate for which I applied?

A. The A.P.R. is computed from the Amount Financed and based on what your proposed payments will be on the actual loan amount credited to you at settlement. In a \$50,000 loan with \$2,000 Prepaid Finance Charges, a 30-year term, and a fixed interest rate of 12%, the payments would be \$514.31 (principle and

interest). Since the A.P.R. is based on the Amount Financed (\$48,000), while the payment is based on the actual loan amount given (\$50,000), the A.P.R. (12.553%) is higher than the interest rate.

Q. What is the Finance Charge? (Box B.)

A. The Finance Charge is the cost of credit expressed in dollars. It is the total amount of interest calculated at the interest rate over the life of the loan, plus Prepaid Finance Charges and the total amount of any required mortgage insurance charged over the life of the loan.

Q. What is the Amount Financed? (Box C.)

A. The Amount Financed is the loan amount applied for, minus the Prepaid Finance Charges. Prepaid Finance Charges include items paid at or before settlement, such as loan origination, commitment or discount fees (“points”), adjusted interest, and initial mortgage insurance premium. The Amount Financed is lower than the amount you applied for because it represents a NET figure. If you applied for \$50,000 and the Prepaid Finance Charges total \$2,000, the Amount Financed would be \$48,000.

BUYER'S ESTIMATE OF SETTLEMENT CHARGES

Below is an explanation of some of the more common charges.

LENDER'S FEES

Points - Known as discount fees and/or origination fees. Each point is a percentage of the loan amount (i.e. 1 (one) point of a \$100,000.00 loan is \$1000.00). For an FHA loan, the origination fee is a percentage of the base loan amount and the discount points are based on the base loan amount plus the financed mortgage insurance premium.

Document Preparation/Underwriting/Document Review/Processing Fee - An administrative fee(s) the Lender charges to prepare/process the loan documents that you sign at settlement.

Tax Service Fee - The fee charged by the Lender for setting up or retaining a tax paying service.

Flood Certification Fee - This fee is charged to determine whether the property is located within a flood hazard zone.

PMI (Private Mortgage Insurance) - Generally charged by Lenders on conventional loans when the down payment is less than 20% of the purchase price of the property

MIP (Mortgage Insurance Premium) - Generally charged on FHA loans. This is paid in a one-time premium up front, plus monthly payments for the term of the loan.

Pre-paid Interest - Daily interest based on your loan amount and interest rate calculated from settlement to the first day of the following month.

PLEASE NOTE - not all Lenders charge all of these fees on every loan and some Lenders have other fees in certain cases.

YOU SHOULD CONTACT YOUR LENDER DIRECTLY FOR THEIR FEES.

ESCROWS

An escrow is money that the Lender will hold until future bills are received. Usually the Lender holds funds in escrow to pay the hazard insurance, monthly mortgage insurance, if any, and property taxes. To determine the monthly amount, take the annual amount of each bill and divide by twelve. The **Buyer's Settlement Costs Worksheet**, on the following page, indicates how many months of each type of escrow the Lender is likely to require at settlement.

SETTLEMENT FEES

Settlement Fee - The fee paid to **Universal Settlements, LLC** for its services. We prepare documents, examine the title abstract, conduct the settlement, coordinate with the Lender and all other parties, disburse funds, record documents, procure and record releases of existing liens, issue title insurance policies and more.

Title Abstract/Examination - The fee paid to search the public land records to verify ownership of property. The title examination indicates the loans and other liens that must be satisfied from the Seller's proceeds at settlement.

Title Insurance Premium - The amount paid for title insurance coverage is based upon the loan amount and the purchase price as determined by rates filed by the Title Underwriter with each jurisdiction's insurance commission.

Miscellaneous - Binder Preparation - The binder is the commitment to issue title insurance required by your Lender prior to settlement.

Courier/Document Delivery Fee - This fee covers the delivery, both prior to and after settlement, of the loan document, as well as delivery of the documents for recording to the appropriate courthouse. In order to expedite the opening of your mortgage servicing account, Lenders require the return of the original loan documents via local courier or next-day overnight delivery.

GOVERNMENTAL RECORDING CHARGES

County and State Transfer and Recordation Taxes - The various local and state governments charge transfer and/or recordation taxes on the purchase of a home. Your Real Estate Agent can calculate these amounts for you or call **Universal Settlements, LLC** for more information.

OTHER COSTS

Survey - The fee for a house location survey showing the approximate location of the improvements within the boundaries of the property. You may choose to order a boundary survey certifying the exact location of the boundaries and improvements. Boundary surveys are considerably more expensive than house location surveys.

Homeowner's Association or Condominium Fees -

If applicable, this fee will usually be the next month's fee; in addition, you will reimburse the Seller for the portion prepaid by seller.

Property Taxes - You will reimburse the Seller for any prepaid taxes and establish the escrow account for payment of future tax bills by your lender.

BUYER'S SETTLEMENT COSTS WORKSHEET

1	BALANCE OF DOWN PAYMENT (Purchase price - loan amount - earnest money deposit)	_____
2	LENDER'S FEES (Call your Lender for an estimate)	
	1) Origination Fee and Discount Points to be paid by Buyer (One point is one percentage point of the loan amount.)	_____
	2) Document Preparation Fee	_____
	3) Tax Service Fee	_____
	4) First year PMI premium or FHA MIP, if any	_____
	5) Other Fees	_____
3	ESCROWS (Annual Rate divided by 12 equals the monthly escrow)	
	1) Homeowner's Insurance (2 months)	_____
	2) PMI (2 months)	_____
	3) Real Estate Tax (Includes reimbursement to Seller of any prepaid taxes, up to 10 months in jurisdictions that require tax payment twice a year, up to 14 months in jurisdictions that require tax payment once a year)	_____
4	SETTLEMENT FEES (Call Universal Settlements, LLC for an estimate)	
	1) Settlement Services	_____
	2) Title Examination or Title Search	_____
	3) Title Insurance Premium	_____
	4) Miscellaneous Fees (messenger, copies, document preparation)	_____
5	GOVERNMENTAL RECORDING CHARGES	
	Recording Fees	
	1) County Recordation Tax	_____
	2) State Recordation Tax	_____
	3) State Grantors Tax	_____
6	OTHER COSTS	
	1) Survey	_____
	2) Homeowners' or Condo Fees	_____
	3) Miscellaneous	_____
	TOTAL ESTIMATED CHARGES	_____

This is simply an estimate. Please call us or your lender to verify this amount and then bring to settlement the appropriate amount in the form of a cashier's or certified check or bank wired funds payable to **Universal Settlements, LLC**.

SELLER'S SETTLEMENT COSTS WORKSHEET

AMOUNTS DUE TO SELLER:

Contract Sales Price \$ _____

Property tax and other escrow funds held by your mortgage Lender
(usually refunded by the Lender within one month after settlement) \$ _____

Prorated portion of prepaid taxes \$ _____

Prorated portion of prepaid homeowner's dues \$ _____

Other \$ _____

GROSS AMOUNT DUE TO SELLER \$ _____

AMOUNTS DUE FROM SELLER:

Brokerage commission \$ _____

Settlement Fee to Title company \$ _____

Attorney's Fees (For document preparation) \$ _____

Release recordation / preparation fees \$ _____

Seller's portion of transfer and recordation taxes \$ _____

Cost of any necessary woodboring insect infestation treatment \$ _____

Seller concessions / Credits / Points \$ _____

Balance of any indebtedness secured by the property \$ _____
(mortgage / home equity loans / liens)

Other charges \$ _____

TOTAL PAID BY SELLER \$ _____

NET AMOUNT DUE TO SELLER:

Gross Amount Due (from above) \$ _____

Less: Total Paid (from above) \$ _____

NET AMOUNT DUE* \$ _____

*Disbursement of the Seller's proceeds will be determined by the availability of funds. Should the Seller require their proceeds immediately for another settlement, contact **Universal Settlements, LLC** so that the transfer of these funds can be coordinated. If you wish to have your funds wired to you, be sure to provide, prior to settlement, written wiring instructions for the account to which you would like your proceeds wire transferred. There may be a nominal charge for this service. If you are required to bring money to settlement, make sure it is in the form of a Certified or Cashier's check or bank wired funds.

AFTER SETTLEMENT

In order to complete the settlement process, we do the following, as required: (1) record the deed, deed of trust or assumption documents among the land records of the appropriate courthouse, (2) audit the disbursement sheet, (3) disburse all funds and proceeds in accordance with the figures on the HUD-1 Settlement Statement, (4) send the Lender the required package of all signed and copied documents, (5) pay off the Seller's Lender(s), if any, obtain, prepare and record a release of the Seller's deed(s) of trust, and (6) disburse any funds required to be escrowed at closing and (7) issue the title insurance policies.

WHAT IS TITLE INSURANCE?

Before answering "what is title insurance," it might be best to first answer "what is title". "Title" refers to legal ownership of real property. Among other things, it means that you have the legal right to possess, occupy, peacefully enjoy and sell your property without interference from others, subject only to restrictions imposed by governmental authorities or previous owners. In most cases, title is transferred by deed, which is recorded in the land records of the city or county, in which the property is located. Generally, when property is sold, the title examiner goes to the record room of the local courthouse and searches the land records for any title defects.

A title defect is anything in the history of ownership of real estate which may encumber the owner's rights under the title. A title defect may cause the owner of real property to lose all or part of his land to a superior ownership interest or claim of another. This is the type of loss against which title insurance protects. In short, if you own a title insurance policy, the title insurance company will defend you, without cost, against an attack or claim upon your ownership interest in your property. The owners title insurance premium is paid one time—at the time of settlement—and coverage extends to you for your protection as long as you own the property and even thereafter in some cases.

If my title has been examined, why isn't that enough?

There are many defects which even the most meticulous search of the land records will not uncover. For instance, it is impossible for an examiner to know whether all deeds, mortgages and judgments affecting the property have been properly indexed in the land records; whether all signatures are valid; or whether an unknown heir of a previous owner has a valid claim against the property. Without owner's title insurance, you may have no recourse for recovery from these types of problems.

If I am required to purchase Lender's insurance, why do I need Owner's coverage as well?

In almost every instance, a Lender will require you to purchase Lender's title insurance protecting them up to the value of their loan on the property. This coverage only protects the Lender, not the Buyer, and the coverage diminishes as the loan is paid down. As you build more equity in the property, you expose yourself to a higher risk of loss occasioned by a title defect. In this situation, the protected Lender will suffer no loss while you bear the substantial risk of the damage. Many title insurance underwriters offer Buyers a choice between two different types of owners title insurance policies. These policies are offered at different rate premiums and offer different types of coverage. Call the **Universal Settlements, LLC** office most convenient to you for information and pricing of available owner's title insurance policies. Ask about the enhanced title insurance that may be available to you.

IMPORTANT REASONS WHY YOU SHOULD HAVE OWNERS TITLE INSURANCE

Owner's Title Insurance (Alta 1992 Policy) will protect you against those hidden risks which would not be disclosed by even the most meticulous search of public records.

- 1** Forgery.
- 2** Fraud in connection with execution of documents.
- 3** Undue influence on a grantor or executor.
- 4** False impersonation by those purporting to be owners of property.
- 5** Incorrect representation of marital status of grantors.
- 6** Undisclosed or missing heirs.
- 7** Wills not properly probated.
- 8** Mistaken interpretation of wills and trusts.
- 9** Mental incompetence of grantors.
- 10** Conveyance by a minor.
- 11** Birth of heirs subsequent to date of will.
- 12** Incorrect legal descriptions.
- 13** Non-delivery of deeds.
- 14** Unsatisfied claims not shown on record.
- 15** Deeds executed under expired or false powers of attorney.
- 16** Confusion due to similar or identical names.
- 17** Dower or courtesy rights of ex-spouses or former owners.
- 18** Incorrect indexing.
- 19** Clerical errors in recording legal documents.
- 20** Delivery of deeds after death of grantor.

NEW BENEFITS AND SPECIAL FEATURES FOR OWNERS WITH ENHANCED OWNER'S TITLE INSURANCE

The enhanced owner's policy has some new elements of coverage.

- 1** Insures pedestrian or vehicular access.
- 2** New zoning coverage insures that land is properly zoned for a residential 1-4 family home or condominium.
- 3** Protection is provided against a neighbor building onto the homeowner's property without permission.
- 4** Forgeries affecting title after the date of policy are covered.
- 5** Mechanic's lien coverage is provided for work done prior to the date of policy unless the owner agreed to the work.
- 6** Subdivision protection (with a \$10,000 limit) covers the owner in case the land is a portion of an improperly created subdivision.
- 7** Coverage up to \$25,000 is provided in the event an existing structure must be removed by the owner because of:
 - Failure to obtain a building permit
 - Encroachment onto the land of a neighbor
 - Violation of restrictions

Owners may rely on the enhanced policy to provide exceptional protection for investments in residential 1-4 family structures or residential condominiums.

IN CLOSING...

Buying a home may be the single most important investment you will make. It is critical that you understand the process and your options so that you can make an informed and rational decision on every aspect of the home buying process. This is why we have provided you with a guide. Your choice of real estate agent, loan officer, and title company is as important as your choice of which home to buy. Finding the right professionals who understand your needs, preferences and resources can make the difference in whether your experience is smooth and efficient or lengthy and plagued with difficulty.

Do your research - it will be worth the effort. Talk to your friends and business associates for referrals. Your real estate agent can also refer you to a Lender and title company with whom they have had successful transactions and provide the excellent service you deserve.

At **Universal Settlements, LLC**, we welcome your questions. Not only are we happy to answer questions regarding our fees, or the services we perform, but we can also help you understand or solve most of the problems which can occur during the home buying process.

YOUR SEARCH FOR A SETTLEMENT COMPANY

When choosing a title/settlement company, don't just compare prices - compare services. Most title companies will offer a basic range of services. These "basics" include preparation and recordation of the closing documents and disbursement of funds. Title companies who only offer these basic services may appear cheaper - but you need to ask yourself whether your best interest will be served by cutting corners.

Ask questions: Will the title company work with your Lender to avoid scheduling problems, to make sure all title and survey requirements are met, and to resolve any unresolved or unexpected issues at settlement? Will the title company work with your real estate agent to ensure compliance with the sales contract and to alert them of any potential title or survey problems? Will the title company work with you to answer questions you have about the closing documents or the settlement process and provide you with your final settlement charges as soon as possible before settlement? And finally, is the title company represented by legal counsel who is available to you and your real estate agent to help avoid or resolve the many legal problems which occur during the home buying process?

Our attorneys are experienced in real estate law and have dealt with most issues that could arise in the home buying process. For that reason, many of the area's top real estate agents have come to rely upon **Universal Settlements, LLC** and the attorneys of **Ridgway, Griffin, Kestner, Smyth, Stanton and Nalls, Chartered**.

In each and every aspect of the closing process, we are committed to excellent service. We believe it is essential for an investment as important as your new home. At **Universal Settlements, LLC**, we draw upon the experience of our professional staff to provide you with the very BEST in settlement services.

PLANNING FOR YOUR MOVE

Planning and preparing down to the last few details will make your move easier. The following checklist will help you develop a schedule to keep you on track as you approach moving day.

8 WEEKS BEFORE THE MOVE

- Get estimates from moving companies. If you are moving yourself, get estimates from truck rental companies.
- Use up things that can't be moved—such as the food in your freezer and flammable household aerosol cleaning supplies.

6 WEEKS BEFORE THE MOVE

- Meet with your mover to discuss costs, insurance, packing, loading, delivery, and any claims procedure.
- Inventory your possessions.
- Get copies of records from doctors, dentists, lawyers, accountants, etc. Make arrangements to transfer your children's school records.
- Fill out a change of address form with the Post Office. Don't forget about changing the address on magazine subscriptions, catalogs, creditors, etc.
- Speak to an accountant or the IRS about tax deductible moving expenses.

4 WEEKS BEFORE THE MOVE

- If you have contracted to have the mover do all the packing for you, arrange to have this completed a day or two before loading the truck.
- If necessary, arrange for storage.
- If you are moving yourself, figure out how many boxes you'll need. (Many truck rental companies will provide this service.)

3 WEEKS BEFORE THE MOVE

- Assemble packing materials.
- Begin packing items that you won't need.
- Arrange to transfer utilities and services from your old home to your new home.
- Make travel and hotel reservations.
- Get car license, registration, and insurance in order, as necessary.

2 WEEKS BEFORE THE MOVE

- Arrange to transfer all of your bank accounts to new branch locations.
- Cancel any direct deposit or automatic payment arrangements on bank accounts you are closing.
- Cancel delivery services.

1 WEEK BEFORE THE MOVE

- Transfer all medical prescriptions to a pharmacy in your new location.
- Don't forget about your pets.

2 OR 3 DAYS BEFORE THE MOVE

- Defrost your refrigerator and freezer.
- Have the movers pack your shipment.
- Arrange to have cash, a certified check, or money order ready to pay the driver on delivery day. Set aside valuables and legal documents to go with you, not on the van.
- Pack your first-day handy items (see "Delivery Day") to go with you.

MOVING DAY!

- Do-it-yourself movers should pick up the truck early.
- Make a list of every item and box loaded onto the truck. Let the mover know where you can be reached.
- Check your old house to make sure you have turned off the water and that no leave-behind appliances are running. Inspect the basement, attic, and garage.
- Lock up all doors and windows. Be on hand to answer questions and give directions to the mover.

DELIVERY DAY

ASSEMBLE FIRST-DAY HANDY ITEMS:

- | | |
|---|---|
| <input type="checkbox"/> Scissors | <input type="checkbox"/> Shelf liner |
| <input type="checkbox"/> Utility knife | <input type="checkbox"/> Soap |
| <input type="checkbox"/> Coffee cups | <input type="checkbox"/> Pencils & Paper |
| <input type="checkbox"/> Instant coffee, tea, soft drinks | <input type="checkbox"/> Local Phone Book |
| <input type="checkbox"/> Tea kettle | <input type="checkbox"/> Masking tape |
| <input type="checkbox"/> Paper plates | <input type="checkbox"/> Bath towels/Bed Linens |
| <input type="checkbox"/> Paper towels | <input type="checkbox"/> Trash bags |
| <input type="checkbox"/> Toilet paper | <input type="checkbox"/> Toiletries kit |
| <input type="checkbox"/> Toilet paper | <input type="checkbox"/> Pet food |
- Check off all boxes and items as they come off the truck.
 - Install new locks.
 - Make sure the utilities are hooked up/transferred.
 - Be on hand to answer questions, pay the driver, give directions, and examine your goods.

GLOSSARY

Adjustable Rate Mortgage (ARM) — interest rates on this type of mortgage are periodically adjusted up or down, depending on a specified financial index.

Agent — acts on behalf of another, representing that person's interests and serving as an intermediary.

Aggregate Escrow Accounting — a required method of accounting for and reconciling the borrower's escrow account. Limits the amount of excess or "cushion" the Lender may retain or require in an escrow account.

Amortization — a method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of principal to interest changes over time. In the early part of the loan, principal repayment is very small and interest repayment very high; at the end of the loan, that relationship is reversed.

Annual Percentage Rate (APR) — the actual finance charge for a loan, expressed as a percentage, including any points and loan fees paid by borrower in addition to the stated interest rate.

Appraisal — an expert judgment of the value or worth of a property. Completed by a licensed appraiser and required by the Lender as a condition of loan approval.

APR - See "Annual Percentage Rate"

ARM — see "Adjustable Rate Mortgage"

Assessed Value — the value placed on property by a municipality for purposes of levying taxes. It may differ widely from appraised or market value.

Assumption of Mortgage — Buyer assumes liability for an existing mortgage note held by the Seller. This is subject to approval by the Lender, who must be willing to approve the Buyer and release the Seller from liability on the loan.

Balloon Payment — a large principal payment due all at once at the end of some loan terms.

Cap — limit on how much the interest rate can change in an ARM.

Closing — see "Settlement"

Commission — fee (usually a percentage of the property sales price) paid to a real estate brokerage for services performed.

Condominium (Condo) — type of real estate ownership where the owner has title to a specific unit and shared interest in common areas.

Contingency — a condition in a contract that must be satisfied or removed for the contract to be binding.

Contract — binding written legal agreement between two or more parties that delineates the conditions for the exchange of value (for example: money exchanged for title to property).

Conversion Clause — a provision that allows an ARM to be changed to a fixed-rate loan after a specified interval and after all required conditions are met.

Deed — legal document that formally conveys ownership of property from the Seller to Buyer.

Deed of Trust — legal document that formally conveys ownership of property from the Buyer to a Trustee for the purpose of securing the Lender's claim on the property pending repayment of the loan.

Disclosure and Disclaimer Statements — as required by Title 55 Chapter 27 of the Code of Virginia, known as the Virginia Residential Disclosure Act, a Buyer of residential real property is entitled to receive from the Seller (except in certain circumstances) either a property Disclosure or property Disclaimer. The Disclosure Statement is a written statement prepared by the Seller, disclosing defects or other information about the condition of the property actually known by the Owner/Seller. A Disclaimer Statement is a statement by the Seller that, except for the warranties contained in the Property Condition paragraph of the residential contract, the property is being sold "as is," meaning the Seller is making no warranties or representations as to matters or conditions affecting the property.

Down Payment — percentage of the purchase price that the Buyer must pay in cash and may not borrow from the Lender.

Earnest Money — Deposit paid by Buyer when the sales contract is ratified by all parties.

Equity — the value of the property actually owned by the homeowner: purchase price plus appreciation plus improvements, less mortgages and liens.

Federal Home Loan Mortgage Corporation (FHLMC, called “Freddie Mac”) — privately owned corporation created by Congress that buys mortgage notes from local lenders and is responsible for the guidelines a majority of lenders use to qualify borrowers.

Federal National Mortgage Association (FNMA, called “Fannie Mae”) — privately owned corporation created by Congress that buys mortgage notes from local lenders and is responsible for the guidelines a majority of lenders use to qualify borrowers.

Finance Charge — the total cost, including all fees, points and interest payments a borrower pays to obtain credit.

Fixed Rate Mortgage — interest rates on this type of mortgage remain the same over the life of the loan term.

Fixture — a recognizable object (such as a toilet bowl, kitchen cabinet, or light unit) that is permanently attached to property and belongs to the property when it is sold.

Hazard Insurance — compensates for property damage from specified hazards such as fire and wind. Insurance must be obtained prior to settlement by the Buyer.

Home Inspection Report — prepared by a qualified inspector, it evaluates a property’s structural and mechanical systems.

HUD-1 (Settlement Statement) — a precise breakdown of closing costs for both Sellers and Buyers.

Interest — the cost of borrowing money, usually expressed as a percentage over time.

Lead-Based Paint and Lead-Based Paint Hazards — houses and apartments built before 1978 may have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards to children and/or women of child bearing age, if not taken care of properly.

Lien — a secured claim on property until a debt is satisfied.

Listing Contract — agreement whereby an owner engages a real estate agent for a specified period to sell property, for which sale the agent receives a commission.

Market Price — the actual price at which a property sold.

Market Value — the price that is established by present economic conditions, locations, and general trends.

Metropolitan Regional Information System (MRIS) — a system that provides to its members detailed information about properties for sale throughout the Washington Metropolitan area.

Mortgage — security claim by a Lender against property until the debt is paid.

Negative Amortization — type of loan product where by monthly payments aren’t enough to cover interest costs, the additional amounts of interest due is added to the principal balance. Borrowers have the potential of a higher principal balance over time.

Origination Fee — application fee(s) for processing a proposed mortgage loan, usually a percentage of the loan balance.

PITI — principal, interest, taxes, and insurance, forming the basis for monthly mortgage payments.

Point — A percentage of the loan principal. Charged in addition to interest and fees. Typically paid up front to guarantee a specified interest rate.

Prepayment Penalty — a fee paid by a borrower who pays off the loan before it is due according to terms of loan.

Prequalification — informal estimate by a lender of how much financing a potential borrower might expect to obtain.

Principal — one of the parties to a contract; or the amount of money borrowed, for which interest is charged.

Prorate — divide or assess proportionately.

Radon Gas — a naturally occurring emission of gas from the ground. Studies have shown that extended exposure to high levels of radon gas can adversely affect human health.

REALTOR® — a member of the National Association of REALTORS® and/or local realtor association.

Settlement — culmination of legal and financial transaction required to make the contract terms finalized and transfer title of property to Buyer.

Time is of the Essence — a legal concept that when applied makes a time frame absolute. Violation of a stated time frame under this theory is a breach of the contract term.

Title — document that indicates ownership of a specific property, i.e. a deed.

Title Insurance — protects against loss from legal defects in the title.

Title Search — detailed examination of the land record for a customarily prescribed period of time during the history of a property.

Types of Ownership — There are four types of ownership. They are:

- a. **Sole Ownership** — Only one person/entity owns the property entirely.
- b. **Tenants in Common** — Two or more persons have a divided and specific ownership in the property. The percentage of ownership need not be equal; each party has a right to sell their interest, and upon the death of that owner, his interest in the property passes to his heirs.
- c. **Joint Tenants** — Ownership taken by two or more persons at the same time in equal percentages with an undivided right to possession. If one owner dies, his or her interest automatically passes to the remaining owner(s) through a right of survivorship.
- d. **Tenants by the Entirety** — Owners are husband and wife and together they hold title to the property with a right of survivorship. Upon the death of either, the survivor takes sole ownership of the entire property by operation of law.

Notes

Notes