



Ten in Ten

Ten Closing Hints/Reminders from Land Title in Ten Minutes

Liv Sotheby's International Realty

June 19, 2017

Presented by Brooke Roberts, Director of Sales and Marketing

1-Wire Fraud and Secure E-Mail: The Real estate industry is the biggest target for hackers. Communicate with your client about all parties involved in the transaction and how they will be communicating with them (secure etc.). Never send sensitive information unsecure, don't open suspicious e-mails, clean out e-mails, change user names, passwords, anti-virus, and double check and verify recipient of wire's info. Land Title sends all sensitive info out secure.

2-2% withholding: Communicate with all out of state Sellers prior to the listing and closing. Colorado Real Estate valued more than \$100K are subject to a withholding tax in anticipation of any Colorado income tax that could be due on the gain of the sale. The withholding is 2% of the sales price.

3-FIRPTA: Do you have an International (Foreign) client? Will the buyer be using the property as a primary residence? Yes=no FIRPTA. No=15% Withholding at time of the sale. This all depends on the sales price as well: \$300K to \$1M and primary residence= 10% withholding. If buyer isn't using the property as a primary residence=15% withholding. Withholding rate is 15% no matter what if sales price is over \$1M. They will also need a US tax ID number. Have them seek professional accounting advice. We recommend: Stephanie Novosad: 970.748.8061 stephanie.novosad@nla-cps.com.

4-TD 1000 Real Property Transfer Declaration: Provides the Assessor's office with the accurate information for all sales of Real Property in the county. #5: Personal Property- was it included in the sales price? The value of the personal property must be subtracted from the sale price to determine the sale price of real property transferred. #9: Condition of the property at time of sale.

5-What to bring to Closing: Two valid forms of ID (Photo Valid Driver's License or Passport) and many lenders are requiring a 2nd form of ID with a loan. Don't forget the cashier's check, or wiring instructions.

6-Good Funds: Cashier's Checks, Wires and Cash Deals: All original documents must be received, all funds must be in our escrow account, and funding conditions from the lender must be reviewed and approved to disburse. Keep in mind 2PM is Land Title's wire deadline. Fridays after Noon and long Holiday weekends etc. are not ideal closing dates/times.

7-Mail Outs: All documents must be signed exactly as requested, proper notarization, out of county notarizes must be in English, and original documents must be received prior to disbursement. Please let the title company know as soon as possible (with the new CFPB/TRID deadlines) if your client's transaction is going to be mail out.

8- Changes, Invoices and Credits: Please let your closer know as soon as possible if there are any outstanding invoices, credits etc. We are under tight time constraints with the new CFPB/TRID regulations for Closing Disclosures with your buyer's lender.

9-Payoffs: When placing your order, please get the name of your Seller's Lender, phone number, and loan number, social security number or last four digits. Lenders require this information when we order the payoff. The Lender may also require your client's written payoff authorization. Remind your client to discontinue auto withdrawals etc. as well.

10-POA's LLC, Trusts: If you're your client requires a Power of Attorney for closing, please let us know ASAP. We will need to provide you with a Lender approved Power of Attorney and also the original at time of closing. Does the seller have a bank account in the name in which they hold title? Proceeds must be made payable to the seller as the seller holds title, so sellers may want to make sure up front they have an account where they can deposit the proceeds. For example, if the property is held by John Donovan Trust or an entity called Donovan LLC, the proceeds cannot be made payable to John Donovan as an individual, so the entity will need to establish a bank account prior to closing in order to deposit the proceeds.

* CFPB (Consumer Financial Protection Bureau)

* TRID (Truth and Lending Act)