



## STEWART BRIEF

# Sold! – What Happens After a Contract Is Accepted

You've found a house, or a buyer has found yours, and everyone has agreed on a price. So what happens between now and the time it becomes legally owned by you or another party? At Stewart Title, we understand the home-buying process can be a little confusing. So we've put together this information to help you better understand what happens after the sold sign is posted.

### Step One – Earnest Money

Earnest money is a deposit made by the purchaser as a sign of good intent to purchase the property. An agreement to convey (or transfer the title) starts the process once it is received at the title company along with the earnest money. Loan application is made by the buyer, and approval is usually subject to a credit check, an appraisal and, sometimes, a survey of the property.

### Step Two – Tax Check

The title company then determines what taxes are owed on the property. The various assessor-collectors are contacted by the title company.

### Step Three – Title Search

Copies of documents are gathered from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship and divorce, and bankruptcy are addressed.

### Step Four – Examination

The title company now verifies the legal owner and the debts owed by the owner.

### Step Five – Document Preparation

Appropriate forms are prepared for the transfer of title and settlement, or the formal transfer of ownership (commonly referred to as the closing).

### Step Six – Settlement

An escrow officer oversees the closing of the transaction: the seller signs the deed, the buyer signs a new mortgage, the old loan is paid off and the new loan is established. The seller, real estate agents, attorneys, surveyors, title company and others performing services for the buyer and seller are paid. Additionally, title insurance policies will then be issued to you and your lender.

Visit [stewart.com](http://stewart.com) for more information about title insurance and to find out why Stewart Title is the right title company for you.

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