

Purchase and Sale of a Home with financing

PREVIEW

Information & Instructions: Earnest Money Contract For Purchase Of A Residential Property

1. The agreement in the form that follows conveys residential property, the consideration being, a note for the unpaid loan balance, with the remainder of the consideration to be paid in cash.
2. The agreement provides for the sale of the residence together with the improvements listed in the agreement.
3. The agreement provides that in the event of default the seller may retain as liquidated damage the earnest money deposited by the purchaser.
4. The seller also agrees to furnish the purchaser with a title policy at closing.
5. The contract provides for a checklist of personal property and fixtures that are included in the sale. Risk of loss by fire or other casualty prior to closing shall be on the seller.
6. The contract allows for the delivery of mechanical and termite inspection reports.

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Form: Earnest money contract

PREVIEW

EARNEST MONEY CONTRACT

This Agreement is made on _____, by and between [name] and spouse, [name], of [Name of County] County, Texas ("Sellers"), and [name] and spouse [name], of [Name of County] County, Texas ("Purchasers"), under the terms and conditions set forth below.

1. SUBJECT TRACT

1.1 Sellers agree to sell and convey to Purchasers, and Purchasers agree to purchase and acquire from Sellers, on the conditions and considerations stated below, the following real property and improvements in [Name of County] County, Texas [set forth legal description and street address], together with all the appurtenances belonging or appertaining to the property, and all right, title, and interest of the Sellers in and to any and all roads, easements, streets, and ways bounding the property, and rights of egress and ingress to the property, free and clear of any easements, outstanding mineral interests or royalties, zoning ordinances, or restrictions, save and except the following:

a. Restrictions, without reversion for violation, recorded in Volume _____, page _____, Deed Records of [Name of County] County, Texas;

b. Easements for utilities shown on plat recorded in Volume _____, page _____, Map Records of [Name of County] County, Texas; to all of which instruments reference is here made for all purposes.

c. The lands, together with all improvements on the land, are referred to in this contract as the "Subject Tract."

2. CONSIDERATION FOR PURCHASE

2.1 The consideration for this sale and the purchase prior is the sum of \$[Amount], payable as follows:

a. Cash down payment in the amount of \$[Amount].

b. The balance of the purchase price, which is determined by deducting from the total purchase price the principal balance of the sum due on the \$[Amount] Note dated _____, as provided in Section (a) above, together with interest accrued to date of closing, shall be paid in cash, at time of closing, of which amount purchaser has this day deposited with [name of escrow company], _____, Texas, as Escrow Agent, the sum of \$[Amount] as part payment, together with a copy of this agreement, the receipt of which is to be acknowledged by [name of escrow company], solely as Escrow Agent, to Sellers and Purchasers.

c. If it is agreed that in the event this transaction is closed as provided in this contract, the sum of \$[Amount] shall be applied to the cash consideration for this purchase; provided,

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however, that if Purchasers fail to consummate this contract as specified below for any reason except title defects or on the inability or failure of Purchasers to comply with any of the other stipulated prerequisites to closing, at Sellers' election, that sum shall be delivered and paid to Sellers by the Escrow Agent as liquidated damages, and all parties, including the Escrow Agent, shall be released of all liabilities under this contract.

d. In the alternative, Sellers may enforce specific performances of this contract.

e. If Sellers are required to reduce the outstanding Lien on the property, or discharge any existing Lien on the property, the proceeds of Purchasers' cash payment, as provided in Subsection b) above may be used for such purpose or purposes at the time of closing.

3. SURVEY

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3.1 If, as, and when Sellers' title to the Subject Tract is found to be good and merchantable or title objections are cured, or when the title company offers to issue its owner's title policy in the form required by this contract, all as provided in paragraph IV, Sellers shall, within five (5) days after the happening of the event in which title is approved or waived or in which the title company offers to issue its owner's title policy, proceed to order the property surveyed by any reputable Texas Licensed Surveyor or Civil Engineer currently engaged in survey work in [Name of County] County, Texas, satisfactory to [name of title company], [address], Texas, which survey work shall be contracted to be performed with fourteen (14) days.

3.2 Purchasers shall be furnished seven (7) copies of field Notes and seven (7) plats of the survey ten (10) days prior to closing. The plat of survey shall be based on, directly related to, and designated by the latest Cadastral Survey Bench Mark shall show that the corners of the Subject Tract have been properly monumented, and shall show the boundaries of the Subject Tract, the location of all improvements on the Subject Tract, the location of all roads adjoining the Subject Tract, the boundaries of and area within all easements, boundary encroachments and rights of way, if any, affecting the Subject Tract, and the number of square feet and acres contained within the Subject Tract.

4. TITLE

4.1 Title to the Subject Tract shall be good and merchantable in Sellers, subject only to the encumbrances specifically enumerated in this contract, insurable by or through [name of title company], [address], Texas, and thus conveyed to Purchasers under the terms of this contract, by Deed with general warranty.

4.2 Sellers agree to furnish an Owner's Title Policy from [name of title company], [address], Texas.

a. For the purposes of this contract, and within the time stipulated in this contract, an Owner's Title Policy will be considered as furnishing good title as contracted to be furnished.

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b. Sellers agree to apply for the issuance of such a policy within five (5) days from date of this contract and the title company shall have thirty (30) days within which to issue its title report.

PREVIEW

c. If the title company issues a title report committing itself to issue the Owner's Title Policy, then all parties agree that Sellers shall have complied with Sellers' obligation to furnish a good and merchantable title and in the event Purchasers fail to then consummate this contract as specified, at the election of Sellers, a) the earnest money described in paragraph II(b) (\$[Amount]) shall be paid by Escrow Agent to Sellers as liquidated damages for breach of this contract and all parties shall be released of all liabilities under this contract, or b) Sellers may enforce specific performance of the contract.

d. If the title company's attorney objects to the title, Sellers shall have a reasonable time, not to exceed thirty (30) days from the date the objections are made known to Sellers in writing, in which to cure the defects in such a way as will show good title in Sellers.

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e. In the event of failure to furnish good title, at the election of Purchasers, and the Earnest Money mentioned below and hereby receipted for is to be returned to Purchasers on the cancellation and return of this Contract, and all parties shall be released thereby, or a) Purchasers may enforce specific performance of the contract; provided, however, that Sellers shall not be obligated to file a trespass to try title to clear the title; or b) Purchasers may waive the objections and proceed to close without diminution of terms and price.

f. Any curative documentation shall be filed by Sellers, at Sellers' expense.

g. The term "Owner's Title Policy" as used in this contract shall be construed to mean the owner's title policy now in use in the State of Texas with deletion of exceptions regarding a) conflicts in areas and boundaries, and b) rights of parties in possession, but subject to all the matters specifically enumerated in Paragraphs 1 and 2 of this contract.

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5. PERSONAL PROPERTY AND FIXTURES

5.1 All fixtures and articles of personal property attached to or used in connection with the premises are represented to be owned by Sellers, free from all Liens and encumbrances except as stated in this contract, and are included in this sale.

5.2 They are as follows:

THANK YOU

- Range or stove Heating stoves
- Bathroom cabinet Air conditioning
- Venetian Blinds Kitchen cabinets

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Fountains Smokers

Weather vanes Valances
 Pool equipment Pumps

PREVIEW

Chandelier Shrubbery
 Mirrors Lighting fixtures

Television aerials Mantles

Screens Mail box

Outdoor statuary Window boxes
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5.3 Exception: [specify], which shall be removed by Sellers prior to the time of closing, at Sellers' expense, and without resultant damages to the premises.

5.4 Sellers shall furnish Purchasers a "Paid in Full" receipt for or a full release of any security agreement on any equipment or fixtures purchased within the previous 120 days, and as to all equipment and fixtures or personal property attached to the property or contracted to be sold, Sellers shall assign and transfer to Purchasers all Vendors', manufacturers', and installers' warranties, if any, still in force and effect.

6. RISK OF LOSS

6.1 Risk of loss by fire or other casualty damage to the property or improvements, or commencement of or notice of commencement of condemnation proceedings against the property prior to delivery of Deed and possession of property to Purchasers shall be on the Sellers, and the happening of any one or more of the events described above shall grant the Purchasers the right a) to consider this contract cancelled and on the return of the escrowed sum, all parties released from the contract; or b) to accept the property and improvements as damaged and be entitled (1) to diminution or reduction in price in the amount of the insurance proceeds received for the loss or damage; or (2) to permit the Sellers to restore the damages with the proceeds of such insurance, if the Sellers elect so to do, and thereafter conclude this sale according to its original terms, providing that the election is made within five (5) days after receipt by Purchasers of notification of a loss or damages to the property or improvements.

7. MECHANICAL EQUIPMENT AND TERMITE INSPECTION

THANK YOU

7.1 At the time of delivery of Deed and delivery of possession, Sellers will certify that heating, plumbing, air conditioning, gas, and electrical systems and equipment are in good working order, and will have delivered to Purchasers, at the time of closing, an inspection certificate of no termite infestation or damage, from a local bonded termite company.

7.2 Purchasers may, in addition to nothing to be undertaken in person or by designated inspectors of any of the foregoing, at the convenience of Sellers.

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8.1 If Sellers comply with their obligations to furnish good and merchantable title as provided in paragraph IV, the parties shall proceed to close on a mutually acceptable date not earlier than 10 days after Purchasers' receipt of the Survey and field Notes required to be furnished under paragraph III, nor later than 20 days thereafter.

8.2 The closing shall occur in the title issuing office of [name of title company] in [city], Texas. At the closing, the following shall occur:

a. Purchasers shall deliver a Cashier's Check to the Escrow Agent for the cash down payment less the sum of \$[Amount];

b. Sellers shall deliver to Purchasers a General Warranty Deed fully executed and acknowledged by Sellers, conveying to Purchasers fee simple title to the Subject Tract, subject only to those encumbrances expressly mentioned in this contract;

c. Sellers shall deliver possession of the property to Purchasers;

d. Sellers shall furnish evidence of payment of all taxes to and including the year _____, and certificates of taxes paid from all authorities assessing taxes on the Subject Tract, and taxes for the current year shall be pro-rated between Sellers and Purchasers as of the closing date;

e. Sellers shall pay the Texas surrogate premium chargeable for issuance of the Owner's Title Policy for the full amount of the consideration paid for the Subject Tract;

f. Sellers will assign the balance of trust funds on hand with [name of institution], and Purchasers will reimburse Sellers a like amount;

g. The escrow fee of title company, if any, will be shared equally by Sellers and Purchasers.

9. . POSSESSION

9.1 Simultaneously with completion of the closing, Sellers shall deliver to Purchasers actual and physical possession of the Subject Tract, together with all improvements, in substantially the same condition as exists on the date of this agreement, normal wear and use excepted.

10. NOTICES:

10.1 Any notice required or permitted to be given under this contract by one party to the other shall be in writing and shall be given and deemed to have been served and given if delivered in person to the addressee set forth below on the party to whom the notice is given, or if placed in the

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United States mail, postage prepaid, Registered or Certified Mail, addressed to the party at the address specified below.

PREVIEW

10.2 The address of the Sellers for all purposes under this agreement and for all notices shall be: [address]

10.3 The address of Purchasers for all purposes under this agreement and for all notices shall be: [address]

10.4 From time to time either party may designate another address for all purposes of this agreement by giving to the other party not less than five (5) days advance written notice of the change of address in accordance with the provisions of this paragraph.

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XI. MISCELLANEOUS

11.1 Signing. To be binding on the parties, this contract must be signed by all parties and one executed copy deposited with [name of title company], [city], Texas, with the \$[Amount] escrow amount, not later than _____.

11.2 Continuing liability. Any covenant or agreement in this contract that contemplates performance after the time of closing shall not be deemed to be merged into or waived by the instruments of closing, but shall expressly survive and be binding on the parties obligated thereby.

11.3 On Heirs and Assigns. This Agreement shall be binding on, extend to, and inure to the benefit of the heirs, successors, and assigns of the respective parties.

THIS DOCUMENT

11.4 Entire Agreement. This agreement constitutes the entire agreement between the parties. Any change in this agreement shall be effective only if in writing and duly executed by the respective parties.

11.5 Time. Computation of time for closing and effectiveness of this contract shall commence from the date an original executed copy of this contract and the Purchasers' escrow deposit shall have been delivered to and received for by [name of title company], [city], Texas, regardless of its date of execution.

XI. EXECUTION

11.1 Both Sellers and Purchaser agree that each will do all the things necessary or required to effect the conclusion of the sale and purchase of the property under the terms and conditions set forth in this contract, in full compliance with the agreements contained in this contract, including the execution of all necessary papers and documents, and have executed this contract, in quadruplicate counterparts, each of which shall have the force and effect of an original, on _____.

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SELLERS

PREVIEW

PURCHASERS

State of Texas
County of _____

This instrument was acknowledged before me on _____ by

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Notary Public, State of Texas

Notary's typed or printed name

My commission expires: _____

[or Notary's Stamp]

State of Texas
County of _____

THIS DOCUMENT

This instrument was acknowledged before me on _____ by

_____.

Notary Public, State of Texas

Notary's typed or printed name

THANK YOU

My commission expires: _____

[or Notary's Stamp]

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Information & Instructions: Contracts subject to special conditions per Texas Property Code §5.91 Texas Property Code §5.94. Seller's disclosure of property condition

PREVIEW

1. Texas Property Code §5.008 requires the seller to furnish the buyer with a Seller's Disclosure of Property Condition form. This is not a substitute for the typical "inspection reports" frequently used in home purchases.

2. Sellers have no duty to disclose deaths due to HIV related illnesses. The law does not apply to foreclosures, bankruptcy or acquisition by a mortgagee or fiduciary conveyances. Sellers must give purchasers a written notice of the seller's knowledge of the condition of the property/dwelling unit.

3. The form set out in the statute further states what equipment or system needs repair, violations of Deed restrictions or governmental ordinances, and must disclose the existence of any lawsuits which may materially affect the property.

4. The disclosure is subject to the following statutory requirements:

(a) A seller of residential real property comprising not more than one dwelling unit located in this state shall give to the purchaser of the property a written notice as prescribed by this section or a written notice substantially similar to the notice prescribed by this section which contains, at a minimum, all of the items in the notice prescribed by this section.

(b) The notice must be executed in a form, at a minimum, read substantially similar to the following:

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Form: Seller's disclosure of property condition

PREVIEW

SELLER'S DISCLOSURE NOTICE

CONCERNING THE PROPERTY AT

(Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

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Seller ____ is or ____ is not occupying the Property.

If unoccupied, how long since Seller has occupied the Property? _____

1. The Property has the items checked below: Write Yes (Y), No (N), or Unknown (U).

____ Range ____ Oven ____ Microwave

____ Dishwasher ____ Trash Compactor ____ Disposal

____ Washer/Dryer ____ Window ____ Drain Cutters Hooks Screens

____ Security ____ Fire Detection ____ Intercom System Equipment System

____ TV Antenna ____ Cable TV ____ Satellite Wiring Dish

____ Ceiling Fan(s) ____ Attic Fan(s) ____ Exhaust Fan(s)

____ Central A/C ____ Central Heating ____ Wall/Window Air Conditioning

____ Plumbing ____ Septic System ____ Public Sewer System

____ Patio/Decking ____ Ductwork Gutter ____ Fence

____ Pool ____ Sauna ____ Spa ____ Hot Tub

____ Pool Equipment ____ Pool Heater

____ Automatic Lawn Sprinkler System

____ Fireplace(s) & ____ Fireplace(s) & Chimney

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Chimney (Woodburning) (Model) _____

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___ Gas Lines (Nat/LP) ___ Gas Fixtures

___ Garage: ___ Attached ___ Not Attached ___ Carport

___ Garage Door Opener(s): ___ Electronic ___ Control(s)

___ Water Heater: ___ Gas ___ Electric

Water

___ Water Supply: ___ City ___ Well ___ M.D. ___ Co-op

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Roof Type: _____ Age: ___ (approx)

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair? ___ Yes ___ No ___ Unknown. If yes, then describe. (Attach additional sheets if necessary):

2. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

THIS DOCUMENT

___ Interior Walls ___ Ceilings ___ Floors

___ Exterior Walls ___ Doors ___ Windows

___ Roof ___ Foundation/Slab(s) ___ Basement

___ Walls/Fences ___ Driveways ___ Sidewalks

___ Plumbing/Sewers/Septics

___ Electrical ___ Lighting Systems/Fixtures

THANK YOU

___ Other Structural Components (Describe): _____

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If the answer to any of the above is yes, explain. (Attach additional sheets if necessary):

PREVIEW

3. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.

Active Termites Previous Structural (includes wood-destroying or Roof Repair insects)

Termite or Wood Rot
 Hazardous or Toxic Damage Needing Repair Waste

Previous Termite Damage

Asbestos Components Previous Termite

Urea formaldehyde Treatment Insulation

Previous Flooding

Radon Gas

Improper Drainage

Lead Based Paint

Water Penetration

Aluminum Wiring

Located in 100-Year Flood Plain Present Flood Insurance

Previous Fires

Unplatted Easements

Landfill, Settling, Soil

Subsurface Movement, Fault Lines Structure or Pits

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary)

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THANK YOU

PREVIEW

4. Are you (Seller) aware of any item, equipment, or system in or on the property that is in need of repair? Yes (if you are aware) No (if you are not aware). If yes, explain (attach additional sheets as necessary)

5. Are you (Seller) aware of any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time.
Homeowner Association or maintenance fees or assessments.

Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others.

Any notices of violations of Deed restrictions or governmental ordinances affecting the condition or use of the Property.

Any lawsuits directly or indirectly affecting the Property.

Any condition on the Property which materially affects the physical health or safety of an individual.

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary):

Date _____

Signature of Seller

THANK YOU

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

Date _____

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Signature of Purchaser

PREVIEW

(c) A seller or seller's agent shall have a duty to make a disclosure or release information related to whether a death by natural causes, suicide, or accident unrelated to the condition of the property occurred on the property or whether a previous occupant had, may have had, has, or may have AIDS, HIV related illnesses, or HIV infection.

(d) The notice shall be completed to the best of seller's belief and knowledge as of the date the notice is completed and signed by the seller. If the information required by the notice is unknown to the seller, the seller shall indicate that fact on the notice, and by that act is in compliance with this section.

(e) This section does not apply to a transfer:

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(1) pursuant to a court order or foreclosure sale;

(2) by a trustee in bankruptcy;

(3) to a mortgage by a mortgagor or successor in interest, or to a beneficiary of a Deed of Trust by a trustor or successor in interest;

(4) by a mortgagee or a beneficiary under a Deed of Trust who has acquired the real property at a sale conducted pursuant to a power of sale under a Deed of Trust or a sale pursuant to a court ordered foreclosure or has acquired the real property by a Deed in lieu of foreclosure;

(5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

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(6) from one co-owner to one or more other co-owners;

(7) made to a spouse or to a person or persons in the lineal line of consanguinity of one or more of the transferors;

(8) between spouses resulting from a decree of dissolution of marriage or a decree of legal separation or from a property settlement agreement incidental to such a decree;

(9) to or from any governmental entity;

THANK YOU

(10) transfers of new residences of not more than one dwelling unit which have not previously been occupied for residential purposes; or

(11) transfers of real property where the value of any dwelling does not exceed five percent (5%) of the value of the property.

(f) The notice shall be delivered by the seller to the purchaser only before the effective date of an executory contract binding the purchaser to purchase the property. If a contract is entered

without the seller providing the notice required by this section, the purchaser may terminate the contract for any reason within seven days after receiving the notice.

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Seller's Disclosure of Property Condition Statutory Form

PREVIEW

(a) Before an executory contract is signed by the purchaser, the seller shall provide the purchaser with:

(1) a survey, which was completed within the past year, or plat of a current survey of the real property;

(2) a legible copy of any document that describes an encumbrance or other claim, including a restrictive covenant or easement, that affects title to the real property; and

(3) a written notice, which must be attached to the contract, informing the purchaser of the condition of the property that must, at a minimum, be executed by the seller and purchaser and read substantially similar to the following:

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WARNING

IF ANY OF THE ITEMS BELOW HAVE NOT BEEN CHECKED, YOU MAY NOT BE ABLE TO LIVE ON THE PROPERTY.

SELLER'S DISCLOSURE NOTICE

CONCERNING THE PROPERTY AT (street address or legal description and city)

THIS DOCUMENT STATES CERTAIN APPLICABLE FACTS ABOUT THE PROPERTY YOU ARE CONSIDERING PURCHASING.

THIS DOCUMENT

CHECK ALL THE ITEMS THAT ARE APPLICABLE OR TRUE:

___ The property is in a recorded subdivision.

___ The property has water service that provides potable water.

___ The property has sewer service.

___ The property has been approved by the appropriate municipal, county, or state agency for installation of a septic system.

___ The property has electric service.

___ The property is not in a floodplain.

___ The roads to the boundaries of the property are paved and maintained by:

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_____ the owner of the property on which the road exists;

_____ the municipality;

_____ the county; or

_____ the state.

_____ No individual or entity other than the seller:

(1) _____ owns the property;

(2) _____ has a claim of ownership to the property; or

(3) _____ has an interest in the property.

_____ No individual or entity has a lien filed against the property.

_____ There are no restrictive covenants, easements, or other title exceptions or encumbrances that prohibit construction of a house on the property.

NOTICE: SELLER ADVISES PURCHASER TO:

(1) OBTAIN A TITLE ABSTRACT OR TITLE COMMITMENT COVERING THE PROPERTY AND HAVE THE ABSTRACT OR COMMITMENT REVIEWED BY AN ATTORNEY BEFORE SIGNING A CONTRACT OF THIS TYPE; AND

(2) PURCHASE AN OWNER'S POLICY OF TITLE INSURANCE COVERING THE PROPERTY.

(Date)

(Signature of Seller)

(Date)

(Signature of Purchaser)

(b) If the property is not located in a recorded subdivision, the seller shall provide the purchaser with a separate disclosure form stating that utilities may not be available to the property until the subdivision is recorded as required by law.

(c) If the seller advertises property for sale under an executory contract, the advertisement must disclose information regarding the availability of water, sewer, and electric service.

(d) The seller's failure to provide information required by this section:

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(1) is a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business & Commerce Code, and is actionable in a public or private suit brought under Subchapter E, Chapter 17, Business & Commerce Code, and

(2) entitles the purchaser to cancel and rescind the executory contract and receive a full refund of all payments made to the seller.

(e) Subsection (d) does not limit the purchaser's remedy against the seller for other false, misleading, or deceptive acts or practices actionable in a suit brought under Subchapter E, Chapter 17, Business & Commerce Code.

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Information & Instructions: ~~Contracts subject to special conditions~~ Seller's disclosure of financing terms

PREVIEW

1. Before an executory contract is signed by the purchaser, the seller shall provide to the purchaser a written statement that specifies:

- a. the purchase price of the property;
- b. the interest rate charged under the contract;
- c. the dollar amount, or an estimate of the dollar amount if the interest rate is variable, of the interest charged for the term of the contract;

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- f. the late charge, if any, that may be assessed under the contract; and
- g. the fact that the seller may not charge a prepayment penalty if the purchaser elects to pay the entire amount due under the contract before the scheduled payment date under the contract.

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Seller's Disclosure of Financing Terms

PREVIEW

Before an executory contract is signed by the purchaser, the seller shall provide to the purchaser a written statement that specifies:

(1) the purchase price of the property;

(2) the interest rate charged under the contract;

(3) the dollar amount, or an estimate of the dollar amount if the interest rate is variable, of the interest charged for the term of the contract;

(4) the total amount of principal and interest to be paid under the contract;

(5) the late charge, if any, that may be assessed under the contract; and

(6) the fact that the seller may not charge a prepayment penalty if the purchaser elects to pay the entire amount due under the contract before the scheduled payment date under the contract.

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**Information & Instructions:
plain English form**

PREVIEW
General warranty deed or cash deed with no vendor's lien –

1. This Deed is a general warranty Deed in which no Vendor's Lien is retained. It is sometimes referred to as a cash Deed, even though the full purchase price may not be paid in cash.

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Form: General warranty deed or cash deed with no vendor's lien—plain English form

PREVIEW

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

WARRANTY DEED

Date of conveyance:

Grantor's name:

Grantor's mailing address:
[Include the county]

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Grantee's name:

Grantee's mailing address:
[Include the county]

Conveyance: Grantor has granted, sold, and conveyed unto Grantee the following identified and described property:

[Property description]

THIS DOCUMENT

Consideration: This conveyance is based upon the consideration of ten dollars and other good and valuable consideration which has been paid unto the Grantor by the Grantee. By signing this Deed, Grantor acknowledges receipt of the Grantee's payment.

Rights: This conveyance is made unto Grantee to have and to hold the above described property, together with, all and singular, the rights and appurtenances thereto in any wise belonging unto the Grantee, his or her heirs or assigns forever.

Warranty: Grantor binds himself, his or her heirs, executors, and administrators to warrant and forever defend, all and singular, the above identified property to Grantee, his or her heirs, and assigns, against every person who may lawfully claim the same, or any part thereof. This warranty excludes any and all reservations and exceptions to the conveyance.

THANK YOU

Reservations from and exceptions to the conveyance and warranty: This conveyance is made subject to any and all valid and subsisting or recorded restrictions, conditions and covenants, easements, rights-of-way, prescriptive rights, whether of record or not, reservations including but not limited to oil and gas leases, mineral severances, interests, and royalty rights, water, water rights or riparian rights, maintenance charges, together with any Lien securing the maintenance charge, zoning laws, or in a case of municipal or other governmental agency or authorities, and conditions and covenants, if any, applicable to and enforceable against the

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property described above and as shown by the records of the county clerk of [Name of County] County.

PREVIEW

Construction: Words of any gender used in this Deed shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. If this Deed is executed by or to a corporation or trustee the words "heirs, executors, and administrators" or "heirs and assigns" shall, with respect to the corporation or trustee, be construed to mean "successors and assigns."

Signed on _____.

PLEASE DO NOT COPY

Prepared by:
[Name and address of law firm]

After recording return to:
[Name and address of title company or law firm]

State of Texas
County of _____

This instrument was acknowledged before me by _____

THIS DOCUMENT

Notary Public, State of Texas

Notary's typed or printed name

My commission expires: _____

THANK YOU

The following provision should be considered as an additional term in a Deed when the attorney represents the Grantor. The provision limits the Grantor's liability concerning any warranties about the property's condition. Failure to include this provision could subject the Grantor to liability if the Grantee is not satisfied with the property's condition.

The following provision may be added at the end of each of the Deeds contained in this chapter.

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Form:

PREVIEW

Grantor makes no warranty, express or implied, concerning the property's condition, need of repair, existence or absence of any defects, visible, hidden, latent or otherwise. Grantor hereby disclaims any and all warranties, express or implied concerning the property's workmanship, there are no implied warranties of any kind, including but not limited to warranties of merchantability or fitness for a particular purpose. Grantor delivers the property to the Grantee "as is" and "with all faults."

PLEASE DO NOT COPY

THIS DOCUMENT

THANK YOU

LegalFormsForTexas.Com

Form: Homestead affidavit and designation of homestead

HOMESTEAD AFFIDAVIT

State of Texas
County _____

BEFORE ME, the undersigned notary public, on this day personally appeared [Affiant's name], who after being duly sworn, stated upon his or her oath that I am over the age of 18 years and I have never been convicted of a felony. I am fully competent to give testimony and I state the following:

PLEASE DO NOT COPY

1. My name is _____ and I am over the age of 18 years.
2. I currently reside at [address].
3. I acknowledge that I shall buy the property described as follows: [legal description], and I will use and claim the same as my homestead.
4. I hereby acknowledge that I am borrowing money from _____ lender for a part of the purchase price of said property.
5. Furthermore, I hereby confirm that the lender has informed me that as a condition of obtaining a loan from _____ to myself, that I must occupy the property as my primary residence after the closing so that the same shall constitute my homestead.

THIS DOCUMENT

6. I furthermore confirm that I was informed that my failure to occupy the property as my primary residence will impair lender's security for the above-described loan and that said lender would not have made the loan but for my representation and stated intention that said property shall be used as my homestead and residence.

7. I further confirm that I have been informed that upon non-occupancy of the above-described property as my residence, the lender may accelerate any and all sums then due and owing to lender, and exercise any and all rights conveyed to lender in a Deed of Trust for breach of agreement including, but not limited to, foreclosure.

THANK YOU

8. This means that the entire loan balance will be immediately due and payable, and in the event that I fail to pay the sums due, the lender may institute foreclosure proceedings against me in accordance with the terms and conditions of the Deed of Trust that I have signed of even date herewith to secure payment of the loan.

Signed on **LegalFormsForTexas.Com**

PREVIEW

[Typed name], Affiant

State of Texas

County of _____

This instrument was acknowledged before me on _____ by

_____.

Notary Public, State of Texas,
PLEASE DO NOT COPY

Notary's typed or printed name

My commission expires: _____

[or Notary's Stamp]

THIS DOCUMENT

THANK YOU

LegalFormsForTexas.Com

Information & Instructions: ~~Non homestead and homestead~~ affidavits and designation of homestead

PREVIEW

1. This affidavit sets forth the statement that the Affiant does not and will not claim the property that is the subject of the affidavit as his or her homestead.
2. The intended effect of the non homestead affidavit is to preclude the Affiant from claiming the property as a homestead in the event that a Note or Deed of Trust is breached and the holder commences foreclosure proceedings.
3. Due to Texas homestead laws, second Lienholders and parties making loans on property to be used for investment purposes often use this form to assure themselves that the homestead exemption is being waived and therefore cannot later be claimed by the Affiant.
3. The homestead affidavit identifies the property as the debtor's homestead. The lender requires the party to live in the property in order to make the homestead claim effective.

PLEASE DO NOT COPY

Form: Non homestead affidavit and designation of homestead

NON HOMESTEAD AFFIDAVIT AND DESIGNATION OF HOMESTEAD

State of Texas

County of _____

BEFORE ME, the undersigned notary public, on this day personally appeared [Affiant's name], who after being duly sworn, stated upon his or her oath that [Affiant] is over the age of 18 years and I have never been convicted of a felony. I am fully competent to give testimony and I state the following:

THIS DOCUMENT

"My name is _____. I am over the age of 18 years. I do not reside at [address of property]. Furthermore, I do not now use, nor do I claim either a business or residence homestead in said property. I do not have any present intention of residing in the future upon, using, or claiming the property as either a business or residence homestead. Accordingly, I do hereby renounce and disclaim any and all homestead right, interest, or exemption under the Texas Homestead laws as the same is currently written or may be hereafter amended in the following described property: [legal description of property], more commonly known as [street address].

"I also hereby acknowledge that said property is therefore not exempt from a forced sale.

THANK YOU

"I currently reside and claim as my legal homestead the property located at [street address]. The legal description of my homestead is described and identified as follows: [legal description of homestead].

"My homestead, which is described above, is improved with a dwelling house and is amply sufficient as a residence homestead. I do hereby hold a vested interest with a fee simple title in said homestead. Accordingly, I hereby set apart and designate said property as my homestead,

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which I and my family are entitled under the Constitution and the Laws of the State of Texas to have exempt from forced sale. I also further declare that said property is all of the property, and is the only property that I may claim as a homestead exempt from forced sale.

PREVIEW

"This Affidavit and designation is made to induce [name of lender] to loan me money on the non homestead property described above. Said property shall be secured by a Deed of Trust. This affidavit is also made to induce _____ Title Company to issue a title insurance policy to me according to the facts stated above."

Signed on _____

After recording refer to _____
[Name and address of title company or law firm]

PLEASE DO NOT COPY

State of Texas
County of _____

This instrument was acknowledged before me on _____ by

_____.

Notary Public, State of Texas
THIS DOCUMENT

Notary's typed or printed name

My commission expires: _____

[or Notary's Stamp]

THANK YOU

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Information & Instructions: Escrow Agreement For The Deposit Of Money For Safekeeping Pending Funding At Closing

PREVIEW

1. The agreement in the form that follows provides for the deposit of monies with a third party designated as an escrow agent. It is ancillary to a real estate closing.
2. The escrow agent agrees to hold the money for safekeeping pending funding at closing. The agreement assumes that a purchaser has deposited, with an escrow agent, earnest money for the purchase of the property described in a real estate agreement.

PLEASE DO NOT COPY

THIS DOCUMENT

THANK YOU

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PREVIEW

ESCROW AGREEMENT

This Escrow Agreement is made on _____, between [name] ("Seller"), [name of escrow agent] ("Escrow Agent"), and the persons named in the exhibits to be attached to this agreement from time to time and incorporated by reference ("Purchasers"). For good and valuable consideration, the parties agree as set forth below.

1. [Escrow agent's name] is hereby designated as the Escrow Agent for the handling of deposits made by Purchasers in connection with the proposed sale of [describe property] by Seller to Purchasers.

2. Seller and Purchasers will deposit the total sum to be held by Escrow Agent.

PLEASE DO NOT COPY

3. The amounts of deposits will be set forth in the exhibits now and hereafter attached to this agreement, and all such deposits shall be handled by Escrow Agent subject to the express terms and conditions of this Agreement.

4. At the direction of Purchaser, each deposit made under this agreement shall be held in a separate "regular passbook savings account" ("account") established by the Seller and approved by the Purchaser.

5. Subject to this Agreement, an account shall be treated by Escrow Agent similarly to accounts of the same nature, subject to the other terms and conditions of this Agreement.

6. There shall be no charge by Escrow Agent for fulfilling his or her duties under this Agreement.

7. Escrow Agent shall, on the written request of any Purchaser, promptly refund to the Purchaser the amount of the deposit by the Purchaser as set forth in the relevant exhibit opposite the name of the Purchaser, at the address specified in the exhibit, unless that address has been changed by written notice by the Purchaser to Escrow Agent, in which case the refund shall be made to the new address.

8. All interest earned on and credited to an account shall belong to the Purchaser who made the deposit and shall be paid to that Purchaser at the time the deposit is refunded to the Purchaser.

9. Escrow Agent shall not be liable for any act or omission while acting in good faith and in accordance with the terms of this Agreement. Any act performed or omitted to be performed by Escrow Agent pursuant to the advice of his or her own attorney may be considered as evidence of such good faith.

10. The Escrow Agent shall not be required at any time to give any notice except such as may be deemed reasonable and prudent notice and as otherwise specified in this agreement.

THIS DOCUMENT

THANK YOU

PREVIEW

11. The Escrow Agent is hereby expressly authorized to comply with and obey any and all orders, judgments, or decrees of any Court, and in case Escrow Agent obeys or complies with any such order, judgment, or decree of any Court, he or she shall not be liable to any of the parties to this agreement or any other person, firm, or corporation by reason of that compliance, notwithstanding that any such order, judgment, or decree is subsequently reversed, modified, annulled, set aside, or vacated, or found to have been entered without jurisdiction.

12. If at any time, in the opinion of Escrow Agent, there is a controversy with regard to the escrow, Escrow Agent may, at his or her option, commence an action in any Court of competent jurisdiction, compelling all interested parties to appear and enter plea, and may surrender and deliver all items and monies held in connection with this agreement to the Court or the Clerk of the court; thereupon, Escrow Agent shall be relieved of all obligations under this agreement, and shall recover from the parties all costs, expenses, and attorney's fees incurred in connection with the commencement and prosecution of the action.

PLEASE DO NOT COPY

13. Alternatively, if at any time, in the opinion of Escrow Agent, there is a controversy with regard to the escrow, Escrow Agent may, at its option, and without liability to any person or any regard whatsoever, refuse to deliver any properties held under this agreement until required to do so by order of Court. However, the Escrow Agent shall not unreasonably withhold the delivery of escrowed funds or monies due the Purchaser under this agreement.

14. In consideration of the acceptance of this escrow by Escrow Agent, Seller agrees for itself and its successors and assigns to indemnify and hold Escrow Agent harmless as to any liability incurred by him or her to any other person or entity by reason of having accepted this agreement, or in connection with this agreement reimburse him or her for all expense, including, but not limited to, counsel fees and Court fees incurred in connection with this agreement.

THIS DOCUMENT

15. It is hereby agreed and understood that this Agreement is not accepted by the Purchaser until such time as the Purchaser has duly executed and agreed to such document.

ESCROW AGENT

SELLER

THANK YOU

PURCHASER

State of Texas
County of _____

This instrument was acknowledged before me on _____ by

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PREVIEW

Notary Public, State of Texas

Notary's typed or printed name

My commission expires: _____

[or Notary's Stamp]

State of Texas

County of _____

This instrument was acknowledged before me on _____ by _____

PLEASE DO NOT COPY

Notary Public, State of Texas

Notary's typed or printed name

My commission expires: _____

THIS DOCUMENT

[or Notary's Stamp]

THANK YOU

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Information & Instructions: Assignment Of Escrow Funds To Transfer Money And Insurance Policy From The Seller To The Buyer

PREVIEW

1. The form that follows advises the holder of a mortgage that the property has been transferred from the seller to the purchaser and assigns monies held in escrow deposits for the payment of insurance and taxes.
2. It transfers the escrow agreement from the seller's name to the purchaser's name. The document also authorizes transfer of insurance policies held in the seller's name to the purchaser.

PLEASE DO NOT COPY

THIS DOCUMENT

THANK YOU

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Form: Assignment of escrow funds

PREVIEW

ASSIGNMENT OF ESCROW FUNDS

[Date]

[Name and address of holder of mortgage]

Regarding: [Identification of loan] and [Identification of real property]

Dear [Salutation]:

Please be advised that the undersigned have sold the above described property to the following named purchasers:

PLEASE DO NOT COPY

[Name]

[Name]

In making settlement, consideration was given to the amounts on deposit with your company for payment of taxes and insurance premiums, and other escrowed items.

In view of the foregoing, the undersigned release any and all claim in and to such deposits and any benefits accruing from them, and hereby authorize the deposits to be transferred to the new owner named above.

THIS DOCUMENT

The undersigned further authorize transfer to the above named purchasers of any and all fire and casualty insurance policies required by your company on the above described property.

Signed on _____

[Name], Seller

THANK YOU

[Name], Seller

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Information & Instructions: HUD-1 Settlement closing statement

PREVIEW

1. Section 5 of the Real Estate Settlement Procedures Act of 1974 (Public Law 93-533), effective on June 30, 1976 (RESPA), requires certain disclosures be made when a closing occurs if the transaction is subject to RESPA.

2. The following summary discusses the HUD-1 Settlement Statement. Most of the information contained herein has been prepared by the U.S. Department of Housing and Urban Development, as required by Section 5 of the Real Estate Settlement Procedures Act of 1974 (Public Law 93-533), effective on June 30, 1976. Also see HUD Regulation Z.

3. The first page of the HUD-1 Settlement Statement contains the lender, borrower and seller information. The form then provides references to the loan type and other information. Next the form summarizes all the costs and adjustments for the borrower and seller. Section J is the summary of the borrower's transaction and Section K is the summary of the seller's side of the transaction.

4. Section 100 summarizes the borrower's costs, such as the contract cost of the house, any personal property being purchased, and the total settlement charges owed by the borrower from Section L.

5. Beginning at line 106, adjustments are made for items (such as taxes, assessments, fuel) that the seller has previously paid. If the borrower will benefit from these items after settlement, the borrower will usually repay the seller for that portion of the cost.

6. Section 200 lists the amount paid by the borrower or on behalf of the borrower. This will include the deposit of earnest money you put down with the agreement of sale, the loan(s) you are getting and any loan you may be assuming.

7. Beginning at Line 210, adjustments are made for items that the seller owes (such as taxes, assessments) but for which you as the borrower will pay after settlement. The seller will usually pay you or credit you this portion at settlement.

8. At settlement it is usually necessary to make an adjustment between buyer and seller for property taxes and other expenses.

9. The borrower is given credit for this amount at the settlement and the seller will pay this amount or count it as a deduction from funds payable to the seller.

10. Similar adjustments are made for homeowner association dues, special assessments, and fuel and other utilities, although the billing periods for these may not always be on an annual basis.

11. The adjustments between buyer and seller are shown in Sections J and K of the HUD-1 Settlement Statement.

THANK YOU
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12. Section 300 reflects the difference between the gross amount due from the borrower and the total amount paid by/for the borrower. Generally, line 300 will show the amount of cash the borrower must bring to settlement.

13. Section 700. Sales/Broker's Commission:

a. This part covers the settlement services which you may be required to get and pay for and which are itemized in Section L of the HUD-1 Settlement Statement.

b. This is the total dollar amount of the real estate broker's sales commission, which is usually paid by the seller. This commission is typically a percentage of the selling price of the home.

PLEASE DO NOT COPY
These fees are intended to compensate brokers or sales agents for their services. Custom and/or the negotiated agreement between the seller and the broker determine the amount of the commission.

14. Section 701-702. Division of Commission:

a. If several brokers or sales agents work together to sell the home, the commission may be split among them. If they are paid from funds collected for settlement, this is shown on lines 701-702

15. Section 703. Commission Paid at Settlement:

THIS DOCUMENT
a. Sometimes, the broker will retain the deposit against the sales price (earnest money) to apply towards the commission. In this case, line 703 will show only the remainder of the commission which will be paid at settlement.

16. Section 800. Items Payable in Connection with Loan:

a. These are the fees that lenders charge to process, approve and make the mortgage loan:

17. Section 801. Loan Origination:

THANK YOU
a. This fee is usually known as a loan origination fee but sometimes is called a "point" or "points." It covers the lender's administrative costs in processing the loan. Often expressed as a percentage of the loan, the fee will vary among lenders. Generally, the buyer pays the fee, unless otherwise negotiated.

18. Section 802. Loan Discount:

a. Also often called "points" or "discount points," a loan discount is a one-time charge imposed by the lender or broker to lower the rate at which the lender or broker would

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otherwise offer the loan to you. Each "point" is equal to one percent of the mortgage amount. For example, if a lender charges two points on a \$80,000 loan, this amounts to a charge of \$1,600.

PREVIEW

19. Section 803. Appraisal Fee:

- a. This charge pays for an appraisal report made by an appraiser.

20. Section 804. Credit Report Fee:

a. This fee covers the cost of a credit report, which shows your credit history. The lender uses the information in a credit report to help decide whether or not to approve your loan and how much money to lend you.

21. Section 805. Lender's Inspection Fee:

PLEASE DO NOT COPY

a. This charge covers inspections, often of newly constructed housing, made by employees of your lender or by an outside inspector. (Pest or other inspections made by companies other than the lender are discussed in line 1302.)

22. Section 806. Mortgage Insurance Application Fee:

- a. This fee covers the processing of an application for mortgage insurance.

23. Section 807. Assumption Fee:

a. This is a fee which is charged when a buyer "assumes" or takes over the duty to pay the seller's existing mortgage loan.

THIS DOCUMENT

24. Section 808. Mortgage Broker Fee:

- a. Fees paid to mortgage brokers would be listed here.

25. Section 800. Items Payable in Connection with Loan:

a. These are the fees which lenders charge to process, approve and make the mortgage loan.

26. Section 801. Loan Origination

THANK YOU

a. This fee covers the lender's administrative costs in processing the loan. Often expressed as a percentage of the loan, the fee will vary among lenders and from locality to locality. Generally the buyer pays the fee unless another arrangement has been made with the seller and written into the sales contract.

27. Section 802. Loan Discount

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a. Often called "points", a loan discount is a one-time charge used to adjust the yield on the loan to what market conditions demand. It is used to offset constraints placed on the yield by State or Federal regulations. Each "point" is equal to one percent of the mortgage amount. For example, if a lender charges four points on a \$60,000 loan this amounts to a charge of \$2,400.

28. Section 803. Appraisal Fee:

a. This charge, which may vary significantly from transaction to transaction, pays for a statement of property value for the lender, made by an independent appraiser or by a member of the lender's staff.

b. The lender needs to know if the value of the property is sufficient to secure the loan if you fail to repay the loan according to the provision of your mortgage contract, and the lender must precisely appraise the value of the property.

c. The appraiser inspects the house and the neighborhood, and considers sales prices of comparable houses and other factors in determining the value. The appraisal report may contain photos and other information of value to you. It will provide the factual data upon which the appraiser based the appraised value.

d. The appraisal does not, however, give rights to the purchaser nor necessarily detect or discuss defects in the property or title to the property. While most reasonable lenders will furnish you a copy of the appraisal upon request, they are not required to do so unless State law covers this situation. Therefore, it is important that you reach an understanding with your lender if you wish to see the appraisal, preferably at the time of payment of the appraisal fee.

e. The appraisal fee may be paid by either the buyer or the seller, as agreed in the sales contract. In some cases this fee is included in the Mortgage Insurance Application Fee. See line 806

29. Section 804. Credit Report Fee:

a. This fee covers the cost of the credit report, which shows how you have handled other credit transactions. The lender uses this report in conjunction with information you submitted with the application regarding your income, outstanding bills, and employment, to determine whether you are an acceptable credit risk and to help determine how much money to lend you.

30. Section 805. Lender's Inspection Fee:

a. This charge covers inspections, often of newly constructed housing, made by personnel of the lending institution or an outside inspector. (Pest or other inspections made by companies other than the lender are discussed in connection with line 1302.)

31. Section 806. Mortgage Insurance Application Fee:

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a. This fee covers processing the application for private mortgage insurance which may be required on certain loans. It may cover both the appraisal and application fee.

PREVIEW

32. Section 807. Assumption Fee:

a. This fee is charged for processing papers for cases in which the buyer takes over the payments on the prior loan of the seller.

33. 900. Section Items Required by Lender to Be Paid in Advance:

a. You may be required to prepay certain items at the time of settlement, such as accrued interest, mortgage insurance premiums and hazard insurance premiums.

b. 901. Interest. Lenders usually require borrowers to pay the interest that accrues from the date of settlement to the first monthly payment.

PLEASE DO NOT COPY

c. 902. Mortgage Insurance Premium: The lender may require you to pay your first year's mortgage insurance premium or a lump sum premium that covers the life of the loan, in advance, at the settlement.

34. 903. Section Hazard Insurance Premium:

a. Hazard insurance protects you and the lender against loss due to fire, windstorm, and natural hazards. Lenders often require the borrower to bring to the settlement a paid-up first year's policy or to pay for the first year's premium at settlement.

THIS DOCUMENT

35. Section 904. Flood Insurance:

a. If the lender requires flood insurance, it is usually listed here.

36. Items Required by Lender to Be Paid in Advance:

a. You may be required to prepay certain items, such as accrued interest, mortgage insurance premium and hazard insurance premium, at the time of settlement.

37. Section 901. Interest:

a. Lenders usually require that borrowers pay at settlement the interest that accrues on the mortgage from the date of settlement to the beginning of the period covered by the first monthly payment. For example, suppose your settlement takes place on April 16, and your first regular monthly payment will be due June 1, to cover interest charges for the month of May.

b. On the settlement date, the lender will collect interest for the period from April 16 to May 1. If you borrowed \$60,000 at 12 percent interest, the interest item would be \$303.30.

This amount includes the charges you incurred on the 901.

THANK YOU
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38. Section 902. Mortgage Insurance Premium:

PREVIEW

a. Mortgage insurance protects the lender from loss due to payment default by the borrower. The lender may require you to pay your first premium or a lump sum premium covering the life of the loan in advance, on the day of settlement.

b. The premium may cover a specific number of months, a year in advance or the total amount. With this insurance protection, the lender is willing to make a larger loan, thus reducing your down payment requirements.

c. This type of insurance should not be confused with mortgage life, credit life, or disability insurance designed to pay off a mortgage in the event of physical disability or death of the borrower.

PLEASE DO NOT COPY

39. Section 903. Hazard Insurance Premium:

a. This premium prepayment is for insurance protection for you and the lender against loss due to fire, windstorm, and natural hazards. This coverage may be included in a Homeowners Policy which insures against additional risks which may include personal liability and theft. Lenders often require payment of the first year's premium at settlement.

b. A hazard insurance or homeowner's policy may not protect you against loss caused by flooding. If your mortgage is Federally insured and your property is within a special flood hazard area identified by FEMA, you may be required by Federal law to carry flood insurance on your home. Such insurance may be purchased in participating communities under the National Flood Insurance Act.

THIS DOCUMENT

40. Sections 1000 - 1008. Escrow Account Deposits:

a. These lines identify the payment of taxes and/or insurance and other items that must be made at settlement to set up an escrow account. The lender is not allowed to collect more than a certain amount. The individual item deposits may overstate the amount that can be collected. The aggregate adjustment makes the correction in the amount on line 1008. It will be zero or a negative amount.

41. 1000. Section Reserves Deposited with Lenders:

a. Reserves (sometimes called "escrow" or "impound" accounts) are funds held in an account by the lender to assure future payment for such recurring items as real estate taxes and hazard insurance.

b. You will probably have to pay an initial amount for each of these items to start the reserve account at the time of settlement. A portion of your regular monthly payments will be added to the reserve account. RESPA places limitations on the amount of reserve funds which may be required by the lender.

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c. Do not hesitate to ask the lender to explain any variance between your own calculations and the figure presented to you.

PREVIEW

42. Section 1001. Hazard Insurance:

a. The lender determines the amount of money that must be placed in the reserve in order to pay the next insurance premium when due.

43. Section 1002. Mortgage Insurance:

a. The lender may require that part of the total annual premium be placed in the reserve account at settlement. The portion to be placed in reserve may be negotiable.

44. Section 1003-1004. City/County Property Taxes:

PLEASE DO NOT COPY

a. The lender may require a regular monthly payment to the reserve account for property taxes.

45. Section 1005. Annual Assessments:

a. This reserve item covers assessments that may be imposed by subdivisions or municipalities for special improvements (such as sidewalks, sewers or paving) or fees (such as homeowners association fees).

46. Section 1100. Title Charges:

THIS DOCUMENT

a. Title charges may cover a variety of services performed by title companies and others and include fees directly related to the transfer of title (title examination, title search, document preparation) and fees for title insurance, legal charges, which include fees for lender's, seller's or buyer's attorney or the attorney preparing title work and fees for settlement agents and notaries.

b. The specific charges discussed in connection with lines 1101 through 1109 are those most frequently incurred at settlement. Due to the great diversity in practice from area to area, your particular settlement may not include all of these items or may include others not listed.

47. Section 1101. Settlement or Closing Fee:

THANK YOU

a. This fee is paid to the settlement agent or escrow holder. Responsibility for payment of this fee should be negotiated between the seller and the buyer.

48. Section 1101. Settlement or Closing Fee:

a. This fee is paid to the settlement agent. Responsibility for payment of this fee should be negotiated between the seller and buyer, at the time the sales contract is signed.

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PREVIEW

49. Sections 1102-1104. Abstract of Title Search, Title Examination, Title Insurance Binder:

a. These charges cover the costs of the search and examination of records of previous ownership, transfers, etc., to determine whether the seller can convey clear title to the property, and to disclose any matters on record that could adversely affect the buyer or the lender.

b. Examples of title problems are unpaid mortgages, judgment or tax Liens, conveyances of mineral rights, leases, and power line easements or road right of-ways that could limit use and enjoyment of the real estate. In some areas, a title insurance binder is called a commitment to insure.

50. Section 1106. Document Preparation:

PLEASE DO NOT COPY

a. This is a separate fee that some lenders or title companies charge to cover their costs of preparation of final legal papers, such as a mortgage, Deed of Trust, Note or Deed.

51. Section 1105. Document Preparation:

a. There may be a separate document fee that covers preparation of final legal papers, such as a mortgage, Deed of Trust, Note, or Deed. You should check with the settlement agent to see that these services, if charged for, are not also covered under some other service fees.

52. Section 1106. Notary Fees:

THIS DOCUMENT

a. This fee is charged for the cost of having a licensed person affix his or her name and seal to various documents authenticating the execution of these documents by the parties.

53. Section 1107. Attorney's Fees:

a. You may be required to pay for legal services provided to the lender in connection with the settlement, such as examination of the title binder or sales contract. Occasionally this fee can be shared with the seller, if so stipulated in the sales contract.

b. If a lawyer's involvement is required by the lender, the fee will appear on this part of the form. The buyer and seller may each retain an attorney to check the various documents and to represent them at all stages of the transaction including settlement. Where this service is not required and is paid for outside of closing, the person conducting settlement is not obligated to record the fee on the settlement form.

54. 1107 Section Attorney's Fees:

THANK YOU

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a. You may be required to pay for legal services provided to the lender, such as an examination of the title binder. Occasionally, the seller will agree in the agreement of sale to pay part of this fee.

b. The cost of your attorney and/or the seller's attorney may also appear here. If an attorney's involvement is required by the lender, the fee will appear on this part of the form, or on lines 1111, 1112 or 1113.

55. Section 1108. Title Insurance:

a. The total cost of owner's and lender's title insurance is shown here.

b. A one-time premium may be charged at settlement for a lender's title policy which protects the lender against loss due to problems or defects in connection with the title.

c. The insurance is usually written for the amount of the mortgage loan and covers losses due to defects or problems not identified by title search and examination. The borrower may pay all, a part or none of this cost depending on the terms of the sales contract or local custom.

56. Section 1109. Lender's Title Insurance:

a. A one-time premium may be charged at settlement for a lender's title policy which protects the lender against loss due to problems or defects in connection with the title.

b. The insurance is usually written for the amount of the mortgage loan and covers losses due to defects or problems not identified by title search and examination. The borrower may pay all, a part or none of this cost depending on the terms of the sales contract or local custom.

57. Section 1110. Owner's Title Insurance:

a. This charge is for owner's title insurance protection and protects you against losses due to title defects. In some areas it is customary for the seller to provide the buyer with an owner's policy and for the seller to pay for this policy. In other areas, if the buyer desires an owner's policy he or she must pay for it.

58. Section 1200. Government Recording and Transfer Charges

a. These fees may be paid either by borrower or seller, depending upon your contract when you buy the home or accept the loan commitment.

b. The borrower usually pays the fees for legally recording the new Deed and mortgage (line 1201). These fees, collected when property changes hands or when a mortgage loan is made, may be quite large and are set by State and/or local governments. City, county and/or State tax stamps may have to be purchased as well (lines 1202 and 1203).

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59. Section 1300. Additional Settlement Charges:

a. The lender or the title insurance company may require that a surveyor conduct a property survey to determine the exact location of the home and the lot line, as well as easements and rights of way. This is a protection to the buyer as well.

60. Section 1301. Survey:

a. Usually the buyer pays the surveyor's fees, but sometimes this may be handled by the seller (line 1301).

61. 1302. Pest and Other Inspections:

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a. This fee is to cover inspections for termites or other pest infestation of your home.

b. This may be important if the sales contract included a promise by the seller to transfer the property free from pests or pest-caused damage. Be sure that the inspection shows that the property complies with the sales contract before you complete the settlement.

c. If it does not you may wish to require a bond or other financial assurance that the work will be completed. This fee can be paid either by the borrower or seller depending upon the terms of the sales contract. Lenders vary in their requirements as to such an inspection.

d. Fees for other inspections, such as for structural soundness, are entered on line 1303.

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62. Section 1303-1305. Lead-Based Paint Inspections:

a. This fee is to cover inspections or evaluations for lead-based paint hazard risk assessments and may be on any blank line in the 1300 series.

63. Section 1400. Total Settlement Charges:

a. All the fees in the borrower's column entitled "Paid from Borrower's Funds at Settlement" are totaled here and transferred to line 103 of Section J, "Settlement charges to borrower" in the Summary of Borrower's Transaction on page 1 of the HUD-1 Settlement Statement.

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b. All the settlement fees paid by the seller are transferred to line 502 of Section K, Summary of Seller's Transaction on page 1 of the HUD-1 Settlement Statement.

64. Paid Outside Of Closing ("POC"):

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a. Some fees may be listed on the HUD-1 to the left of the borrower's column and marked "P.O.C." Fees such as those for credit report and appraisals are usually paid by the borrower before closing/settlement.

b. They are additional costs to you. Other fees such as those paid by the lender to a mortgage broker or other settlement service providers may be paid after closing/settlement. These fees are usually included in the interest rate or other settlement charge. They are not an additional cost to you. These types of fees will not be added into the total on Line 1400.

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HUD-1 SETTLEMENT STATEMENT

**A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT**

B. TYPE OF LOAN

File Number: _____ **Loan Number:** _____

Mortgage Insurance Case Number _____

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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 AND ADDRESS OF BORROWER:

E. NAME AND ADDRESS OF SELLER:

F. NAME AND ADDRESS OF LENDER:

G. PROPERTY LOCATION:

H. SETTLEMENT AGENT NAME AND ADDRESS:

PLACE OF SETTLEMENT:

I. SETTLEMENT DATE:

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	401. Contract sales price
---------------------------	---------------------------

102. Personal property	402. Personal property
------------------------	------------------------

103. Settlement charges to borrower(line 1400)	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 to	407. County taxes to
----------------------	----------------------

108. Assessments to	408. Assessments to
---------------------	---------------------

109. Federal sales tax	409.
------------------------	------

110.	410.
------	------

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111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER		420. GROSS AMOUNT DUE TO SELLER	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit of earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
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 [Date to date] year		510. City/town taxes to [Date to date] year	
211. County taxes to [Date to date] year		511. County taxes to [Date to date] year	
212. Assessments to [Date to date] year		512. Assessments to [Date to date] year	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER		520. TOTAL REDUCTION AMOUNT DUE SELLER	
300. CASH AT SETTLEMENT FROM/TO BORROWER		600. CASH AT SETTLEMENT TO/FROM SELLER	
301. Gross amount due from borrower(line 120)		601. Gross amount due to seller (line 420)	
302. Less amounts paid by/for borrower(line 220)		602. Less reductions in amount due seller (line 520)	
303. CASH [FROM/TO] BORROWER		603. CASH [FROM/TO] SELLER	

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SETTLEMENT CHARGES
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700. TOTAL SALES/BROKER'S COMMISSION based on price \$ @ % =	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
--------------------------------------------------------------	------------------------------------------	----------------------------------------

Division of Commission (line 700) as follows:

701. \$ to		
702. \$ to		
703. Commission paid to Seller's agent		
704.		

ITEMS PAYABLE IN CONNECTION WITH LOAN

801. Loan Origination Fee %		
802. Loan Discount %		
803. Appraisal Fee to		
804. Credit Report to		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. Mortgage Broker Fee		
809.		
810.		
811.		

ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE

901. Interest from to @\$ /day		
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for years to		
904. years to		
905.		

1000. RESERVES DEPOSITED WITH LENDER

1001. Hazard Insurance months @ \$ per month		
1002. Mortgage insurance months @ \$ per month		
1003. City property taxes months @ \$ per month		
1004. County property taxes months @ \$ per month		
1005. Annual assessments months @ \$ per month		
1006. months @ \$ per month		
1007. months @ \$ per month		
1008. Aggregate Adjustment		

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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			
(includes above items numbers;)			
1109. Lender's coverage \$			
1110. Owner's coverage \$			
1111.			
1112.			
1113.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording fees: Deed \$; Mortgage \$; Releases \$			
1202. City/county tax/stamps: Deed \$; Mortgage \$			
1203. State tax/stamps: Deed \$; Mortgage \$			
1204.			
1205.			
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to			
1302. Pest inspection to			
1303.			
1304.			
1305.			
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)			
<p>I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.</p>			
Date: _____		Borrower: _____	
<p>Date: LegalFormsForTexas.Com Borrower: _____</p>			

Date: _____

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Seller: _____

Date: _____

Seller: _____

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