



**BROUGHT TO YOU BY:**  
Ann Van Zandt, Broker, ABR, CRS, GRI, SRS, Green  
(512) 629-3081  
ann@bastrophomes.com      bastrophomes.com



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## A Note from Ann:

### What is Title Insurance?

When you purchase a property you are given a deed, which is a transfer in Title of the property. Title is the owner's right to possess and use the property.

Title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to the property. Each title insurance policy is subject to specific terms, conditions and exclusions.

There are two types of policies available, a lender's policy and an owner's policy. Your lender will probably require that you obtain a lender's policy. The lender requires this because the loan is made with the property as security. Any defect in the title of the property affects the value of the lender's security. Because the lender is only interested in protecting its security, the lender's policy only covers the amount of the loan. As you pay back the loan, the value of the lender's policy decreases. If you have an owner's policy you would be protected as well. A title defect that arises after a loan closing could, at the very least, mean a variety of legal costs – and, in a worst-case event, the loss of your property and the money you've put in it.

There are many possible hidden title problems that would be covered. For example, forged documents, expired Power of Attorney used, mistakes in legal documents, incorrect easements, not being legally divorced before remarrying, etc.

The exceptions on the title policy are items that the title company is stating they are aware of and will not cover. So, the policy you receive is basically covering unknown factors that may exist prior to closing. Title policy fees are a one-time fee that are regulated by the Texas Department of Insurance, so they are all the same. Title insurance is also only available when you purchase a home.

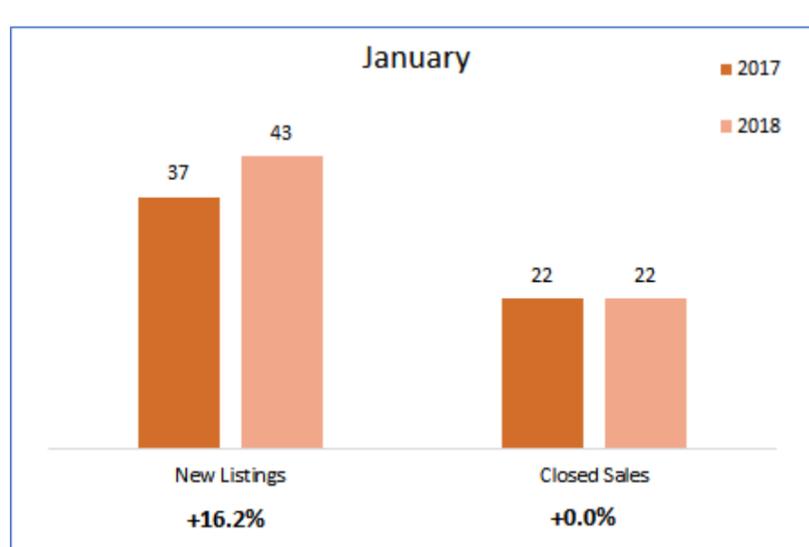
Many have used attorneys for the sale or purchase of property in Texas. This is fine, but many attorneys will have a disclaimer in their documents stating they are not pulling a title policy. I have personally seen situations where this caused problems with the sale. This is a better safe than sorry situation and a very minor expense considering the magnitude of the purchase.

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## Bastrop Area Monthly Statistics

Below are the current statistics for the Bastrop Area. The average home sale price for January was \$234,755, which is up 20.7% from 2017.



## Around Town

### Upcoming Events

#### February 10th - Summit Smithville Green Expo

The Summit Smithville Green Expo 2018 is an annual event focusing on going green and all things recycling! The Summit Smithville Green Expo is about sustainable living. Speakers will discuss climate change, green living and lifestyle choices. For more information, [click here](#).

#### February 10th - Zip and Sip

Grab a friend and soar side by side over shady pine forests and across steep canyons while catching a glimpse of the mighty "Texas" Colorado river. Reserve your spot on one of three Sunset Zip and Sip events this February at Zip Lost Pines. Fly down two of our best zip lines-Valley Vista and Loblolly Landing, our fastest and second longest zip line measuring 1,074 feet. Finish your side-by-side adventure with s'mores by the campfire and beverages from a few local favorites. For more information and to buy tickets, [click here](#).

#### February 18th - Downtown Bastrop 80s Pub Crawl

Downtown restaurateurs have teamed up again to bring the next installment of our Downtown Bastrop Pub Crawls. The 80's Pub Crawl is slated to take place on Saturday, February 18th, from 6 to 9 p.m. For more information and to buy tickets, [click here](#).

## Keep Your Home Purchase on Track

By: G. M. Filisko

You've found your dream home. Make sure missteps don't prevent a successful closing.

A home purchase isn't complete until you make it to the closing. Until then, the transaction can fall apart for many reasons. Here are five tips for avoiding mistakes that cause a home sale to crater.



### 1. Be truthful on your mortgage application.

You may think fudging your income a little or omitting debts when applying for a mortgage will go unnoticed. Not true. Lenders have become more diligent in verifying information on mortgage applications. If you fib, expect to be found out and denied the loan you need to fund your home purchase. Plus, intentionally lying on a mortgage application is a crime.

### 2. Hold off on big purchases.

Lenders double-check buyers' credit right before the closing to be sure their financial condition hasn't weakened. If you've opened new credit cards, significantly increased the balance on existing cards, taken out new loans, or depleted your savings, your credit score may have dropped enough to make your lender change its mind on funding your home loan.

Although it's tempting to purchase new furniture and other items for your new home, or even a new car, wait until after the closing.

### 3. Keep your job.

The lender may refuse to fund your loan if you quit or change jobs before you close the purchase. The time to take either step is after a home closing, not before.

### 4. Meet contingencies.

If your contract requires you to do something before the sale, do it. If you're required to secure financing, promptly provide all the information the lender requires. If you must deposit additional funds into escrow, don't stall. If you have 10 days to get a home inspection, call the inspector immediately.

### 5. Consider deadlines immovable.

Get your funds together a week or so before the closing, so you don't have to ask for a delay. If you'll need to bring a certified check to closing, get it from the bank the day before, not the day of, your closing. Treat deadlines as sacrosanct.

*G.M. Filisko is an attorney and award-winning writer who wanted a successful closing on a Wisconsin property so bad that she probably made her agent rethink going into real estate. A frequent contributor to many national publications including Bankrate.com, REALTOR® Magazine, and the American Bar Association Journal, she specializes in real estate, business, personal finance, and legal topics.*

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