

## SELLER & BUYER SETTLEMENT STATEMENTS

It is beneficial to review your settlement statement in advance of closing. This allows you to ask questions of your real estate agent or closer should you be unclear about any items contained on the financial statement. Seller and Buyer Settlement Statements are often used in lieu of the HUD1 to review since they contain the exact same information but in a simplified format. Here are some things to look for as they may or may not apply to your transaction.

- Is the property address correct? The city or zip code may have changed since a prior conveyance although title is insured based upon the legal description assuring coverage.
- Although you may actually sign in advance, is the Closing Date correct?
- Is the spelling correct for the Buyer or Seller name or entity?
- Is the Purchase Price correct?
- Is the total amount of Commission correct per your listing agreement?
- Many brokerage firms charge an Administration fee. These amounts are confirmed in the Listing or Purchase agreement with your broker and are typically collected at closing.
- Are there items prorated such as property taxes, HOA dues, HOA reserves, water utilities, or propane? Items prepaid or incurred prior to closing may be listed here.  
Note: Property taxes in Colorado are paid in arrears, so taxes will be prorated for the current year as per contract giving a credit to the buyer from the seller. Taxes will not be certified, due and payable until January of the following year.  
Note: HOA status letters are provided to the title company confirming amounts currently held on account to prorate as well as items to be collected and paid at closing.
- Closing Cost or Inspection allowance credits may be identified in a total amount if allowed by the purchase lender. It is common for lenders to require itemization of costs paid by the seller on behalf of the buyer, such as in FHA financing. The closer may provide you with a calculated tape of the items paid verifying the total amount.
- Title charges are filed with the Colorado Division of Insurance. Standard fees include and are not limited to: Title Insurance premium, Endorsements or Owner's Extended Coverage, Real Estate closing, Loan closing, Shipping & Handling/Courier delivery, Processing of Releases, Electronic Document Delivery or Retrieval, or others only as applicable to the transaction.
- For sellers, have property taxes been paid for the prior year/s? If not, taxes are collected and paid upon closing as required by the County Treasurer and may include interest for past due amounts.
- Is there a Home Warranty included in the transaction to be collected and paid at closing?
- Are there repair or maintenance invoices to be collected and paid upon closing?

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- Is there an escrow for repairs or other contract obligations?
- Is there a final water bill or escrow? In most counties, the title company is required to request the final bill and transfer of service. The closing agent will pay the bill upon receipt and any overage is returned to the seller. If there is a shortage, the seller will be requested to reimburse the title company for the difference.
- Are HOA dues, reserves, or special assessments to be collected and paid upon closing? If the seller has recently submitted payment, funds may be escrowed for amounts due until the HOA can verify posting. A refund will be issued when applicable.
- Is there an HOA statement or transfer fee for each association? If so, is the amount required being collected from the correct party as per contract?
- Does the amount of the payoff(s) seem accurate? Note: Mortgage interest is paid in arrears so the payoff will include principal, interest and fees required by your lender which may include account payoff and closure, a prepayment penalty, or other.
- For sellers, does the 2% Colorado Withholding Tax apply? Please see your closer or agent for details on state requirements.
- If Earnest Money was deposited for the purchase, is the amount correct?
- When receiving sale proceeds, you should confirm with the closer how you will receive the funds. Options may include a Trust Account check, Cashiers Check or Wire Transfer to a financial institution. Be sure to contact your financial institution for accurate wiring instructions and provide them to the closing agent.
- If you must bring funds to closing, verify with your closer acceptable forms of Certified funds per their company and/or state regulations.
- Sellers: All parties vested in title must sign settlement statements and closing documents. If one cannot be present for closing, discuss options with your closer about signing in advance, mail-away packages, or potential use of a Power of Attorney (POA).  
Note: A POA must be submitted to the closing agent for underwriter review and approval. An existing POA may be used if it contains specific components for the property, conveyance, and is current. Most closing agents can assist in preparing a POA for use in their transaction when appropriate for the seller.  
Note: Special instructions and time must be considered for clients outside the U.S. Please discuss such circumstances in advance of closing with the closer when applicable.
- Buyers: All parties purchasing property as per contract must sign settlement statements and closing documents. If one cannot be present for closing, discuss options with your closer about advance signing, mail-away options, or possible use of a POA.  
Note: A POA must be submitted to the closing agent for underwriter approval by both the title and mortgage companies. So please provide the POA far in advance of closing or request a form be prepared by your closing agent for completion for use at closing. When placing a mortgage on the property at time of purchase, please note that some lenders require specific verbiage on the POA or use only of their company approved form.
- Other parties signing settlement statements include the real estate broker and closer whom witness that financial obligations for closing are accurate and fully disclosed.

We appreciate your business! Please contact your closer with any questions on your settlement statement as prepared by Guardian Title Agency. We look forward to working with you!