

RESIDENTIAL REAL ESTATE TRANSACTIONS—HOW TO DO IT EFFICIENTLY (AND HOPEFULLY AT A PROFIT)

I. INTRODUCTION

A. Systems. Real estate transactions, like certain other areas of the law, such as probate, lend themselves to a system of forms quite well. I believe this is true because for the most part, the average residential real estate transaction is non-adversarial. If problems do arise, you can toss the forms out the window and put your litigation hat on.

B. Competition. We need to employ a good system as attorneys are receiving increasing amounts of competition from non-attorneys in closing the average real estate transaction. We must do an excellent job and not an average job to command fees when there are non-attorneys performing essentially the same function that we are in closing real estate transactions.

C. Use of Forms. The purpose of this outline and presentation is to show how our firm has developed forms and procedures to cover a myriad of issues that present themselves in purchase and refinance transactions. These forms and procedures have been developed over approximately 12 years of real estate and mortgage closings numbering in excess of an average of 2,000 per year for the last seven to eight years, for over 20,000 closings.

II. OPENING A FILE (FILE IS IN PRECLOSING DEPARTMENT)

A. Opening the File. Confirmation of Title Order (Exhibit “A”).

1. Exhibit “A” is sent to mortgage company after first contact is made from a new lender/mortgage company. This lets them know what information our office expects and needs, to accomplish a smooth closing. We will modify to make specific for each lender, then they use this form each time they send over a new file giving us the information for each specific closing.

- a. Accuracy is important! If information is typed in wrong at the beginning when the file is opened, it is inputted wrong throughout the entire transaction.

2. File Cover Sheet (Exhibit “B”).

- a. Accuracy is important, as a lot of information flows from Exhibits “A” and “B”.

B. Purchase Transaction with Real Estate Company & Lender. Open file letters (Exhibits "C" and "D") and authorization form (Exhibit "E") are sent to real estate company and/or individual borrowers/sellers/buyers.

1. Purchaser with lender, letter to borrower (Exhibit "C").
2. Letter to real estate closing company and/or escrow company (Exhibit "D").
3. Authorization to seller/(borrower if refinance) (Exhibit "E") for mortgage payoffs, utilities, etc.
 - a. Seller (borrower if refinance) needs to return Exhibit "E" to you after they have signed, with CURRENT mortgage information, to order a payoff
 - b. Enclose self-addressed, stamped envelope to ensure return.
4. Title Guaranty Affidavit (Exhibit "F").
5. W-9 tax form (Exhibit "G"). Should be returned prior to closing w/Exhibit "E"
6. Locate abstract.
 - a. Order title search.

C. Purchase Transaction For Sale by Owner with Lender. Open file (Exhibit "A").

1. Letter to seller (Exhibit "H"). (Includes copies of authorization (Exhibit "E"), Title Guaranty affidavit (Exhibit "F") and W-9 tax form (Exhibit "G")).
 - a. Seller needs to return Exhibit "E" to you signed with CURRENT mortgage information to order a payoff.
 - b. Enclose self-addressed, stamped envelope to ensure return.
2. Letter to purchaser/buyer (Exhibit "C").
3. Locate abstract.
 - a. Order title search.

D. Refinance. Open file (Exhibit "A").

1. Letter to borrower (Exhibit "I"). (Includes authorization (Exhibit "E").)

- a. Borrower needs to return Exhibit "E" to you signed for payoff. (With CURRENT mortgage information)
- b. Enclose self-addressed, stamped envelope to ensure return.

2. Locate abstract.

- a. Order title search.

III. PRECLOSING
(FILE IS STILL IN PRECLOSING DEPARTMENT)

A. Requesting, Locating and Following up on Your Documents to Close.

1. Payoff request (Exhibit "J"). (Includes authorization (Exhibit "E") after signed by seller/borrower if refinance.)
2. Receive updated abstract.

B. Monitoring Progress of File and Obtaining Documents.

1. One week/ten day checklist (Exhibit "K").
2. One week/ten day checklist note form (Exhibit "L").

C. Title Opinion.

1. Review title opinion for mortgages and any title issues.
2. Letter to seller/real estate company/escrow company advising of opinion, mortgages and objections (Exhibit "M"). (Note "M" can be modified in the case of a refinance.)

D. Payoffs

1. Send Payoff Request with signed authorization (Exhibit "E") to the current mortgage lender to obtain payoff for target closing date with per diem.

IV. CLOSING
(FILE MOVES TO CLOSING DEPARTMENT)

A. Closing Checklist (Exhibit "N").

1. File now moves from preclosing department to closing department about four to five days before closing.

2. Closer is responsible for gathering final documents (deed, Groundwater Hazard Statement, Declaration of Value, payoffs, termite inspection, affidavits to clear title) if these documents have not already been received.
 - a. Review status from one week/ten day checklist (Exhibits "K" and "L").
 - b. Obtain closing figures from lender and mortgage broker.
3. Prepare HUD-1 Settlement Statement (Exhibit "O").
 - a. Check taxes with county treasurer.
 - b. Prepare Tax Proration Agreement for seller and buyer (Exhibit "P").
 - c. Review explanation of how real estate taxes are figured and paid in State of Iowa (Exhibits "O1" & "O2").
4. Send HUD-1 (Exhibit "O") to lender and seller and real estate company for approval. Confirm any expense or cost items with seller lender/real estate closing company.
5. Confirm closing date, place and time with buyer/borrower and go over need for certified and/or guaranteed funds or confirm with broker/lender.
6. Obtain and review lender documents and title documents for any last-minute issues, i.e., typographical errors.
7. Confirm with lender the need for certified check or wired funds for ultimate disbursal and copy file. Confirm that funds have been received from lender for disbursal. If funds have not been received, contact lender to confirm the need of wired funds or a certified check prior to disbursal.

V. SIGNING

A. HUD-1 (Exhibit "O") Signed and All Other Mortgage and Title Documents Signed by Sellers and Buyers Depending on Type of Transaction.

B. Extraneous Documents to Be Signed at Closing.

1. Tax Proration Agreement normally already signed by seller prior to closing (Exhibit "P").

2. Termite inspection signed by seller and buyer.
3. Optional documents as needed.
 - a. Escrow Agreement (Exhibit "Q").
 - b. Credit Card Agreement (Exhibit "R"). (Note this may be modified to have the checks being sent by the closing company or the borrower.)
 - c. Property Tax Agreement (Exhibits "S" and "T").
 - d. Pest Inspection Agreement (Exhibit "U").
 - e. Home Equity Line of Credit short payment agreement (Exhibit "V").
 - f. Proceeds Disbursement Agreement (Exhibit "W").

C. Obtain Certified Funds from Buyer.

VI. PREPARE TITLE DOCUMENTS/MORTGAGE FOR FILING
AND PREPARE VARIOUS COVER SHEETS

- A. Title Company Cover Sheet (Exhibit "X").
- B. Recorder's Office Cover Sheet (Exhibit "Y").
- C. Realtor Cover Sheet (Exhibit "Z").
- D. Payoff Cover Sheet (Exhibit "AA").

1. Note Exhibit "AA", Payoff Cover Sheet, has language from Iowa Code § 655.1 and 655.2 regarding a lender's obligation to send a Release within 30 days of receiving payment or they may be subject to penalties, including, but not limited to, attorney fees.

CONFIRMATION OF TITLE ORDER TO CRITELLI & HUBBARD
CLOSING ORDER SHEET

ATTN: KAREN PHONE: 515-255-8750 FAX: 515-255-0906

PLEASE BEGIN ABSTRACTING ON THE FOLLOWING LOAN FOR

Broker: _____

ATTN: _____

Phone _____

FAX _____

BROKER FOR: _____

DATE: _____ EST. CLOSING: _____

BORROWERS:

_____ SSN: _____

_____ SSN: _____

PHONE NUMBERS HOME: _____

WORK: _____ WORK: _____

PROPERTY ADDRESS: _____

COUNTY: _____ STATE: _____

LEGAL DESCRIPTION: _____

SELLER(S): _____ PHONE: _____

_____ SSN: _____

_____ SSN: _____

ABSTRACT LOCATION: _____

LOAN INFORMATION: PURCHASE / REFINANCE CONV/FHA/VA
1ST MORTGAGE 2ND MORTGAGE

NEW LOAN COMPANY: _____

ADDRESS: _____

SALES PRICE: _____ LOAN AMOUNT: _____

EXISTING PAYOFF INFORMATION:

FIRST MORTGAGE: _____ LOAN # _____

CUSTOMER SERVICE PHONE # _____

2ND MORTGAGE: _____ LOAN # _____

CUSTOMER SERVICE PHONE # _____

CONTRACT PAYOFF - CONTRACT HOLDER: _____

_____ PHONE: _____

Borrower(s):

Current Address:

Property Address:

Seller(s):

Lender:

Broker:

Selling Agent:

ph

List. Agent's Closing Company: _____

Closer -

Listing Agent:

Phone Number -

ph

Payoffs:

Type of Closing:

____ Refi _____ Purchase

File #:

Abstractor: _____

Survey: _____

Termite: _____

ATTN: POST-CLOSER

This loan closes on _____.

Fax Title Opinion (check when done):

Lender: _____ Fax #: _____

This files on _____

Broker _____ Fax #: _____

Overnight filing ____ Y ____ N

_____ Fax #: _____

_____ Fax#: _____

Date for loan docs to be returned

Title Opinion Clean ____ Y ____ N

to lender is _____

Cover sheet printed on:

Est. Closing Date:

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

Name:
Address:

Date:

RE: Purchase of _____

Dear:

Please be advised that Critelli & Hubbard, P.C. will be handling the closing of the above-referenced transaction on behalf of _____. This is not a confirmation or denial of your loan approval. Any questions regarding the status of your loan should be directed to your mortgage loan originator. Although the closing date and time may have not yet been scheduled, I want to advise you of the following matters:

- Insurance:** At closing, we will require an original insurance policy, or an original binder valid for at least 30 days, for fire and extended insurance, together with a paid receipt for the first year's premium. We can not accept a fax copy. Please contact _____ for the lienholder information **and** advise them of the amount of the premium **at least 2 weeks prior to the anticipated closing**.
- Abstract of Title:** As part of you purchase you will receive an abstract of title. This is a valuable document worth approximately \$1,000. The abstract should be stored in a safe place. As an additional service our office can store your abstract for a one-time fee of \$85.00.
- Certified Funds:** Funds that you are required to bring to closing must be in the form of a cashier's or certified check made payable to this office, unless other specific arrangements are made.
- Escrow Fee:** If there will need to be an escrow account established to complete work after closing, or for any other reason, a charge of \$95.00 will be added to the closing fee for each escrow account opened.

Exhibit "C"
2 Pages

5. Closing Date and Time, Final Walk-Through Inspection, Closing Documents: Consult your purchase agreement as to an approximate closing date. We schedule closings between 8:00 am and 4:30 PM, Monday through Friday. Should you desire a closing before or after those hours, or on Saturday, this can be arranged for a nominal fee. To avoid delays in your closing, please observe these time frames for completing final walk-through inspections: **new construction - 48 hours prior to closing** and for **existing housing - 24 hours prior to closing**. On occasion we may be asked to prepare seller-closing documents. We will assume that you are agreeable to this unless we hear otherwise. **If married, both husband and wife must be present for closing.**

If you have any questions or comments, please call my office.

Sincerely,

Chris Septer
Pre-closer

LAW OFFICES OF
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ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

Date:

ATTN:

RE: (Buyer)
(Seller)

Ladies and Gentlemen:

Please be advised that our office will be handling the closing of the above-referenced mortgage loan on behalf of _____ . I would appreciate your assistance with the following:

1. Upon receipt of this correspondence, you are authorized to have the abstract brought up to date by a Title Guaranty approved abstracter, have the appropriate lien searches performed on the Buyer(s), and have the abstract delivered to my office.
2. If this is a RELOCATION property or if the property is the subject of TAX ABATEMENT, my office must be notified IMMEDIATELY.
3. Please have the Seller(s) complete, execute, and return to me the enclosed COMPOSITE MORTGAGE AFFIDAVIT, AUTHORIZATION AND AGREEMENT relating to the release of payoff information and charges for water, sewer and solid waste, and the IRS W-9 Form relating to Taxpayer Identification Number and Certification. PLEASE RETURN THE ABOVE DOCUMENTS AS SOON AS POSSIBLE.
4. The borrowers are obtaining a 3. Conv. Unins. mortgage. If the Purchase Agreement requires a termite inspection be performed on the property, please order one as soon as possible.
5. Please remind the Buyer(s) to obtain fire and extended insurance prior to closing as directed in my correspondence to them.
6. Please advise the Seller(s) or their agent to bring the SIGNED AND NOTORIZED COMPOSITE MORTGAGE AFFIDAVIT, Deed, Declaration of Value, Groundwater Hazard Statement and Tax Pro-ration Agreement to our office prior to closing.

If you have any questions or comments, please contact me. Thank you for your assistance.

Sincerely,

Chris Septer
Pre-Closer

Exhibit "D"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

PROPERTY OWNER LETTER OF AUTHORIZATION FOR EXISTING MORTGAGE
And
AGREEMENT REGARDING CHARGES FOR WATER, SEWER & SOLID WASTE

PROPERTY OWNER(S) NAME: _____

SOCIAL SECURITY #: _____

PROPERTY ADDRESS: _____

FORWARD ADDRESS: _____

NAME OF LENDING INSTITUTION: _____

CONTACT	ADDRESS	PHONE
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LOAN #: _____

BUYER(S) NAME: _____

Ladies and Gentlemen:

Please accept this letter as authorization for you to release to Critelli & Hubbard, P.C. , and any and all information relating to the payoff of the above-referenced loan. Please provide the information as their office requests.

NOTE TO LENDER: If this is a HELOC or Line of Credit loan please close the loan effective the date of execution of this form and send a payoff statement when requested. This letter authorizes the lender to immediately close the HELOC or Line of Credit for payoff purposes.

The undersigned hereby agrees to obtain statements and pay all charges incurred at the above referred property for water, sewer and solid waste which have or will accrue through the date of closing; and also agrees to hold the purchaser, Countrywide Home Loans, Inc. and Critelli & Hubbard, P.C. , harmless for any such charges remaining unpaid after closing of the transaction with the purchaser.

This form, after executed, should be returned to Critelli & Hubbard, P.C. at the above address or fax number as soon as possible.

Thank you.

Owner

Owner

Date

TITLE GUARANTY DIVISION COMPOSITE MORTGAGE AFFIDAVIT

STATE OF IOWA)
) SS:) COMMITMENT OR CERTIFICATE NO. _____
 COUNTY OF _____) LOAN NO. _____

The undersigned, being first duly sworn, hereby state(s) with respect to the land described in the above Commitment or Certificate and the guaranteed mortgage covered thereby:

1. That, to the best of my knowledge, the guaranteed mortgage, note(s), or bonds and interest secured are good, valid, and free from all defenses in law and in equity; and that this Affidavit is made for the purpose of better enabling the legal holder(s) of said securities to sell, pledge or otherwise dispose of the same at any time, so as to insure the purchaser(s) or pledgee(s) against any claim of defense by the maker(s), their heirs, personal representatives or assigns.
2. That, to the best of my knowledge, within the last ninety (90) days, no improvements or repairs have been made on the land or upon any building on said land, nor any work performed or materials furnished for which full payment has not been made; that no contract of any kind has been made or will be made in relation to said land, building or improvements, in consequence of which any lien or claim may be enforced against the land; and that loan proceeds will not be used to pay for any labor or materials in making any improvements or repairs on the premises.
3. That no conditional bill of sale, retain title contract or security interest has been given by the undersigned, or to the knowledge of the undersigned, for or in connection with any materials, fixtures, furnishings, appliances or machinery placed upon or installed in said premises.
4. That the undersigned purchaser(s) or owner(s) is (are) in possession of said premises; that no contract has been entered into for the sale or conveyance of said premises by the undersigned or to the knowledge of the undersigned; and that there is outstanding no unrecorded, deed, mortgage or other conveyance thereof executed by the undersigned or to the knowledge of the undersigned. (NOTE: If there are any exceptions, state them here: _____)
5. If the premises consists of rental property, in whole or in part, that said premises are subject only to ordinary current leases to tenants now in possession, none of which expires later than one (1) year from date hereof and none of which contains any option to purchase, right of renewal or other unusual provision. (NOTE: If there are any exceptions, state them here: _____)
6. That the improvements on the subject property are within the boundary lines and set back lines, if any, of said land; that there are no encroachments by improvements on adjoining property onto the land; and that there is no known assertion being made by either the undersigned or the owners of adjoining property against the other as to the location of boundary lines nor any dispute as to occupancy of any portion of subject property.
7. (Fill in this paragraph if a Comprehensive Endorsement is being ordered.)
 - a. There are no covenants, conditions or restrictions which limit use of said property.
 - b. I am familiar with the covenants, conditions or restrictions recorded in Book _____, Page _____, in the Recorder's Office of _____ County, Iowa, and there are no violations of any of the provisions of said covenants, conditions or restrictions.
8. That the undersigned makes the above statements for the purpose of inducing the Title Guaranty Division of the Iowa Finance Authority to issue its Owner or Lender Title Guaranty Certificate with respect to the land described therein.

SELLER(S) OR OWNER(S)

PURCHASER(S)

INDIVIDUALS

 (Typed Name)

 (Typed Name)

 (Typed Name)

 (Typed Name)

CORPORATIONS

By: _____

 (Typed Name and Title)
 By: _____

 (Typed Name & Title)

By: _____

 (Typed Name & Title)
 By: _____

 (Typed Name & Title)

Subscribed and sworn to before me, a Notary Public in and for said County and State, this _____ day of _____, 20_____.

 Notary Public in and for Said State
 My Commission Expires: _____

Request for Taxpayer Identification Number and Certification

Give this form to
the requester. Do
NOT send to IRS.

P r i n t l e a s e t y p e	Name (If joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See Instructions under "Name" if your name has changed.)	
	Business name (Sole proprietors see Instructions on page 2.)	
	Please check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other >	
	Address (number, street, and apt. or suite no.)	Requestor's name and address (optional)
	City, state and ZIP code	

Part I	TAXPAYER IDENTIFICATION NUMBER (TIN)	
<p>Enter your taxpayer identification number in the appropriate box. For individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. If you do not have a number, see How To Obtain a TIN, below.</p> <p>Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.</p>		List account number(s) here (optional)
	<div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;">Social security number</div> <p style="text-align: center;">OR</p> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;">Employer identification number</div>	
		>

Part II For Payees Exempt From Backup Withholding (See Part II Instructions on page 2)

Part III **Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS. - You must cross out item (2) above if you have been notified by IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return. For real estate transactions, item(2) does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (Also see Signing the Certification under Specific Instructions, on page 2.)

Sign Here	Signature >	Date >
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(Section references are to the Internal Revenue Code.)

Purpose of Form. - A person who is required to file an information return with IRS must obtain your correct taxpayer identification number (TIN) to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an individual retirement arrangement (IRA). Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN), and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.

What is Backup Withholding? - Persons making certain payments to you are required to withhold and pay to IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- IRS notifies the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
- You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
- You do not certify your TIN. See the Part III instructions for exceptions.

Certain payees and payments are exempt from backup withholding and information reporting. See Part II instructions and the separate instructions for the Requestor of Form W-9.

How To Get a TIN. - If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Number Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

If you do not have a TIN, write "Applied For" in the space for the TIN in Part I, sign and date the form, and give it to the requester. Generally, you will then have 60 days to get a TIN and give it to the requester. If the IRS does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN.

Note: Writing "Applied For" on the form means that you have already applied for a TIN that you OR that you intend to apply for one soon.

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

Penalties

Failure to Furnish TIN. - If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50.00 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding. - If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500.00 penalty.

Criminal Penalty for Falsifying Information. - Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. - If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. - If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new last name.

Sole Proprietor. - You must enter your individual name. (Enter either your SSN or EIN in Part I.) You may also enter your business name or "doing business as" name on the business name line. Enter your name as shown on your social security card and business name as it was used to apply for your EIN on Form SS-4.

Part I - Taxpayer Identification Number (TIN)

You must enter your TIN in the appropriate box. If you are a sole proprietor, you may enter your SSN or EIN. Also see the chart on this page for further clarification of name and TIN combination. If you do not have a TIN, follow the instructions under **How To Get a TIN** on page 1.

Part II - For Payees Exempt From Backup Withholding.

Individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For a complete list of exempt payees, see the separate instructions for the Requester of Form W-9.

If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "Exempt" in Part II, and sign and date the form. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester a completed Form W-8, Certificate of Foreign Status.

Part III - Certification

For a joint account, only the person whose TIN is shown in Part I should sign.

1. Interest, Dividend, and Barter Exchange Accounts Opened Before 1984 and Broker Accounts Considered Active During 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, Dividend, Broker and Barter Exchange Accounts Opened After 1983 and Broker Accounts Considered Inactive During 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real Estate Transaction. You must sign the certification. You may cross out item 2 of the certification.

4. Other Payments. - You must give your correct TIN, but you do not have to sign the certification unless you have been notified of an incorrect TIN. Other payments include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services, payments to a nonemployee for services (including attorney and accounting fees), and payments to certain fishing boat crew members.

5. Mortgage Interest Paid by You, Acquisition or Abandonment of Secured Property, Cancellation of Debt, or IRA Contributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account 1
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor 2
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee 1
b. So-called trust account that is not a legal or valid trust under state law	The actual owner 1
5. Sole proprietorship	The owner 3
For this type of account:	Give the name and EIN of:
6. Sole proprietorship	The owner 3
7. A valid trust, estate or pension trust	Legal entity 4
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments.	The public entity

1 List first and circle the name of the person whose number you furnish.

2 Circle the minor's name and furnish the minor's SSN.

3 You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your SSN or EIN.

4 List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

Name:
Address:

Date

RE: Sale of _____

Dear :

Please be advised that the Critelli & Hubbard, P.C. will be handling the closing of the above-referenced mortgage loan on behalf of _____. I would appreciate your assistance with the following matters:

1. Upon receipt of this correspondence, you will need to locate the abstract and deliver it to my office so it may be brought up to date and appropriate lien searches performed on your name(s) and the names of the Buyer(s). Please **DO NOT** have the abstract updated yourself without first notifying our office.
2. Please complete, execute and return to me the enclosed authorization and agreement relating to the release of payoff information and charges for water, sewer and solid waste, and the IRS W-9 Form relating to Taxpayer Identification Number and Certification. **PLEASE RETURN THE ABOVE DOCUMENTS IMMEDIATELY.**
3. If the Purchase Agreement requires a termite inspection be performed on the property and you have had it done, please forward the report and the statement to me as soon as possible. If this property is subject to **TAX ABATEMENT**, notify my office **IMMEDIATELY.**
4. You will need to bring the COMPOSITE MORTGAGE AFFIDAVIT, Deed, Declaration of Value and Groundwater Hazard Statement to the closing. If you have not made arrangements for the preparation of these documents, contact the undersigned and these can be prepared for a nominal fee, assuming this is acceptable to all parties. These documents will need to be executed by you at closing or prior to the closing if you cannot attend the closing. We have enclosed a COMPOSITE MORTGAGE AFFIDAVIT for your convenience.
5. Please note, if the Buyers mortgage is a VA Mortgage, you may be required to pay the closing fee.

If you have any questions or comments, please call my office. Thank you for your assistance in this matter.

Sincerely,

Chris Septer
Pre-closer

Exhibit "H"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

Name:
Address:

Date:

RE: REFINANCE with **Lender**

Dear:

Please be advised that the Critelli & Hubbard, P.C. will be handling the closing of the above-referenced transaction of the property located at _____, on behalf of _____. This is not an approval or denial of your loan. Any questions regarding the status of your loan should be directed to your loan originator. Although the closing date and time may have not yet been scheduled, I want to advise you of the following matters:

1. If you have not already given the abstract of title to your loan originator, or are unsure of its location, please contact our office **immediately**. **Note: your abstract is a valuable legal document, worth approximately \$1,000. It should be stored in a safe place. As an additional service, our office can store your abstract for a one-time fee of \$85.00.**
2. Please notify your insurance agent that you are refinancing. Your loan originator will help you with all the pertinent information.
3. Please contact your loan originator to determine when you should discontinue making payments on your old mortgage. Also, it will be your responsibility to cancel any automatic draft you have with your current lender.
4. If you are required to bring funds to closing, these funds must be in the form of a cashier's or certified check made payable to this office, unless other specific arrangements are made.

Exhibit "I"
2 Pages

5. If attached, please complete the enclosed authorization for the release of information form regarding each of your current mortgages and return to me as soon as possible. If you have a Home Equity Line of Credit, **please contact this office immediately.**

6. Closing Date and Time: _____ will be in contact with you to schedule a closing date for you and your spouse, if married, assuming your loan is approved. **If married, both spouses must be present for closing.**

If you have any questions or comments, please contact me.

Sincerely,

Chris Septer
Pre-closing

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

* ALSO ADMITTED IN INDIANA

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

Date:

Attn:

Re: Name:
Address:

Loan No.:

The transaction for the above property is scheduled to close on

Please fax a payoff statement as soon as possible to the following:

(515) 255-0906 Attn: Critelli & Hubbard Law Firm

Be sure to include a fee for the fax service, if any. Also, please make note in your records that a check for recording fees must be sent with the subsequent release. (\$6.00 = 1 page, \$11.00 = 2 pages)

This written request is a follow-up to a verbal request: YES NO
Authorization from the mortgagor is attached: YES NO

If you have any questions or if you cannot comply, please call me immediately in order to avoid any delays with the closing.

Sincerely,

CRITELLI & HUBBARD, P.C.

Chris Septer

Exhibit "J"

	1 Week	1 Week	10 Day	2002													
Date	File Name	Abstract	Abstract	Abstr.	Survey	Termite	T.O.	Payoff #1	Payoff #2	Payoff #3	Closer						
10-16*		from ownr	from ab co	check	ord/recvd	ord/recvd	dn/fax	ord/recvd	ord/recvd	ord/recvd							
XX-XX	XXXXXXXXXXXXXXXXXXXX	ord/recvd	ord/recvd	XX-XX	XX-XX/X-XX	XX-XX/X-XX	X/XX-XX	XX-XX/X-XX	XX-XX/X-XX	XX-XX/X-XX	XXXXXX						
XX-XX	XXXXXXXXXXXXXXXXXXXX	XX-XX/X-XX	XX-XX/X-XX	XX-XX	XX-XX/X-XX	XX-XX/X-XX	X/XX-XX	XX-XX/X-XX	XX-XX/X-XX	XX-XX/X-XX	XXXXXX						
XX-XX	XXXXXXXXXXXXXXXXXXXX	XX-XX/X-XX	XX-XX/X-XX	XX-XX	XX-XX/X-XX	XX-XX/X-XX	X/XX-XX	XX-XX/X-XX	XX-XX/X-XX	XX-XX/X-XX	XXXXXX						
XX-XX	XXXXXXXXXXXXXXXXXXXX	XX-XX/X-XX	XX-XX/X-XX	XX-XX	XX-XX/X-XX	XX-XX/X-XX	X/XX-XX	XX-XX/X-XX	XX-XX/X-XX	XX-XX/X-XX	XXXXXX						

Exhibit "K"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

Name:
Address:

Date:

Dear :

Please find enclosed a copy of the title opinion for your property at _____.
Please note that in the course of reviewing the title for the property, we have discovered one or more title objections that prevent us from giving clear title on your property. As part of sale of this property to _____, these title objections will need to be cleared up.

Please review the attached title opinion. If you have an attorney, you will need to furnish the title opinion to him or her as soon as possible, so that they may prepare the necessary documentation needed for clear title. It is possible that as a part of the closing, we may be able to clear up any problems with the title for an additional fee, but you will need to call our office so we may review the title opinion with you. Please contact us at the number shown above.

Sincerely,

Chris Septer/Karen Moon

Enclosure

For our reference only:
File #

Exhibit "M"

CLOSING CHECKLIST

- ___ ___ Review Title Opinion for title objections.
- ___ ___ Clear all title objections and make sure we have all Payoffs.
- ___ ___ Make contact with the appropriate person to make sure that we get a faxed copy of what we need to clear title objection and have them bring the original to the closing. INCLUDED DEED, DEC. OF VALUE, G/W HAZARD.
- ___ ___ Review Purchase Agreement (be sure to check "other provisions"; if seller is to pay any closing costs/origination fee; if termite is required; if there are addendum's we need a copy).
- ___ ___ Calculate taxes independently to be sure we match with the closer. confirm taxes CALL TREASURY
- ___ ___ Confirm figures with closer.
- ___ ___ Get forwarding address and SS# of Seller.
- ___ ___ ~~Call Water Works for liens.~~
- ___ ___ Copy of Termite in file (if required by lender or by purchase agreement). Check for termite problems and order treatment if it has not already been ordered.
- ___ ___ Copy of Insurance Binder in file.
- ___ ___ Copy of Survey in file (if required by lender).
- ___ ___ Review closing instructions and get all loan conditions cleared. Double check with closer prior to closing. Contact originator only of closer is not available.
- ___ ___ Prepare HUD Statement--USE THE FIGURES FROM LENDER--IF A FIGURE IS NOT THE NORMAL AMOUNT, YOU MUST CALL TO VERIFY THE CORRECT AMOUNT.
- ___ ___ Balance ledger.
- ___ ___ Complete Composite Mortgage Affidavit.
- ___ ___ Complete Builder/Seller Affidavit (NEW CONSTRUCTION ONLY).
- ___ ___ Complete Escrow Agreement (IF REQUIRED--CHECK WITH LENDER IF NEW CONSTRUCTION).
- ___ ___ Complete all forms that need to be completed (i.e. tax authorization form (parcel # and name of previous owner), election of hazard insurance)
- ___ ___ Review spelling of names and legal descriptions on all documents.
- ___ ___ Copy and staple all documents. Put copies in a file for the borrower.
- ___ ___ Type 1099
- ___ ___ Call borrower to give amount they need to bring to closing. Also, need to have them bring insurance binder and any loan conditions they may need.
- ___ ___ Put note on front of folder as to what the closer needs to collect (i.e. amount of check, insurance binder, deed, declaration of value, groundwater hazard, affidavits, etc.).

TAX CALCULATION FOR NEW CONSTRUCTION WITH PARTIAL OR FULL ASSESSMENT:

Roll back \rightarrow
 01 = .516676
 "A" _____ = "A" "A" - \$4,850.00 = "B"
 (Full or partial assessment) (Homestead credit)
 "B" _____ x _____ = Yearly taxes
 (Milage Rate)
 Yearly taxes _____ divided by 2 = _____ Each Installment

TAX CALCULATION FOR NEW CONSTRUCTION WITH ONLY LOT ASSESSMENT:

.X _____ = "A" "A" X _____ = Yearly Taxes
 (Lot Assessment) (Milage Rate)
 Yearly Taxes _____ Divided by 2 = _____ Each Installment.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN:				
		1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input checked="" type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
		6. FILE NUMBER: EXAMPLE			7. LOAN NUMBER:	
		8. MORTGAGE INS CASE NUMBER:				
C. NOTE: 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 "[POC]" 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:		
Bob Buyer and Sharon Buyer 123 Old House Lane Des Moines, IA 50315		Steve Seller and Carol Smith-Seller 456 New House Blvd. Nowhereville, USA		ABC Mortgage Company 555 Example Parkway Des Moines, IA 50315		
G. PROPERTY LOCATION:		H. SETTLEMENT AGENT:		I. SETTLEMENT DATE:		
151 Property Street Des Moines, IA 50312 Polk County, Iowa		42-1514495 Critelli and Hubbard P.C. PLACE OF SETTLEMENT 4717 Grand Avenue Des Moines, IA 50312		May 1, 2002		

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	175,000.00	401. Contract Sales Price	175,000.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	5,212.78	403.	
104.		404.	
105.		405.	
<i>Adjustments For Items Paid By Seller in advance</i>		<i>Adjustments For Items Paid By Seller in advance</i>	
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.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	180,212.78	420. GROSS AMOUNT DUE TO SELLER	175,000.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money	500.00	501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)	150,000.00	502. Settlement Charges to Seller (Line 1400)	11,570.60
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage to Last Choice Mortgage/#	125,256.32
205.		505. Payoff of second Mortgage	
206.		506. Deposit retained by broker	500.00
207.		507.	
208.		508.	
209.		509.	
<i>Adjustments For Items Unpaid By Seller</i>		<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to		510. City/Town Taxes to	
211. County Taxes 07/01/01 to 05/01/02	1,253.42	511. County Taxes 07/01/01 to 05/01/02	1,253.42
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	151,753.42	520. TOTAL REDUCTION AMOUNT DUE SELLER	138,580.34
300. CASH AT SETTLEMENT FROM/TO BORROWER:		600. CASH AT SETTLEMENT TO/FROM SELLER:	
301. Gross Amount Due From Borrower (Line 120)	180,212.78	601. Gross Amount Due To Seller (Line 420)	175,000.00
302. Less Amount Paid By/For Borrower (Line 220)	(151,753.42)	602. Less Reductions Due Seller (Line 520)	(138,580.34)
303. CASH (X FROM) (TO) BORROWER	28,459.36	603. CASH (X TO) (FROM) SELLER	36,419.66

By signing page 2 of this statement, the signatories acknowledge receipt of a completed copy of page 1 of this two page statement.
 Substitute Form 1099-S.

SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, I AND ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2002 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply: a) You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate; b) Your original mortgage loan was provided after 1990, and; c) You sold or disposed of your home at a gain during the first 6 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 6828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amounts on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2002 Instructions for Forms 1099, 1098, 5498, and W-92.
 Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

Seller's Signature _____ TaxID/SSN: 111-11-1111	Seller's Signature _____ TaxID/SSN: 000-00-0000	Seller's Signature _____ TaxID/SSN:	Seller's Signature _____ TaxID/SSN:
--	--	--	--

L. SETTLEMENT CHARGES

700. TOTAL COMMISSION Based on Price		\$ 175,000.00 @ 6.0000 %	10,500.00		
<i>Division of Commission (line 700) as Follows:</i>					
701. \$ 10,500.00	to	Imaginary Realty, Inc.			
			Less Deposit Retained	500.00	
702. \$	to				
703. Commission Paid at Settlement					
704.	to				10,000.00
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	1.0000 %	to Bob's Mortgage Brokering, Inc.			1,500.00
802. Loan Discount	%	to			
803. Appraisal Fee		to Appraisals-R-Us			500.00
804. Credit Report		to Bob's Mortgage Brokering, Inc.			15.00
805. Lender's Inspection Fee		to			
806. Underwriting Fee		to ABC Mortgage Company			150.00
807. Tax Service Fee		to Transamerica			66.00
808. Flood Certification		to Bob's Mortgage Brokering, Inc.			20.00
809.					
810. Yield Spread Premium		POC \$1000.00 to Bob's Mtg Brokering from ABC Mtg.			
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest From 05/01/02 to 08/01/02	@ \$	28.767100/day (31 days %)			891.78
902. Mortgage Insurance Premium for	months to				
903. Hazard Insurance Premium for	1.0 years to	Fire-Proof Insurance			505.00
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard Insurance	4.000 months @ \$	42.08 per month			168.32
1002. Mortgage Insurance	months @ \$	per month			
1003. City/Town Taxes	months @ \$	per month			
1004. County Taxes	4.000 months @ \$	125.00 per month			500.00
1005. Assessments	months @ \$	per month			
1006.	months @ \$	per month			
1007.	months @ \$	per month			
1008. Aggregate Adjustment	months @ \$	per month			-120.32
1100. TITLE CHARGES					
1101. Settlement or Closing Fee		to Critelli & Hubbard, P.C.			300.00
1102. Abstract or Title Search		to Abstracting Rules, Inc.	#11112254		200.00
1103. Title Examination		to Critelli & Hubbard, P.C.			250.00
1104. Title Insurance Binder		to			150.00
1105. Document Preparation		to Dewey, Cheatem, Fleessum, and Howe	Deed Papers		125.00
1106. Notary Fees		to			
1107. Attorney's Fees		to			
<i>(includes above item numbers:)</i>					
1108. Title Insurance		to Iowa Title Guaranty			165.00
<i>(includes above item numbers Environmental, Comprehensive)</i>					
1109. Lender's Coverage	\$	150,000.00			
1110. Owner's Coverage	\$				
1111.					
1112.					
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording Fees: Deed \$ 11.00; Mortgage \$ 76.00;		Releases \$			67.00
1202. City/County Tax/Stamps: Deed		Mortgage			
1203. State Tax/Stamps: Revenue Stamps		279.20; Mortgage			279.20
1204. Affidavit of Identity		to Polk County Recorder			6.00
1205.					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey		to Check-It-Twice Surveyors			75.00
1302. Pest Inspection		to Bugs-All-Die Termite Company			95.40
1303. Delivery Fees		to Critelli and Hubbard P.C.			40.00
1304. Taxes due 3/02 (With Penalty)		to Polk County Treasurer			775.00
1305.					
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)					5,212.78
					11,570.60

Certified to be a true copy.

The undersigned hereby acknowledged receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein. 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.

Borrower

Bob Buyer

Sharon Buyer

Seller

Steve Seller

Carol Smith-Seller

TO THE BEST OF MY KNOWLEDGE, THE HUD-1 SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS A TRUE AND ACCURATE ACCOUNT OF THE FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

Critelli and Hubbard P.C.
Settlement Agent

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE: TITLE 18 U.S. CODE SECTION 1001 & SECTION 1010.

DISBURSEMENTS SUMMARY / BALANCE SHEET

Borrower: Bob Buyer and Sharon Buyer
Seller: Steve Seller and Carol Smith-Seller
Lender: ABC Mortgage Company
Settlement Agent: Critelli and Hubbard P.C.
 (515)255-8750
Place of Settlement: 4717 Grand Avenue
 Des Moines, IA 50312
Settlement Date: May 1, 2002
Property Location: 151 Property Street
 Des Moines, IA 50312
 Polk County, Iowa

INCOMING FUNDS

ABC Mortgage Company	Loan Funding Amount	151,000.00
Bob Buyer and Sharon Buyer		28,459.36
	Total Incoming Funds	179,459.36

DISBURSEMENTS

Imaginary Realty, Inc.		10,000.00
Commission	10,500.00	
Less deposit retained	(500.00)	
Appraisals-R-Us	Appraisal Fee	500.00
Fire-Proof Insurance	Hazard Insurance Premium	505.00
Abstracting Rules, Inc.	Abstract or Title Search	450.00
Dewey, Cheatem, Fleessum, and Howe	Document Preparation	125.00
Treasurer - State of Iowa	Title Insurance	165.00
Polk County Recorder	State Tax/Stamps	279.20
Check-It-Twice Surveyors	Survey	75.00
Bugs-All-Die Termite Company	Pest Inspection	95.40
Polk County Treasurer	Taxes due 3/02 (With Penalty)	775.00
Last Choice Mortgage	Payoff of first Mortgage	125,256.32
Steve Seller and Carol Smith-Seller	Closing Proceeds	36,419.66
ABC Mortgage Company	Loan Closing	1,655.78
Underwriting Fee	150.00	
Tax Service Fee	66.00	
Interim Interest	891.78	
Escrow: Hazard Insurance	168.32	
Escrow: County Taxes	500.00	
Aggregate Adjustment	-120.32	
Bob's Mortgage Brokering, Inc.	Loan Closing	2,535.00
Loan Origination Fee	1,500.00	
Credit Report	15.00	
Flood Certification	20.00	
Yield Spread Premium	1,000.00	
Critelli and Hubbard P.C.	Settlement Agents Fees	530.00
Settlement or Closing Fee	300.00	
Title Examination	150.00	
Delivery Fees	80.00	
Polk County Recorder	Government Charges	93.00
Recording Fees	87.00	
Affidavit of Identity	6.00	
Number of checks - 16	Total Disbursements	179,459.36

REAL ESTATE PROPERTY TAXES

Taxes in the state of Iowa are paid in arrears – which (simply put) means that they are paid **after** a specific date instead of in advance of a date. They are also paid on a fiscal year and not a calendar year. Paid on ‘net’ amount and not ‘gross’ amount. AND – paid three months after the end of the fiscal year. This puts us paying our property taxes approximately 15 months in arrears.

The following is an example of fully assessed property taxes, and when they are paid:

1234 Somewhere Street	Gross Tax :	2650.00
Des Moines, Iowa	Net Tax :	2450.00

Taxes are calculated from July 1 to June 30 of each year – payable in two (2) installments due in September and March.

When we pay taxes in September (of any given year) we are paying the taxes for the time of July 1st through December 31st of the **PREVIOUS** year.

Then the March installment is for January 1st through June 30th

Specific Example – Taxes due in September of 2002 – will be the taxes for the time frame of July 1, 2001 to December 31, 2001 – in the amount of \$1,225.00

The March 2003 installment will also be for \$1,225.00 and will be for the second half of the fiscal year – January 1, 2002 to June 30, 2002.

Now an example of a real estate sales transaction:

Property at 1234 Somewhere Street Des Moines, Iowa is due to close on March 1st of 2002. The purchase agreement indicates that the seller will pay pro-rated taxes based on the date of closing.

Sellers tax liability is as follows:

March installment for 2002 is due by March 31st – must be paid at closing time to the Treasurer (this is for the 2nd half of the past fiscal year Jan 1 to June 30 of 2001)

The pro-ration will be based on the dates of July 1st 2001 to the date of closing - - in this case - March 1. The Seller will give the Buyer a credit for taxes from 7/1/01 to 3/1/02. Based on the tax amount of \$2,450.00 per year this can be calculated two ways:

244 days for a total of \$1,637.81 or

One installment of \$1,225.00 plus 60 days @ \$6.7123 = \$402.74 for a total of \$1,627.74

Exhibit “O-1”

PROPERTY TAX CYCLE

AUDITOR Taxable Fiscal Year	TREASURER Payable Fiscal Year
94-95 7-1/6-30	95-96 9-30/3-31
95-96 7-1/6-30	96-97 9-30/3-31
96-97 7-1/6-30	97-98 9-30/3-31
97-98 7-1/6-30	98-99 9-30/3-31
98-99 7-1/6-30	99-00 9-30/3-31
99-00 7-1/6-30	00-01 9-30/3-31
00-01 7-1/6-30	01-02 9-30/3-31
01-02 7-1/6-30	02-03 9-30/3-31
02-03 7-1/6-30	03-04 9-30/3-31
03-04 7-1/6-30	04-05 9-30/3-31
04-05 7-1/6-30	05-06 9-30/3-31

Exhibit "O-2"

REAL ESTATE TAX AGREEMENT

The undersigned Buyer and Seller of the real estate located at _____ hereby amend the Purchase Agreement and agree that the following constitutes the Real Estate Tax Adjustment between them in the final settlement of the real estate transaction pertaining to the above address.

That the Sellers' total property tax liability is as follows:

Prorated Taxes:

1/1/01 thru 6/30/01 to be paid at closing	\$ _____
7/1/01 thru _____	-- \$ _____
TOTAL CURRENT LIABILITY	-- \$ _____

In the event of a change in the possession date, this amount will be adjusted, based on a per diem of \$ _____ per day.

The parties waive any claims they may now, or in the future have against each other, or The Law Offices of Critelli & Hubbard, P.C. arising from the Real Estate Tax Adjustment, any Special Assessments not yet shown in the abstract or for errors caused by any misinformation furnished by other parties.

It is further agreed that at the time of the settlement of the real estate transaction, the funds of the purchase price may be used to pay taxes and other liens against the property. It is further agreed that the lender are authorized to make these disbursements and to disburse the balance to the designated party as set forth in the Purchase Agreement.

Insert Seller Name Date

Insert Seller Name Date

Insert Buyer Name Date

Insert Buyer Name Date

ESCROW AGREEMENT

The undersigned hereby agrees as of this _____ day of March, 2001 to the closing of the sale of the real property known as **Insert Address of Property here**

1. AMOUNT. The sum of \$2,500.00 is to be withheld from the purchase price, in the hands of the office of Critelli & Hubbard, P.C., as escrow agent, such sum representing one and one-half times the estimate of the cost of the

a. Final Grade & Sod

b. Finish Masonry

at the above premises.

2. EXPENSES. No interest shall accrue in favor of Builder/Seller or Buyer on such escrowed sum..

3. DISBURSEMENT. No monies shall be released by Critelli & Hubbard, P.C. until all elements of such replacement have been satisfactorily completed and paid for by Builder/Seller, and Critelli & Hubbard, P.C. has written authorization from the Buyer to release such funds, in which case Critelli & Hubbard, P.C. shall pay over all monies to Builder/Seller.

4. INDEMNITY. Buyer and Builder/Seller hereby agree that Critelli & Hubbard, P.C. shall have no liability to either of them or to any third party other than to hold and disburse such sums in accordance with this agreement, and each shall indemnify and hold harmless the office of Critelli & Hubbard, P.C. against all claims, liabilities, damages, expenses, and attorney's fees, which Critelli & Hubbard, P.C. may incur or sustain in connection with this agreement, the escrow hereby created, or the construction and sale which is the subject thereof.

BUILDER/SELLER

BUYER

Insert Company Name
and who is signing (if known)

Insert Buyer's Name

Insert Buyer's Name

Exhibit "Q"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**
JON K. HOFFMANN*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* OF COUNSEL
** ALSO ADMITTED IN INDIANA

CREDIT CARD AGREEMENT

I (We), the undersigned, hereby acknowledge that the payoff(s) for the credit card(s) being paid off at closing will be mailed via regular mail by me (us), **NOT** the Critelli and Hubbard Law Firm. I (We) further acknowledge that interest will continue to accrue until the payments are received and that I (we) will be responsible for any interest or late charges.

I (We) also agree that if a payoff is lost in the mail or does not reach the credit card company and Critelli & Hubbard has to reissue a check for one of the payoffs, Critelli & Hubbard may deduct any stop payment charges they incur from the amount of the new check.

Name Date

Name Date

Exhibit "R"

PROPERTY TAX AGREEMENT

We, the undersigned borrower(s), do hereby agree to pay Critelli and Hubbard Law Firm a \$25.00 tax escrow fee. We understand that our new lender is requiring Critelli & Hubbard (as settlement agent) to hold money in escrow to pay the county property taxes when they are due. These taxes cannot be paid prior to September 1, 2002. After September 1, 2002, we understand that Critelli & Hubbard will verify with the Treasurer the new tax figure, pay the September installment, withhold the \$25.00 fee, and then returned any unused monies to me (us).

In the unlikely event that there is not enough funds to cover the tax installment and the escrow fee, I (we) agree to cooperate with the Critelli & Hubbard Law Firm in paying the necessary amount needed.

Borrower - Date

Borrower - Date

LAW OFFICES OF
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ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**
JON K. HOFFMANN*

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DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
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* OF COUNSEL
** ALSO ADMITTED IN INDIANA

Dear Borrowers:

This is to inform you that your new lender will not be collecting any money to be held in escrow to pay for property taxes and/or hazard insurance. IT WILL BE YOUR RESPONSIBILITY TO MAKE SURE THESE ARE PAID IN A TIMELY FASHION. You will need to provide your lender with proof of payment as requested. You will need to contact the County Treasurer's Office and inform them to send the new statement directly to you prior to the next installment due date of _____.

You will also want to file for Homestead and/or Veteran's Exemptions, as it may decrease your tax liability. If you have any questions, please contact this office.

Sincerely,

ACKNOWLEDGED:

Name Date

Name Date

Exhibit "T"

PEST INSPECTION AGREEMENT

I, the undersigned Buyer, do hereby acknowledge that no pest inspection was performed on the property I am purchasing, locally known as _____, _____, which is legally described below.

I also understand that should the property be infested or damaged by any kind of home-destroying pest, I am completely responsible, financially and otherwise. I also agree to hold (*Lender*), and the Critelli & Hubbard Law Firm completely harmless in this matter.

This agreement is made for the following legally described property:

(Legal Description)

Borrower

Date

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**
JON K. HOFFMANN*

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* OF COUNSEL
** ALSO ADMITTED IN INDIANA

To Whom It May Concern:

Please accept the enclosed check as complete payment for our Home Equity Line Of Credit (HELOC). Consider this authorization to close the account – if it has not already been closed. And process the release as soon as possible.

We, the undersigned, do hereby agree to pay any amount that may have been drawn on the line of credit (and any additional interest) after the payoff was figured for the refinance of our property, so that a release may be obtained. We further agree to pay any such amount as soon as we are notified that there may be additional funds needed. We will pay the specified amount due and owing to the Law Firm of Critelli & Hubbard, P.C. and agree to hold Critelli & Hubbard, P.C. harmless with regard to this matter.

Name Date

Name Date

Address: _____

Loan # _____

Exhibit "V"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
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* ALSO ADMITTED IN INDIANA

Proceeds Disbursement Agreement
(Choose One)

We, the undersigned, do hereby acknowledge the disbursement of proceeds for our refinance will occur on _____. In regards to those proceeds, we hereby agree to the following:

_____ We choose to have the proceeds sent to us by UPS Second Day Air. We agree to pay Critelli and Hubbard Law Firm \$15.00, deducted from our check, to cover this charge.

_____ We choose to have the proceeds sent to us by UPS Next Day Air. We agree to pay Critelli and Hubbard Law Firm \$20.00, deducted from our check, to cover this charge.

_____ We choose to have the proceeds wired to us. We have attached wiring instructions to this page and agree to pay the Critelli & Hubbard Law Firm a fee of \$25.00, deducted from our check, to cover this charge.

_____ We choose to have the proceeds mailed to us at no charge. We understand, however, that if the check does not reach us, and the Critelli and Hubbard Law Firm is forced to write us a new check, we will pay the Critelli and Hubbard Law firm a \$20.00 stop-pay fee, which will be deducted from our check.

_____ We choose to pick up the proceeds at the Critelli and Hubbard Law Firm after 3:00 p.m. on the day of filing.

_____ Other. Describe: _____

**If the check is being sent by mail or by UPS, please write the destination address very clearly:

Signature

Date

Signature

Date

Exhibit "W"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* ALSO ADMITTED IN INDIANA

TITLE COMPANY COVER SHEET

TO: _____
FROM: _____
RE: _____
DATE: _____

The items listed below are attached:

_____ Deed with Declaration of Value and Groundwater Hazard Statement

_____ Mortgage

_____ Affidavit

_____ Release

_____ A check in the amount of \$ _____ for filing fees

_____ A check in the amount of \$ _____ for revenue stamps

_____ A check in the amount of \$ _____ for taxes due _____

_____ A check in the amount of \$ _____ for your fees

Please do a last minute search of the records to see if there are any intervening liens. If there are no intervening liens, please file the document(s) and call me as soon as the document(s) have been filed. The abstract of title and pencil note no. _____ are enclosed. If there is currently a mortgage on the property, please hold the abstract to show the release, and then return the abstract to this office in final form. Thank you for your assistance in this matter.

Exhibit "X"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**
JON K. HOFFMANN*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* OF COUNSEL
** ALSO ADMITTED IN INDIANA

RECORDER'S OFFICE COVER SHEET

TO: _____
FROM: _____
RE: _____
DATE: _____

The items listed below are attached:

_____ Deed with Declaration of Value and Groundwater Hazard Statement

_____ Mortgage

_____ Affidavit

_____ Release

_____ A check in the amount of \$ _____ for filing fees

_____ A check in the amount of \$ _____ for revenue stamps

_____ A check in the amount of \$ _____ for taxes due _____

_____ A check in the amount of \$ _____ for your fees

Please file enclosed document(s) and call when recordation has been completed. Thank you for your assistance in this matter.

Exhibit "Y"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**
JON K. HOFFMANN*

4717 GRAND AVENUE
DES MOINES, IOWA 50312
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* OF COUNSEL
** ALSO ADMITTED IN INDIANA

REALTOR COVER SHEET

TO: _____
FROM: _____
RE: _____
DATE: _____

Attached are the following documents that must be reviewed and signed by the Seller(s) prior to disbursing funds to the Seller:

- _____ HUD Settlement Statement
- _____ Composite Mortgage Affidavit
- _____ Builder/Seller Affidavit
- _____ Supplemental Escrow Statement
- _____ IRS Form 1099-S TO BE DELIVERED TO THE SELLER!!
- _____ Termite Report
- _____ Your Tax Agreement (we do not need back)
- _____ Proceeds check in the amount of \$ _____
- _____ Commission check in the amount of \$ _____ (and related fees, if any)
- _____ check in the amount of \$ _____
- _____ check in the amount of \$ _____
- _____
- _____
- _____

NOTE: FUNDS MAY NOT BE DISBURSED PRIOR TO RECEIVING SPECIFIC AUTHORIZATION FROM THIS OFFICE. IF YOU HAVE NOT RECEIVED SAID AUTHORIZATION, PLEASE CONTACT THIS OFFICE.

Exhibit "Z"

LAW OFFICES OF
CRITELLI & HUBBARD, P.C.
ATTORNEYS AND COUNSELORS AT LAW

MARK A. CRITELLI
AARON M. HUBBARD**

4717 GRAND AVENUE
DES MOINES, IOWA 50312
TELEPHONE (515) 255-8750
FAX (515) 255-0906

* OF COUNSEL
** ALSO ADMITTED IN INDIANA

PAYOFF COVER SHEET

Date: _____

RE: _____ / _____
Borrower Buyer

Property Address City State Zip

Forward Address City State Zip

Loan # _____

Dear Sirs:

Enclosed please find the enclosed check to pay off the above referenced loan. Please prepare a Release of Mortgage for filing and return to this office, along with a copy of this letter within 30 days. Pursuant to Iowa Code Section 655.1 and 655.2, failure to comply with this request within 30 days may result in penalties including but not limited to attorney's fees. Your prompt assistance in this matter is greatly appreciated.

If you have any questions, please contact the office at the above number.

Sincerely,

Karen Moon
Closing Manager

Enclosure

Exhibit "AA"