



BUILDING A SAFER, STRONGER, SMARTER LOUISIANA

Closing and Title Insurance Process

The Road Home Closing Process

Who will be at the closing?

For Option 1 applicants, all applicants must attend the closing. If one of the applicants has Power of Attorney for the eligible owner-occupant and the eligible owner-occupant is able to attend the closing, the person named as Power of Attorney is not required to attend.

For Option 2 and 3 applicants, all owners that appear on the title must be present at closing.

For all options, the applicant(s) can also choose to grant Power of Attorney to act on their behalf at the closing.

For applicants with *assignment of rights*, it is not a requirement that the original homeowner be present if the *Road Home* has on file the current homeowner's information, including documentation of their rights to the benefits and identification, including the homeowner's thumb prints. Prior to closing, *The Road Home* must have a **certified copy of the recorded cash sale** and the **Road Home Assignment Form**. If the identification of the assigned owner is not in the file, the original owner and assigned owner must participate in the closing.

What happens if some of the owners of the damaged home are unable to participate in the closing?

If owners cannot come to *The Road Home* closing, the absent owner can assign Power of Attorney to authorize another owner to act on their behalf. The Power of Attorney must be signed and notarized. If the applicant chooses Option 2 or 3, the closing agent will provide a suitable Power of Attorney form to be signed and notarized.

How much are closing costs?

The Road Home requires that certain documents be recorded as public record. The amounts of these charges and fees have been designated by your parish officials. Under Option 1, closing costs should be no more than \$100. This includes the recording fees to record the covenant and subordination. Closing costs for Option 2 and 3 can range widely depending on what has to be recorded. Under Option 2 and 3, closing costs are often higher, ranging from \$300 - \$500 in most cases. The closing costs will be deducted from the total grant amount.

What documentation does the applicant need to bring to closing?

- The applicant will need to bring a valid, government issued photo ID.
- When the applicant schedules their closing appointment, the closing agent will let them know if any other parties are required to attend the closing.
- If the applicant wants their award electronically transferred to a bank account, the applicant will need to bring the necessary bank information, which the closing agent will discuss when they set up the closing appointment.
- For Option 2 if applicable, the applicant will need to bring proof of a replacement home, such as a HUD 1 settlement sheet or title.

How long will the closing take?

Typically, each closing lasts about 1 hour.

How does the applicant schedule a closing?

The applicant will receive a call from a closing agent. At that time the applicant will be able to pick a date and time and choose a closing center convenient for them.

When will the closing be scheduled?

After the closing agent receives notice from *The Road Home* program that the applicant's funding amount has been approved, the applicant will typically be contacted within 15-30 days to schedule a closing appointment. The actual date of the closing depends on the applicant's availability and open appointments. Closing dates for applicants who choose Option 2 or 3 may require additional time since full title searches must be completed and payoffs arranged with lien holders.

What if the applicant sent in their option letter and wants to change the benefit option they selected?

Applicants can change their option selection up until their scheduled closing and before they sign their closing documents. If an applicant decides to change their option, they may be asked to call the closing agent at least **five days prior** to the appointment so that the appropriate paperwork can be prepared. If the applicant is closing on an Option 2 or 3, the closing may take a little longer to schedule because the State requires a full title search and lien holders must be contacted for payoff amounts.

Can an applicant change their benefit option at closing?

If an applicant decides to change their option selection at the closing table, they will not be able to close at that time and will need to re-schedule their closing for a later date. The closing must be cancelled because new closing documents will need to be printed and new final closing instructions will need to be sent to the closing agent.

Can an applicant change their benefit option after closing?

For Option 1 Applicants:

- Applicants may elect to change from Option 1 to Option 2 or 3 after they have closed. Applicants may make this change regardless of how many *Road Home* closings they have completed or the number of disbursements they have received as long as the request occurs within one year of the original closing date.
- Applicants who make the decision to change from Option 1 to Option 2 or 3 post-closing are responsible for the cost of executing another closing. This amount is deducted from the applicant's funding award amount.
- The request must be postmarked within one year of the date on their Option 1 closing documentation. Applicants who closed prior to the approval of this policy have one year from the date the policy was approved (September 7, 2007) to submit their request in writing to *The Road Home* program.
- The request must be made and the change from Option 1 to Option 2 or 3 executed prior to the applicant selling the damaged property. An applicant who has sold their damaged property residence since the closing cannot change from an Option 1 to an Option 2 or 3.

- Applicants must submit request in writing to *Road Home* program at the following address:

Post Closing Department Mailing Address

The Road Home Program
Post Closing *Department*
P.O. Box 3749
Baton Rouge, LA 70821

Applicants must include the following information in their request:

- Full name
 - *eGrants* application ID
 - Damaged property address
 - Reason for requesting change
- If the Option 1 award disbursed is greater than the Option 2 or Option 3 award amount, Post-Closing Advisor contacts applicant to inform them of balance owed and mails applicant the instructions for remitting funds to the State of Louisiana. The file will not be forwarded to a closing agent until a check is received and cleared by the State of Louisiana.
 - If the Option 2 or Option 3 award is greater than the Option 1 award amount disbursed, the outstanding difference will be disbursed

For Option 2 Applicants:

- Homeowners that have selected Option 2 have one year from the time of closing to reverse their decision and accept Option 3. If this is done within the one year period, the homeowner will have to repay the difference in the award amount between option 2 and 3 **without** any interest due.
- If a homeowner does not reverse their decision and fails to meet their obligation to own and occupy a home in the state within 3 years, the homeowner must pay the difference between the total award they would have received under Option 3 versus the award they received under Option 2, **plus interest**.
- Homeowners who selected Option 2 and have already closed on their grant, but received only their Option 3 award amount because they did not have a replacement home, will be contacted shortly by the Post Closing team to arrange a second disbursement and sign new documents.

Insurance

Definition: Title Insurance: Title insurance is defined as insurance against loss from defects in title to real estate property and from invalidity or unenforceability of mortgage liens. Basically, it is protection against loss arising from problems connected to the title of your property. *Private title insurance companies* issue the title insurance on all properties that are sold to *The Road Home* Corporation to protect the State against lawsuits challenging property titles.

Is a title insurance policy being issued for all homes?

No. Title insurance is only being issued for Option 2 and 3 properties which *The Road Home* Corporation is purchasing.

Who is paying for the title insurance?

The State pays the cost of the title insurance.

Can the applicant purchase insurance from any company they choose?

Yes. *The Road Home* covenant requires that you will need to acquire flood insurance, in addition to homeowner's insurance, if you are located in the flood plain.