

# Real Estate Closing Information and Disclosures

## The Disclosures:

We are allowed to represent both the buyer and seller at a real estate closing as long as the terms of the transaction have been agreed upon in the sales contract and the parties' interests are generally aligned. In representing you as the buyer, we will be rendering an opinion on the title to the property you are buying, preparing the written documents, and disbursing the proceeds of the sale. Our representation of the seller will be limited to preparing the deed, collecting the purchase price and drafting the necessary documents that the seller is required to furnish. If a conflict arises, we will withdraw from representing any of the parties to the transaction.

We may have been selected as closing attorneys because we represent the builder who is selling you your house and handle the majority of the builder's real estate and general corporate transactions. The following are some of the builders whom we represent on a regular or continuing basis:

- Caviness & Cates Development
- Kidd Construction Co., Inc.
- New South Properties, Inc.
- Watson & Watson Builders, Inc.
- Watermark Homes, Inc.

If you have obtained a loan for part of the purchase price, we will also be representing the lender's interest at the closing by following the terms of the loan instructions that are given to us along with the loan documents. In many instances, your interests are the same as the lender's: making sure that you are receiving a marketable and insurable title to your real property in accordance with the terms of the agreement you made with the seller.

## Pre-Closing Activities:

Using the description of your property from the sales contract, we will perform a title examination so that we may obtain a title insurance policy for you and your lender. It is our practice to try to find an existing policy upon the property you are purchasing if we can locate one through the local title insurance agencies. If we find that a title policy has been issued upon this real property, we will then examine the title to this property from the date of the existing policy. If we cannot find an existing policy, then we will examine the title to the property for the period of time required by the title insurance company. In either case, you will receive the same type of coverage from the title insurance company.

There may be restrictive covenants upon the property you are buying that may restrict your use of the property. The most common restriction limits the size and location of fences in your yard. If you have not received a copy of those restrictions before making the offer on the house, please let us know before the closing if you would like to have a copy provided to you at closing.

Please talk with your real estate agent if you would like a survey of the property you are buying made by a registered land surveyor. In many instances, lenders are no longer requiring surveys. For that reason, unless your sales contract specifically requires the seller to pay for a survey, many sellers or builders are

no longer providing them at closing. If that is the case, then we will be happy to order a survey for you at your expense, but you or your real estate agent must specifically authorize our office to do so.

You will be required to obtain homeowner's insurance upon you home. In many instances, your real estate agent is taking care of this for you; however, if you are handling this yourself, please provide us with the name and telephone number of your insurance agent and company as soon as possible.

In almost all instances, you as the buyer will be bringing money to closing for the payment of your new house. Please note that we must have wither cash or a cashier's check from your bank or credit union. We will try to provide you with the exact amount that you will need to bring to closing as soon as possible; however, in many instances, your lender may not deliver the loan package to us until the day the closing is scheduled and in some instances, it may be delivered one hour before the closing. If that is the case, we will not be able to give you the amount of funds in advance and there will probably be a delay of the closing.

### **What Happens At Closing?**

We will go over the closing documents with you. These may include the HUD Settlement Statement , Truth in Lending Disclosure, Promissory Note, Deed of Trust, Escrow Disclosure Statement, Termite Report, and Tax Information.

We will collect from you the money you were required to bring to closing. We will have made arrangements with your lender to obtain your loan proceeds. We will obtain the signatures of the sellers on your deed and other closing documents. You will be given a copy of your closing documents and the keys to your new house, BUT it isn't your house yet!

### **Post - Closing**

After the closing, we still have more work to do. We may have to fax copies of the signed documents to your lender. We may still be waiting for your lender to send us your loan proceeds. We will update our title examination once more and record your deed and the deed of trust. **FINALLY, THE HOUSE IS YOURS!** All you have to do is pay for it. Several weeks after closing, we will mail you deed to you. About a week later, you will receive your title insurance policy directly from the title insurance company. Please put both documents in a safe place.

One final note about your property taxes: if you purchase a home around the last six months of the year, we will collect and pay those taxes at closing. If you purchase a home around the first six months of the year, we will NOT collect and pay the taxes to the taxing authority because the tax rate for that year has not been set at that time. If you sales contract provides for the taxes to be prorated, we will reflect a credit on the settlement statement towards the purchase price for the seller's share of the taxes. That credit will be estimated based upon the prior year's taxes or tax rate since that will be the best information we will have at the time. If your sales contract provides that the seller shall fund your loan escrows without proration, we will again estimate the escrows based upon the prior year's taxes or rates. If you should receive a tax bill later in the year from either the seller or our office, and you have a loan with escrows, send the bill to you lender. If your loan does not have a tax escrow, then you should pay the tax bill. Upon either circumstances, **IT IS YOUR RESPONSIBILITY** to make sure that the taxes for the year of your home purchase are paid.