DELK 4 LAW
REAL ESTATE

A real estate attorney plays a critical role in the closing process, ensuring that the legal aspects of the transaction are handled properly. Here are the steps a real estate attorney typically follows during a real estate closing:

www.delk4law.com

01
Pre-Contract Consultation (if necessary)
Although certainly not necessary in most transactions, the attorney may advise the buyer or seller before the contract is signed, ensuring that the terms are fair and legally sound.

02
Title Search and Examination
The attorney performs a title search to verify the property's legal ownership and to identify any encumbrances, such as liens, easements, or unpaid taxes.

03
Resolve Title Issues (if necessary)
If any title defects or liens are found, the attorney works to resolve these issues before closing, which may involve negotiations with creditors or other parties.

04
Draft and Review Documents
The attorney prepares and reviews all necessary documents for closing, including the deed, settlement statement, and any loan documents, making certain that all documents comply with state and local laws and accurately reflect the terms of the agreement.

05
Coordinate with Parties
The attorney coordinates with the buyer’s lender to confirm that the loan is approved and all conditions are met, and works with the title company to verify that title insurance is in place and that all necessary documents are ready for recording.

06
Closing
During the closing, the attorney explains the documents to the buyer and seller, ensuring that they understand their rights and obligations, and oversees the signing of all documents.

07
Record Documents
Once all closing documents are signed and verified, the attorney files the deed and mortgage with the Register of Deeds to officially transfer ownership and secure the lender’s interest in the property.

08
Disburse Funds
After recording, the attorney disburses the escrow account, making sure that funds are properly distributed to the seller, to lenders for mortgage payoffs, and other parties, such as real estate agents and inspectors.

09
Post-Closing Tasks
The attorney sees to it that the title company issues the final title insurance policy to the buyer and addresses any post-closing issues that may arise, such as correcting errors in the documents or resolving disputes.

Let's Connect

828-572-1109 closings@delk4law.com www.delk4law.com

Frequently Asked Questions (FAQs)

What is a real estate closing?

A real estate closing is the final step in a property transaction where the ownership of the property is officially transferred from the seller to the buyer. During the closing, all necessary documents are signed, funds are exchanged, and the deed is recorded with the Register of Deeds.

What are closing costs?

Closing costs are fees associated with the finalization of a real estate transaction. They typically include charges for the appraisal, title insurance, attorney fees, taxes, and loan origination fees. These costs are generally paid by the buyer, but the seller may cover some expenses depending on the negotiation.

What is escrow?

Escrow is a neutral third-party service provided by the closing attorney, who holds funds and documents during a real estate transaction until all conditions of the contract are met. It helps protect both the buyer and seller by ensuring that all agreed-upon terms are fulfilled before the money is released and the property is transferred.

Why do I need a home inspection?

A home inspection is a crucial step in the buying process that allows the buyer to identify potential problems with the property, such as structural issues, plumbing, or electrical problems.

What is a title search and why is it important?

A title search is a thorough examination of public records to verify the legal ownership of a property and to check for any claims, liens, or encumbrances. It's essential because it ensures that the seller has the right to sell the property and that there are no legal obstacles to the transfer of ownership.

What is title insurance?

Title insurance protects the buyer and lender against any future claims or disputes over the ownership of the property. It covers issues such as undisclosed liens, errors in public records, or other title defects that might arise after the purchase. Once the closing attorney has certified the property has "clear title," the insurance covers the transaction to protect the buyer.

How long does it take to close on a house?

The closing process typically takes 30 to 45 days from the time the purchase agreement is signed when a lender is used. However, this timeline can vary depending on factors such as the buyer's financing, the results of the home inspection, and the resolution of any title issues. Cash closings (purchases without a lender) can close as soon as one week from contract being signed.

Can I back out of a real estate deal after signing the contract?

A buyer can terminate anytime before the expiration of the due diligence period. In most circumstances the buyer will lose due diligence funds unless otherwise agreed by the parties. Terminating the contract after the due diligence period expires will result in the loss of both earnest deposit and due diligence monies. A seller can only terminate a contract without legal consequence if there is a breach by the buyer or the buyer cannot fulfill its obligations under the contract.

What is a mortgage pre-approval, and why is it important?

A mortgage pre-approval is a lender's preliminary evaluation of your financial status, determining how much they are willing to lend you for a home purchase. It's important because it shows sellers that you are a serious buyer with the financial capability to close the deal, giving you an advantage in competitive markets.

What other fees or costs can I expect from the closing attorney?

Depending on any title defects or certain aspects of the property itself, the closing attorney may need to draft additional documents to ensure a smooth and legal transaction, such as well share agreements, road maintenance agreements, indemnification waivers, Power of Attorney, etc. Your closing attorney will speak to you about these additional requirements after the title search is complete.

For more educational resources and videos about the closing process, see our Educational page at **http://www.delk4law.com/education**

DELK LAW REAL ESTATE

828-572-1109
closings@delk4law.com
www.delk4law.com

Let's Connect