

TitleTalk

NEWS YOU CAN USE

MSC Title

June 2015



Dear Agents and valued customers,

In this month's newsletter, we offer some useful tips for a seamless closing – from realistic contract dates to surveys, municipal lien searches and more. This will help set the right expectations and ensure a smooth road to the closing table.

Sincerely,

Laura Bowers, Managing Director

Top Tips For a Smooth Closing & Setting Proper Expectations

■ Keep in mind some associations require approval which can take upwards of 2-3 weeks in some cases. At times, a **face to face** interview is **REQUIRED**. The best practice is to contact the management company or the President of the Association to inquire about the process so you can set proper expectations with your buyers and sellers with regard to a closing date or scheduling of an interview.

■ We are consistently receiving contracts for financed transactions where the contract is written for 30 days from the effective date. This is very unrealistic and in almost every case, an extension must be obtained. Lenders generally need a minimum of 45 days from application to closing.

■ When the subject property is the homestead of the owner of record (let's say one person is in title); and they are married, their spouse **MUST** sign the deed for closing. This is the law and governed by the Florida constitution that protects spouse's rights to homestead property here in Florida.

■ Surveys – Surveys are **NOT** of public record. If a seller cannot provide one, a new one must be ordered. Along those lines, if a buyer accepts a seller's existing survey, but does not opt to have it recertified to them, they are not protected against any errors that surveyor may have made. However, some lenders still require a new survey and will not take an existing one. Be sure to confirm with the lender if they will allow the use of a prior survey. On a cash purchase, surveys are not **REQUIRED**, but always **RECOMMENDED**. There will be no title coverage for survey matters if a buyer elects not to purchase one. When a lender says "they do not require a survey" that is not true. The lender requires the survey exceptions be removed from their policy, which is why we must have one on a financed transaction. If a new survey is needed allow ample time, since it can take two weeks for the survey to be done, prepared and reviewed.

■ Financed deals and the walk-through – the lender will not approve changes to the HUD on the day of closing to allow for any credits. Lenders do not want to see repairs on the HUD.



Setting proper expectations = a better closing experience for all.

Continues on Page 2

Continued from Page 1

■ If your buyer or seller plan to use a Power of Attorney, please present it immediately to ensure it is valid. We will also have to obtain the ORIGINAL to record upon closing.

■ When a buyer is added to title and they are obtaining financing, that buyer has to join on and sign the mortgage, TIL, and whatever the lender may require.

■ When a buyer is separated (not legally divorced) and they are buying homestead property, that separated spouse MUST sign the mortgage and TIL.

■ When you add, change or delete someone from the contract, you must create an Addendum to the contract in order to protect your buyer.

■ Ensure who you are taking a listing from, has the authority to do so. One way to confirm this is to check for the last deed of record. In the case of an Estate, a copy of the Will should provide that information. If it's the homestead property of the decedent, it should be the heirs of the estate AND the personal representative (who is very likely one of the heirs).

■ In the case of an LLC holding title, the Manager of the LLC should sign your documents. You can verify this at sunbiz.org (if a Florida LLC). If it is not a Florida LLC, you should be able to check the secretary of state of the state of formation to confirm who the Managers are. Sometimes it ends up that the Manager is a Corporation, so then you must run the corporation to find out who the Officers are. Either a President or Vice President should sign on behalf of a Corporation.



■ Mail-away buyer with mortgage – Be sure to check whether the lender is date sensitive and allow enough time for the buyer to sign their closing documents. Advising the seller of this in advance is essential. If lender will not allow signing prior to closing date (date sensitive), it will delay disbursing at least a day and make it impossible for back-to-back closings. In many cases the seller will not be around for the actual closing, but will be available prior to the closing day. There may be enough information to have the seller pre-sign before they leave.

■ We have seen a significant rise in municipal liens affecting a property which a buyer will be responsible for if a municipal lien search was not performed. A municipal lien search is a search that is conducted to determine whether there are any **unrecorded** special assessment liens or **unrecorded** liens arising by virtue of ordinances, **unrecorded** agreements as to impact and other developmental fees, unpaid waste fees payable to the county or municipality or unpaid service charges or county ordinances. It will also reveal any open permits. If a property is being financed, the lender will require this to be performed. We highly recommend cash purchasers to have a municipal lien search performed. The 75.00 – 125.00 is well worth the peace of mind this search affords.

Michael Saunders & Company
LICENSED REAL ESTATE BROKER

MSC Title, Inc. • 40 N. Osprey Avenue • Sarasota, FL 34236 • T: 941.552.5211 • F: 941.552.5210