The most frequently asked questions about BUYING & SELLING Real Estate



WHY DO I NEED AN ATTORNEY?

Although real estate transactions are handled by title or escrow companies in many states, in Connecticut, it is customary for all parties to the transaction to be represented by their own attorney and required by law if a mortgage is being obtained.

The purchase of a property requires a legally binding contract between the Buyer and Seller. The attorneys of Baillie & Hershman and their staff will help you understand how the contract protects your rights and what legal obligations it creates for both Buyer and Seller.

HOW DO I CHOOSE AN ATTORNEY?

This is a decision you will need to make almost as soon as you sign an offer letter and when you apply for a mortgage. The lender you choose may have a list of approved attorneys that can represent you in the closing transaction. You can also propose to use your own attorney, that will then need to be vetted and approved by the lender prior to the closing.

Regardless of the attorney you choose, it is recommended to always use an attorney whose primary practice area is real estate. There are many complexities in the field and trying to utilize an attorney that does not practice in real estate regularly can lead to both complications and delays.

WHAT IS A "TITLE SEARCH/MUNICIPAL DEPARTMENT SEARCH" AND WHY DO I NEED ONE?

A title search and municipal department search will reveal the history of the property, including any liens, judgments, restrictions, easements or other facts that could potentially affect a property's sale and allows for the issuance of title insurance. It entails a review of all necessary records relating to the property at the municipal offices to be sure the property can be sold by its legal owner and is not encumbered my unpaid mortgages, liens or any other defect in title.

WHAT IS TITLE INSURANCE?

Title insurance is offered by title insurance companies to mortgage lenders, as well as property owners directly, to protect against many kinds of loss that may result from a defect in title. A title policy insures that a property is free and clear of liens, mortgages and other claims that would prevent it from being sold or from being used for its intended purpose.

Lender's title insurance is purchased at closing and is required by all mortgage lenders. For a small additional fee, you can purchase an owner's policy that will also insure your interest. Unlike other kinds of insurance, you do not have to pay any renewal premium for your owner's title insurance policy.

WHAT DOES TITLE INSURANCE COVER?

A title policy insures that a property is free and clear of liens, mortgages and other claims that would prevent it from being sold or from being used for its intended purpose.



NOTE: Title insurance and homeowner's insurance are two completely, separate and unrelated types of insurance.

WHO DO THE REAL ESTATE AGENTS REPRESENT?

Both the Buyer and Seller of any property can be represented by a real estate agent. Typically, each has their own agent, but if the same agent is representing both parties, there must be an agreement regarding "dual agency" and this should be agreed upon prior to the offer being presented.

WHAT ARE "ADJUSTMENTS" IN CLOSING COSTS?

Adjustments are made at the closing so that if the Seller has prepaid items beyond the closing date (for example property taxes, water and sewer changes, fuel or association dues) they are reimbursed. If Seller has left items unpaid and they become the responsibility of Buyer, the Buyer is given a credit by the Seller.



DO I HAVE TO BE PRESENT AT THE CLOSING?

As a Seller, you can pre-sign documents before closing. As a Buyer, while it may be possible to close with a "power of attorney" it is more complicated, because many lenders do not allow for the use of these powers.

This pamphlet is offered free by BAILLIE & HERSHMAN, P.C. and is intended to provide general information to help answer some of the questions you may have about buying and selling real estate.

You can rely on the knowledgeable staff at BAILLIE & HERSHMAN, P.C., to help you with any of your legal matters. Trust in us.

Contact Information:

Baillie & Hershman, P.C. 90 Hinman Street Cheshire, CT 06410 (203) 272-7000 info@bhhlegal.com



www.bhhlegal.com • info@bhhlegal.com