



WHAT TAKES PLACE BEHIND THE SCENES WHEN CLOSING A REAL ESTATE TRANSACTION:

1. Attorney's office receives the contract
2. We verify that the contract has been properly executed. Failure to properly execute a contract can cause closing delays.
 - a. Common errors:
 - i. If there are multiple sellers all sellers must sign the contract. Oftentimes we have a missing seller's signature on the contract.
 - ii. If the buyer or seller is a company, they are not to sign the contract as their individual name. They must sign on behalf of the company.
 - iii. If the seller is an estate, the executor or administrator must sign contract as executor/administrator of the estate.
3. We gather specific information from buyer and seller. We send out an email with a buyer and seller information sheet. If there is a delay in getting back the information sheets this can cause the closing to be delayed.
 - a. It is important to have the seller information sheet filled out completely because this is where the law firm gathers the information to order any mortgage payoffs, HOA closing letters and clear liens that come up on title by verifying the social security number. There are also sections that request information on whether the seller is deceased, divorced or has filed for bankruptcy. These all can cause issues that can delay closing.
 - a. If seller is out of state seller, if they are receiving a profit, they will have to pay 3% withholding taxes to the Georgia Department Revenue, unless exceptions apply. If they are a foreign seller not only will they have to pay 3% in GA withholding taxes, but they will have to pay 15% in FIRPTA taxes.
4. If the closing is a cash sale:
 - a. We order title once the buyer has made it through due diligence. The buyer is required to pay the title search fee upfront.
 - b. Once the title comes back, we verify whether there are liens on the property.



c. If there are liens, we clear them.

i. How to clear a lien

1. We get the sellers/buyer SSN from their information sheet and we call the attorneys office who filled the lien to determine if the lien is against the same person who we are doing a closing for. If the lien is a match, we request a payoff. If the lien is not a match, we remove it from the title. All verified liens must be paid at closing.
2. We order payoff information from any bank that the seller has a current loan with.
3. We contact the water departments.
 - a. Many people do not know that the county water department can place liens on homes when the water bill is not paid
4. We contact homeowners' associations to make sure dues are current. The seller is responsible for purchasing the HOA closing letter. These fees can range from \$100- \$450.00. The HOA management company determines the fees. The attorney's office has nothing to do with the price of the HOA closing letter.

5. If the buyer is using a lender to Purchase the property:

- a. We must perform all duties stated above when closing a cash transaction.
- b. However, in addition we must send the lender paperwork showing that there are no liens and if there are liens that they will be satisfied prior to closing. This is called a title commitment that we send the lender. A title is not ordered on a financing transaction until the lender sends over a request for our office to pull the title.

6. Once title has been cleared and we have received all payoff information, HOA closing letters, water bills and all items contained in the contract such as home warranty's and repair invoices, at that time our office is ready to close the transaction.



COMMON QUESTIONS THAT COME UP DURING A CLOSING FROM A BUYER:

1. Should I read all these documents?

- a. If you want to you can however, you either sign the documents and get the loan or you don't sign and don't get the loan.
 - i. There are a few important documents you want to read and pay very close attention to:
 1. Note- interest rate and note term
 2. Security deed- make sure loan amount and names are correct.
 3. Closing disclosure-make sure the purchase price is correct and fees have been handled according to contract.
 4. First payment letter- make sure your payment is what you expected. On a fixed rate the only time your payment can change is if your escrows increase or decrease
 5. Waiver of borrower rights- you need to understand in GA we are a non-judicial foreclosure state, what that means is, if you don't pay you don't stay!

2. What does joint rights with survivorship on a deed mean?

- a. How title should be taken if you are married or purchasing home together with someone else.
 - i. If one person dies the property goes to other living title holder. A probate is not necessary.

3. When do I receive my deed to the property?

- a. You will receive your deed within 6 weeks of closing.

4. How do I file for homestead exemption so my taxes will be lower? You will file for homestead exemption between January and April of the following year you closed in.



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ITEMS TO BRING TO CLOSING:

Buyers:

1. 2 forms of Id's
2. Buyer must wire funds to close. Always have your buyer call and verify the wiring instructions they are getting from the attorney's office. Explain to buyer they are not to send funds via ACH transfer. This type of transfer is automatically blocked from all attorney's escrow accounts.

Sellers:

1. 1 form of identification
 2. Wiring instructions if requesting a wire for the proceeds
 3. Keys and garage openers for purchaser
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