



GEORGIA SUBJECT-TO WORKSHEET

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There are many aspects to creative financing and a Subject-To transaction. Some you may have contemplated and incorporated into your closing; some not. There are inherent risks in participating in this type of transaction.

- **WE DO NOT MAKE ANY GUARANTIES REGARDING THE DUE ON SALE CLAUSE.**
- **We can't provide legal advice as to whether or not to participate in a Subject To Transaction.**
- **We facilitate the transaction according to YOUR DIRECTION AND WITHIN THE BOUNDS OF THE LAW.**
- **If there is documentation of your own you wish to have executed at closing, please provide it as soon as possible.**

Standard documents we create and include in our closing: 1. *Limited Warranty Deed*, 2. *Sub2 disclosure*, 3. *Sub2 agreement*, 4. *Power of Attorney*, 5. *Release of Information*, 6) *Access Disclosure & Confidentiality Agreement* and 6. *Assignment of insurance proceeds*.

*****If there is something you want handled differently, the terms should be clearly written into your CONTRACT.*****

ANSWER

A **TITLE:** How is title being held for the BUYER?
Do you want to hold it in your personal name? or in your LLC? Your corporation? Or in a Trust? If you want it in a Trust, do you have it, or do you want us to create it at closing?

If you decide you want a Trust formed – please contact us ASAP so we can set it up properly. We will need the following information: Name of the Trust, Name of the Trustee, Name of the Beneficiary, Contact information and address for all of the aforementioned.

B **“SAFEGUARDS”:** Do you want something in place to “protect” the Seller if the Buyer stops making payments on the Sub2 loan?

- We can draft a custom Warranty Deed to have title go back to the Seller automatically.
- We can put a “Performance Deed” in place that would require the Seller to foreclose.*
- In some situations you can bypass a foreclosure by using a Deed In Lieu of foreclosure.*

* **THERE ARE INHERENT ISSUES IN HAVING A SELLER FORECLOSING BEHIND THEIR ORIGINAL LOAN.**

* **GEORGIA MAY ALSO NOT RECOGNIZE THE LEGALITY OF A DEED IN LIEU SIGNED AT CLOSING.**

C **TERM:** How long will you be making payments on the Sub2 Loan? Until the original maturity Date? A certain number of years? Is there a specific time to Refinance or Sell the property? (a Balloon?)

D **LOANS & LIENS:** These liens the Buyer will take responsibility for and pay DIRECTLY:

- 1.
- 2.

Rarely a Seller may agree to continue to pay a certain loan themselves. If this is the case, please let us know ASAP.

E **SALES PRICE:** A person usually calculates the price by adding the following:
Net to the Seller, Debt not paid off at closing, Seller financing, and Realtor fees.
IS THERE A NET AMOUNT TO BE PAID TO SELLER?

F **SELLER FINANCING:**

- Are you paying a set amount to the Seller in a separate loan? If so, what are the terms?
- Is the Seller continuing to make payments on their loan as part of a Wrap Loan? If so, what are the terms?

(Seller financing includes having a Security Deed giving the Seller the ability to foreclose if payments are missed.)

To set up “standard” financing, please tell us the following:

Loan Amount, interest rate, Amortization time (ie., none, 30yrs), set payment amount, maturity date, penalty.