**CHANDLER & SCHIFFMAN, P.A.**

ATTORNEYS AND COUNSELLORS AT LAW

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 Michael Chandler, Esq.

 Adelia Schiffman, Esq.

 Ashley L. Campbell, Esq.

 Cameron E. Johannesen

**\*\*By receipt of this letter Buyer agrees to the terms outlined herein\*\***

Buyer’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Buyer’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Re: Purchase of Real Property

Dear Prospective Homebuyer:

Thank you for selecting Chandler and Schiffman, P.A. to represent you in closing the purchase of your property. Upon receipt of the necessary information from your Lender and other third-parties to the transaction, we will assign your file to a Paralegal in our Office, perform a title examination of the property, and prepare all necessary documents for closing.

In preparation for your closing please give the following matters your prompt and careful attention.

CLOSING

 Your Agent or Lender may have scheduled your closing for you. If a time and date for your closing has not already been set, please contact our Closing Coordinator to schedule your closing by phone at 336-275-4455 or by email at recep@chandlerandschiffman.com. **Your closing will take place at our office located at: 620 Green Valley Road, Suite 200, Greensboro, NC 27408.**

 **If you or any other individual required to sign closing documents are unable to attend closing,** please let us know as soon as possible so that a Power of Attorney can be prepared. Your Lender must approve and grant permission to use the document, in advance of the closing. If you already have a Power of Attorney prepared we will need a signed and notarized original or recorded copy to be delivered to our office. **Please Note:** *Our Firm does charge an additional fee to prepare a Power of Attorney and recording fee; the charge will be paid at closing.*

 **Please bring to closing a valid Driver’s License or other picture identification** so that we may properly identify you as the Buyer and Borrower. We will request your ID upon arrival in order to make a copy for our records. Many documents being signed during the closing are required to be notarized and our Policy is to have a picture ID of any person whose signature will be notarized.

FUNDS AT CLOSING

 Either your Lender, Agent, or our office will provide you with a Closing Disclosure no later than 3 days prior to closing, **provided** all necessary information has been given to us by Buyers, Sellers, Lenders and Agents to prepare the Settlement Statement or Closing Disclosure. Please be aware that more often than not, we receive a closing package from the Lender immediately before closing. As such, we are not able to provide you with your final numbers until we receive and have an opportunity to process this package. In the event there is a delay on your Lender’s part in delivering the closing package and/or the loan funds to our office, we may have to reschedule your closing. However, our office will do everything we can to ensure that

closing occurs at the scheduled date and time.

Once you receive your Closing Disclosure or Settlement Statement you will be provided with the dollar amount of funds needed to close. Please note that you will need to bring those funds with you to closing. Pursuant to State Bar regulations, all amounts due from you at closing must be in the form of certified funds. **Please obtain a certified/cashier’s check made payable to “Chandler and Schiffman, PA.”** If you wish to wire funds to us, please contact our Office at (336) 274-4455 to **verify wiring instructions**. **We will not change wiring instructions**. **BEFORE SENDING ANY WIRE**, call our office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed to be fraudulent. Do not send any funds and contact our office immediately. **Failure to follow this procedure endangers your funds**.

 North Carolina law requires that good funds be received from the Buyer and Lender and that the Deed and any applicable Loan Documents be recorded at the Register of Deeds Office before any funds can be disbursed. The documents are delivered to the Register of Deeds in the county where the property is located, after you sign your closing documents in our office.

SPOUSE NEEDED

 Please note that if you are obtaining a loan to purchase property, your spouse **will need to** execute certain loan documents, **regardless of whether or not** they are purchasing the property or are a borrower on the loan. If your spouse is not able to attend closing you will need to contact us as soon as possible to have Power of Attorney prepared ahead of time.

 If you and your spouse are separated this is not the same as a divorce. If you are separated and are attempting to purchase property independently, you and your spouse must have either a recorded separation agreement stating that your spouse waives their marital rights and interests in the property or a recorded Free Trader Agreement stating same. You must inform your Lender of your marital status and will need to contact us to inform us that a Separation or Free Trader Agreement has been recorded. Failure to do so may result in a delay in your closing.

OUR REPRESENTATION

 We represent you in this transactional matter of ensuring that you acquire good and marketable title to the property. We can also advise you on legal questions concerning title to your property, title insurance, and the requirements, covenants, and conditions of your loan documents. Our representation ends upon recording and disbursement of funds.

 We represent the Lender to the extent of assuring full compliance with its loan closing instructions. The documentation must be completed precisely as required by the loan instructions. Therefore, we may not vary the instructions in such a way that would be either beneficial or negative to your interests. Additionally, if we discovered that you were committing fraud, we may be required to disclose it to the Lender, and we certainly could not continue with the representation. An example would be if you were purchasing the property as an investment but have indicated to the Lender that this is your primary residence.

 We do not advise you with respect to the terms of your loan agreement with your Lender (i.e., your loan amount, interest rate, conditions for later conversion or refinancing, necessity or amount of mortgage insurance, etc.). Because of the numerous difficulties that can arise during loan processing, we request that you remain in close contact with your Lender and with our office. Last minute delays in closing can usually be avoided if you determine in advance what conditions you must meet. **Please Note:** *In the event of a dispute between you and the lender, we will not undertake to represent either party.*

PREPARING SELLER DOCUMENTS

 We may be asked by the Seller or their Agent to prepare a Deed and Lien Waiver for the Seller. It is

assumed that the basic terms of the sale transaction have been agreed upon between the Buyer and the Seller and that we have no obligation to bargain for either party. The North Carolina State Bar provides that an attorney “may prepare the deed as an accommodation to the needs of her client, the [B]uyer, without becoming the lawyer for Seller,” provided certain disclosures are made to the Seller and the Buyer does not object.

Please notify our office immediately if you object to us performing this work for the Seller so that we may ask the Seller to obtain separate counsel for the preparation of their documents. **Please Note:** *if a dispute later arises between you and the Sellers, we would not undertake to represent either side.*

SERVICES WE PERFORM

 We are responsible for conducting the title examination of the property, ensuring that the deed of conveyance and the loan documents have been properly prepared and executed, that the closing funds are properly received and disbursed pursuant to the Closing Disclosure or Settlement Statement prepared by our office and reviewed by you at closing, that the Deed and Deed of Trust (mortgage) are duly recorded, and that the Owner’s and Lender’s policies of title insurance are issued and delivered in proper form. We will obtain payoffs of the outstanding liens, along with cancellation of lien instructions to the proper creditors; however, in the event the creditor does not comply with our cancellation instructions **we will not pursue the creditor without being further retained by the Buyer or Seller to do so**.

TITLE EXAMINATION

 Our normal protocol is to conduct a full title examination of the property in compliance with the North Carolina Marketable Title Act. This means that we will search the title for a period of no less than thirty years prior to closing. However, if we find an existing policy of title insurance on the property, we will, unless you object, “tack” to that policy. This means that our title examination would begin with the date and time of issuance of that policy and that we will not certify the status of the title to the property prior to that date. While defects in the title occurring prior to the search period would not be reported by us if we “tack,” they would be covered by the existing title policy; you will therefore receive the same title insurance coverage as if we had conducted a full title examination.

 “Tacking” enables us to conduct the title examination more expeditiously for you, and it will not expose you to any increased liability. Additionally, you are normally entitled to a reduced premium if we are able to “tack” on to an existing title insurance policy. **Unless you immediately instruct us otherwise**, we will either “tack” or conduct a full title examination at our discretion. **Please Note: A request for title examination will be conducted simultaneous to the receipt of the purchase contract. Title examination fees start at $100.00 for which you may be billed if your closing fails to close.**

 It is our responsibility to insure that you receive clear title to the property, free of liens and encumbrances. **Please be aware** that matters of zoning, building code compliance, and environmental hazards are not title matters and are not included in a standard title examination. Zoning laws affect permitted uses of property and the location of improvements thereon, among other things. Building codes specify certain standards for which buildings and other structures on the property must be constructed. Environmental hazards include, but are not limited to: the existence of radon gas, lead-based paint, underground storage tanks, asbestos and whether your property is located within a flood plain.

SURVEYS

Your Lender probably will not require that you have your property surveyed. It is important that you understand the consequences of not ordering a survey. Lenders allow a closing to proceed without a survey because the Lender’s policy of title insurance will offer coverage from loss or damage resulting from a condition which a new survey would have shown. Your Owner’s title policy, issued without a survey having first been performed, will not offer this coverage. This means that any problem which would have been revealed on a survey, such as your fence, driveway or well encroaching onto a neighbor’s property, will become your responsibility and liability. Only a new survey can reveal these problems.

 We strongly advise all purchasers to obtain surveys prior to closing. A survey is the only means of determining precisely where your property boundaries and the improvements on your property are located. If you follow this advice, we will order a survey for you and collect for the cost of the surveyor’s work at the closing. Either call us immediately or have your real estate agent call us immediately if you want a survey. Please note that once the survey is ordered, you will be responsible for the cost of the survey, even if the closing never takes place. **Please Note:** *The average cost of a survey is $350.00 but varies depending on the size of the property.*

HOMEOWNERS INSURANCE

 You should ensure that the improvements on the property will be insured against fire and other casualties with a reputable company and that the insurance will be in place as of the date and time of closing. You must order the policy. Your Lender will not allow a closing to proceed without it. Ask your insurance company to deliver or send by fax or email the “declarations page” to our office as soon as possible prior to closing. **Please Note:** *You may be unable to acquire insurance coverage if a designated hurricane or tropical storm is near our area or if the state is under a “state of emergency.” Therefore you should plan accordingly. Failure to obtain insurance coverage by the time of closing will result in a delay in your closing.*

OTHER MATTERS

 During the course of our representation, other matters may present themselves. These matters include determining whether a home or termite inspection is needed, how keys will be distributed, whether or not there or HOA fees and covenants or restrictions associated with the property, any last minute home repairs or other resolution of matters needed immediately prior to closing, and how your documents are cared for.

***Home and Termite Inspections*** – You should consider having the structure(s) you are purchasing inspected for termites and inspected by a professional inspector. You should take care to make sure that these inspections are performed prior to any deadline and immediately communicate any desired repairs to your Agent or to the Seller or Seller’s Agent. Thereafter, you should verify that the Seller is making the repairs to which you have agreed. You should begin this repair review process as soon as possible to insure that closing is not delayed by issues related to incomplete or improper repairs.

If the residence you are purchasing is new construction, the Seller should provide a soil treatment guarantee at or prior to closing. Otherwise, your Lender may require that the improvements on the property be inspected by a licensed exterminator and a termite report prepared and submitted prior to closing. Normally the Lender will not fund the loan until the report has been received and reviewed. You or your Agent should order the report and see that it is timely delivered to our office and to the Lender so that we will have an opportunity to review it and resolve any issues which may arise therefrom. In the rare case that your Lender does not require a termite inspection, we strongly suggest that you order one.

 ***HOA’s*** – Homeowners Associations are not a matter of public record. We attempt to determine if one exists and, if so, obtain necessary information to prorate the dues. Presumably your Agent has provided you with copies of restrictive covenants applicable to the property. If you have not been provided with a copy you should request and obtain a copy from your Agent or the Homeowner’s Association to be certain that your proposed use of the property is consistent with those restrictions.

 ***Keys*** – Please discuss the delivery of keys with your and the Seller’s Agent. Keys, and other entry devices such as garage remotes or security codes, are not always delivered or provided to the Buyer at the closing table. Sometimes the Seller or their Agent holds the keys until the Deed has been recorded with the Register of Deeds Office, which may take several hours after closing. Holding the keys until that time is the Seller’s option since, under North Carolina law, title is not actually conveyed until the moment the Deed is recorded. We do our best to record as quickly as possible, but occasionally there are delays beyond our control, which can delay delivery of keys.

 ***Last Minute Repairs*** – Occasionally property issues are discovered immediately prior to closing. While a home inspection will often discover these issues, there are times when an inspection is not conducted and issues are discovered during a walk-thru of the property. Our office **will not hold in escrow** any monies for these repairs, nor will we record the Deed and “withhold” Seller’s proceeds until the matter is resolved. **All repairs or other issues should be completed prior to closing.**

***Document Retention*** – You will receive copies of your loan documents at closing. If there are additional documents you would like copies of we are happy to provide them to you at or immediately after closing. The original, signed Lender documents are mailed to your Lender immediately after closing. Per North Carolina Bar rules, we are required to store your file for a period of seven years after the closing date. After this time, our firm will destroy your file. A copy of all file documents are stored electronically in our database.

OUR FEES

 Our attorney fee quote for your real estate transaction is determined based on multiple variables including, but not limited to, the purchase price of your future home. In addition, there are a number of out-of-pocket charges, depending on your Lender’s requirements, that are passed on to you. If your loan package does not arrive 24 hours prior to your scheduled closing, your closing will most likely need to be postponed. Please make your Lender aware of this requirement. If you are borrowing two separate sums, with two notes and two deeds of trust, to purchase the property, our fee for the second transaction will be $300.00. If it is necessary that we perform additional services in order to complete your transaction, beyond those described herein, we will charge extra for them. Without limiting the definition of “additional services,” examples would be: preparation of a subordination agreement or release deed, preparation of other documents such as a Power of Attorney or marital waiver, or a redraw fee due to delay or postponement of the closing through no fault of our own after the closing documents have been prepared.

 Borrower/Buyer expenses such as the survey fee, termite report fee, title insurance premium, homeowner’s insurance premium, and recording fees, are not included in our legal fee. **Please Note:** *If the transaction fails to close through no fault of our own after the closing documents have been prepared, Buyer will be invoiced based on the amount of work already performed for the transaction.*

Lastly, we understand that this letter contains a lot of information, but we believe that your understanding of the information provided in this letter will lead to a smooth, low stress closing. Please do not hesitate to contact us with any questions or concerns regarding your upcoming closing or questions regarding the information in this letter.

 Chandler & Schiffman, PA

**Chandler & Schiffman Directory and Contact Information**

**Chandler & Schiffman**

620 Green Valley Rd., Ste. 200

Greensboro, NC 27408

P: 336-274-4455

F: 336-274-7030

 336-274-1113

 Website: ChandlerandSchiffman.com

**Employee Directory:**

Legal Staff:

x. 100 – Receptionist/Scheduling

Email: recep@chandlerandschiffman.com

Stephanie Long x. 101 – Paralegal (Seller Information)

Email: paralegal@chandlerandschiffman.com

Ron Chandler x. 103 – Office Manager

Email: ron@chandlerandschiffman.com

Attorneys:

Michael Chandler x. 106 – Partner

Email: michael@chandlerandschiffman.com

Adelia Schiffman x. 104 – Partner

Email: adelia@chandlerandschiffman.com

Stephanie Murray x. 102 – Associate Attorney, Closing Disclosures

Email: stephanie@chandlerandschiffman.com

Title Requests and Closing Packages:

docs@chandlerandschiffman.com

**\*\*\*Wire Fraud Alert\*\*\***

**Before sending any wire, call our office to verify the instructions. Please verify**

**the email address from any emails you receive and independently verify our phone number when contacting us. We will not change wiring instructions. If**

**you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed to be fraudulent. Do not**

**send any funds and contact our office immediately. Failure to follow this procedure endangers your funds.**