TOP TEN LENDER DOCUMENTS
FOR CLOSING PRIVATE MONEY LOANS

- ✓ **Lenders Instructions to Title** – The attorney's first document in the package should be written instructions, that give the title company guidelines for closing, funding, and disbursement. This should include final title commitment and insurance specifications. Verbal changes to lender instructions are not permissible.

- ✓ **The Promissory Note and First Lien Deed of Trust** – "The Note" spells out conditions and terms of the borrower's unconditional promise to repay the loan. The note is generally not recorded. "The DOT" is the 3 party, mortgage instrument in Texas, that secures the note. This document is recorded in the appropriate county.

- ✓ **Warranty Deed** – The instrument of conveyance (signed by the seller at closing) that transfers ownership with warranty of title. Some title companies prefer to prepare their own deed and the document is always recorded.

- ✓ **Assignment of Rent, Income and Receipts** – In the event of default, this document gives the lender the right to collect any income or rents that the property generates. Some attorneys elect to put this clause in the Deed of Trust.

- ✓ **Personal Guaranty** – An individual's promise to repay the loan, in case of default by the borrower.

- ✓ **Company Resolution Document** – Specific to the transaction, this confirms which manager / member is authorized to execute documents on behalf of the borrowing entity.

- ✓ **Attorney Disclosure** – Discloses the relationship between the attorney, borrower, and lender. It provides indemnification and a release of liability.

- ✓ **Notice of Final Agreement** – States that the written loan agreement is the final and only agreement, and it cannot be contradicted.

- ✓ **Closing Affidavit** – Borrower's statement under oath, that they understand the agreement and warrant that the extension of credit is for "business purposes". Also, that the loan is exempt under 226.3 (a) from Reg Z, TILA and Dodd Frank guidelines.

- ✓ **Compliance Agreement** – Borrowers promise to correct typos and mistakes / errors in any closing documents or be in default.