

TOP TIPS

TRANSACTION DUE DILIGENCE

(Lender's Perspective)

- Create your guidelines and criteria for a transaction up front. This includes loan coordination, collection of documents and communication with title.
- Obtain a signed sales agreement with verification of the sales price from the borrower.
- Turn in your request to open title with the title company.
- Review preliminary title commitment and tax certs as soon as possible.
- Make sure title has an accurate payoff for the existing loans and debts on the property.
- Make sure the survey is approved by title, so that the title policy, survey coverage can be added.
- Review insurance binders prior to closing. Verify the loan amount is covered and the Mortgagee Clause is correct.
- Obtain a **“Clear to Close”** file status from the title company, before ordering the loan documents.
- Have your licensed Real Estate attorney prepare the appropriate loan documents for closing.
- Review the final settlement statement for funding and verify the wire instructions.

