

Hiring an Attorney

For a first-timer, buying a home will likely be the largest and most important financial transaction of your life. But even for an experienced buyer—whether you're upgrading, relocating, or downsizing your empty nest—it's a big deal. It can be exciting. It can get emotional. And one thing is for sure: You need an attorney.

Buying a home involves a number of complex issues. Make sure you have an experienced real estate attorney looking out for you.

Inside:

- Why you need an attorney
- What happens at your closing
- What is title insurance and who needs it



The final detail: Peace of mind.

Equally important as the actual service provided is the professional advice and support your attorney has to offer. This will be a great source of reassurance for you before, during, and after your transaction. For a modest fee, let an attorney protect your peace of mind as well as your new home.

This information was provided by the following agent of Attorneys' Title Guaranty Fund, Inc.:



ATG

ATTORNEYS' TITLE GUARANTY FUND, INC.

800.252.0402 www.atgf.com

Offices throughout the Chicago area, Champaign and Belleville, Illinois, and Waukesha, Wisconsin.

ATG FORM 6010
©ATG (REV. 3/17)

Buying a Home



How Your Attorney Works for You



ATG

ATTORNEYS' TITLE GUARANTY FUND, INC.



Know the players; who's looking out for you?

Many players, many roles. In addition to the buyers and sellers, there are several other parties involved in most real estate transactions: a real estate agent (maybe two), a lender, an appraiser, an inspector, a title insurance company, and if it's new construction there's a builder and several contractors. With so many players, so many competing interests, and so much at stake, it's critical to engage counsel before you proceed into what will most assuredly be a highly complicated transaction. Whether it's your first home, you're a move-up buyer, or you're downsizing your empty nest, you need the advice of an independent party who is skilled in this process and who has an undivided duty of loyalty to you.



Hire an attorney before you're in too deep.

Buyers need the services of all the parties listed above, but there are a number of reasons to engage a qualified real estate attorney at the earliest stage of the real estate transaction. To proceed without the advice and counsel of an attorney is like walking into a maze blindfolded. When you're beyond the "just looking" stage, but before you get emotionally attached to your dream house—you should do the following:

- » *Identify a qualified real estate attorney.*
- » *Set up a preliminary meeting or phone call to discuss the services he or she will provide.*
- » *Discuss the fee structure.*

Once that's done and you're ready to make an offer, you can proceed with confidence, knowing a professional is looking out for your best interests.



There's more to it than applying for a loan and signing documents.

Depending on the nature of the transaction, your attorney will be more involved than you may realize. For example, long before the closing takes place, he or she will provide many of the following services:

- » *Review the specific terms of the contract during the attorney approval period.*
- » *Review and negotiate or help resolve any issues that arise after the home inspection.*

» *Review the title commitment and require that liens or other defects be cleared.*

» *Advise as to the necessity of a professional land survey; interpret and address any issues revealed by the survey, such as property line disputes.*

» *Help you evaluate financing options and explain the terms of your loan.*

» *Evaluate all documents, such as the deed, mortgage, closing statement, and seller disclosure statement.*

» *Inform you of any facts that affect your interest and provide counsel if difficulties arise.*



There are complex legal issues to consider.

In addition to the many details listed above, there are intricate legal issues to contemplate. Your attorney will explain the following matters when explaining what's actually taking place when property is transferred from the seller to you:

- » *Real property transfer process;*
- » *Relevant areas of real estate law; and*
- » *Importance of clear title.*

When you buy a home, you not only purchase the structure itself and the land it's built on, you purchase legal rights. Your attorney will provide the answers to many questions you may have when evaluating these rights:

- » *Am I getting good title to the property so I own it free of defects and limitations? Will I be able to transfer good title if I later sell?*
- » *How should I take title?*
- » *Is the legal description in the proposed deed full and accurate?*
- » *How can I use the property? Are there any association or neighborhood restrictions or covenants that could conflict with my intended use?*
- » *What does the information on the statutorily required seller's disclosure statement mean regarding defects in the property? Should I get a home inspection, and, if so, how do I evaluate its contents?*



Your real estate closing.

A lawyer's expertise is invaluable during virtually every stage. At the closing, while documents are being passed back and forth, your signature is becoming a blur, and a lot of money is changing hands, your attorney will be there as your advocate:

- » *Explaining each document;*
- » *Reviewing the Closing Disclosure to make sure you understand exactly where your money is going; and*
- » *Negotiating any last minute situations or requests.*



Among the many details: Title insurance.

There are two types of title insurance, owner's and lender's. Sellers typically pay for owner's coverage, buyers typically pay for lender's coverage.

Title insurance is the only insurance that looks back in time. That is, it protects against financial loss based on events of the past that may have led to defects in the title. Examples of risks that are typically covered by title insurance include the following:

- » *Mistakes in the public records;*
- » *Forged documents (by a disgruntled spouse or heir);*
- » *Legally insufficient deeds; and*
- » *Liens against the property or the seller that become the new owner's responsibility.*

Title insurance also protects against hidden defects that would not be revealed in a title search. Examples include missing signatures from required parties and amounts owed to contractors who worked on the property. Your attorney will examine the status of title and negotiate the type of coverage you need.