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Closing real estate deals

Once the seller and buyer of a home have agreed on the sale price, hiring an attorney to assist in the labyrinth that follows is critical to ensure a smooth transition between the two parties, according to Henry "Hank" Shulruff, senior vice president of Attorneys' Title Guaranty Fund, Inc. (ATG).

"Given that the purchase of a home is a huge investment for most people, an attorney should be hired before the contract negotiations ever begin," he said.

Though a lawyer's expertise is needed at virtually every stage of the home-buying process, it is particularly crucial at the closing. Shulruff continued, "The attorney will explain each document to the buyer, review the closing statement and fees and negotiate any last-minute changes or requests."

"Unfortunately, most buyers and sellers don't read the fine print, and even if they did, it may be difficult for a non-lawyer to understand some of the terminology," he said.

"The attorney will check for mathematical and substantive errors on the loan documents, ensure the interest rate is correct, and provide the attention to detail that is so necessary for a successful transfer," Shulruff said.

He noted that the two common problems which can arise are a delay in the closing and a problem with the loan documents.

"Rather than delay the closing due to one party's unavailability, an attorney will help find solutions that can resolve the problem and get the clos-

ing back on track," he said.

For example, a power of attorney can be executed, enabling someone else to sign for the absent party, or the documents can be sent ahead of time to the other party for signing. If the documents are sent ahead of time, that party may have to sign certain documents (the deed, mortgage, etc.) in the presence of an attorney who will witness the signature. "These are the types of detail that an attorney would attend to on behalf of his client," said Shulruff.

"An equally challenging situation will occur if the loan documents which arrive at the closing don't contain the same terms and conditions that the borrower had expected," Shulruff said. "This problem can be resolved by an attorney," he continued.

Shulruff emphasized that an attorney can also help save on settlement costs. "The fact is that in states such as Illinois, where lawyers represent buyers and sellers, settlement costs, including attorneys' fees, are generally lower."

Headquartered in Champaign and downtown Chicago, ATG (www.atgf.com) also has offices throughout Illinois as well as in Madison, Wis., and has lawyer agents throughout Illinois, Indiana and Wisconsin. Founded in 1964, ATG's mission is to be the premier lawyer-service organization for the benefit of the profession and the public. In addition to providing title insurance to home buyers and lenders, the company offers a variety of investment and other services deliv-

ered by subsidiary companies. The subsidiaries include a trust company, a mortgage bank and a real estate auction company.