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AGRANOVICH & GENIN LEGAL, LLC

Dear Valued Client:

Thank you for considering our firm to assist you with your legal real estate needs. I want to take this opportunity to introduce myself and to familiarize you with the process of real estate conveyancing.

In today's volatile real estate mortgage market, stringent federal regulations, increasingly stricter standards for obtaining a mortgage and a myriad of complex mortgage products available to consumers, the process of both conveying real property and obtaining financing can seem intricate and overwhelming. Our firm's specialty is real estate conveyancing law. Our prime objective is to guide you through every step of the way in this complex process.

Our Firm is committed to providing the highest standards of service. We never delegate our clients' cases to our secretaries or paralegals. You can always expect to get a phone call or e-mail back from an attorney within 24 hours. We are proud to assure you that your purchase or refinance will be handled efficiently and professionally with the utmost attention to detail and personal service.

We hope you will find the enclosed materials helpful and that you consider Agranovich & Genin Legal, LLC for your future Real Estate conveyancing needs.

Sincerely,

Lima Agranovch, Esq.
Veronica Turovsky Genin, Esq.

The Real Estate Transaction

Imagine the Real Estate purchase process as a continuum with the starting point being the Offer and the Closing as the end point.

Offer

Closing

Unfortunately, many people do not pay attention to anything but the negotiation of the price at the time the Offer is made. However, it is critical to note that there are some crucial dates listed in the offer, which affect the entire process.

I. The Offer.

The Offer is generally made by the Buyer directly or by the Buyer's Real Estate Agent. The Offer must be supported by Consideration, therefore, normally a check in the amount of \$1,000.00 is attached to it. This sum will either be applied towards the purchase price at the Closing should the Offer be accepted, or will be returned back to the Buyer in the event that the Offer is rejected.

In most cases, the Real Estate Agent uses the standard form of the Offer that communicates to the Seller:

- Who the Buyer is
- The amount of money the Buyer is willing to pay for the Property
- When the Offer will expire (or in other words, by what day and time the Seller needs to respond to the Offer)

Additionally, Buyer lists contingencies or conditions that need to be satisfied in order for the closing to occur. The most common contingencies are the:

- Inspection Contingency, and the
- Mortgage Contingency

Inspection Contingency:

Inspection contingency is generally a pre-condition to the Purchase and Sale Contract, which sets a specific date (normally 3-6 days after the offer is accepted) by which the Buyer reserves the right to hire a professional Inspector to inspect the Property. Inspection is critical to the Buyer, as the Inspector will assess the property and deliver an official professional report stating major and minor flaws relating to the Premises and recommending repairs needed. After you receive the report, but prior to the execution of the Purchase and Sale Agreement, you may either negotiate with the Seller that he will repair those defects or give you a closing credit which

would allow you to make those repairs yourself. Alternatively, if you do not come to a consensus with the Seller or if the state of the Property is such that you no longer wish to go ahead with the purchase process, you may back out of the deal and get your \$1,000.00 deposit back with no further obligations.

Let's assume, however, that the Inspection was satisfactory and you wish to purchase the property. The next major step in the process is the signing of the Purchase and Sale Agreement.

II. The Purchase and Sale Agreement (PNS).

The date of the PNS is stated in the offer, as well as the sum of money you will give to the Seller on that date. It is customary for the Buyer to put down 5% of the total purchase price at the time of the signing of the PNS. The amount may, however, vary depending on the deal. This deposit will be applied towards the purchase price at the closing, assuming that the closing occurs and until then will be held by the Listing Agent or the Seller's Attorney in an interest bearing escrow account.

The PNS is customarily drafted by the Seller's Attorney and is then presented to the Buyer's Attorney for review. The Purchase and Sale Agreement must then be approved and reviewed by the Seller's Attorney. The Purchase and Sale Agreement is a crucial point in the purchase process, as it supersedes each and every written and oral agreement between the Buyer and Seller. It is critical for the Buyer, therefore, to keep a list of all promises and agreements that the Seller made to them up to that point and provide their attorney with that list, so that all of the agreements will be incorporated in the PNS. Finally, The PNS restates and reaffirms the Mortgage Contingency Date as well as the Closing Date as stated in the original Offer.

Mortgage Contingency:

The Mortgage Contingency date is a very important date for the Buyer, who seeks to obtain financing in order to buy the Property. It is the date by which the Bank must issue a commitment to lend the funds requested by the Buyer. The commitment letter also lists all of the conditions the lender requires be satisfied prior to the closing. Alternatively, it is the date by which the Buyer who did not get a Commitment Letter from the Bank or in other words the Buyer who cannot for whatever reason obtain a mortgage, must deliver to the Seller a letter of declination from the bank in order for the Seller to refund their earnest deposit.

It is always beneficial for the Buyer to set the Mortgage Contingency date as close to the Closing as possible.

III. The Closing

At this juncture, the Buyer and the Seller meet at the closing table, wherein the Buyer, presents to the Seller the money promised for the Property and the Seller conveys the deed and delivers the keys in exchange.

However, Buyers, who obtain financing in order to effectuate the acquisition of the property, must sign the mortgage documents with the Lender's Attorney, who oftentimes is the same attorney that negotiated their PNS.

Now that you are familiar with the entire process, let's move to the next section in which we will introduce you to various closing fees and expenses that you may encounter in the process.

A WORD ABOUT FEES

Generally, all the closing fees may be divided into the following categories:

- Bank Closing Fees
- Attorney Fees
- Title Fees
- Recording Fees
- Miscellaneous Fees

Bank Closing Fees

Bank fees may vary based on the Lender and the program you have chosen for your mortgage needs. Customarily, you receive a Good Faith Estimate from the Bank outlining the various lender fees prior to the closing.

Attorney's Fees

Our Closing Fees are follows:

Buyer Attorney Representation including PNS Agreement Negotiation: \$350
(However, we will reduce or waive this fee if we also represent the lender)

Attorney's Closing Fees \$550

Seller Attorney Representation \$750
(However, we can provide a discount for multiple transactions)

Deed Preparation Fee \$250

Title Fees

Title fees include examination of the title and title insurance fees

There are two main types of title insurance- Lender's Policy and Owner's Policy
The Rates for both are set by Title Insurance Companies.

- i. The Lender's policy is mandated by the bank if you are obtaining a mortgage from the bank, however only protects the lender
- ii. The Owner's Policy provides various benefits to the buyer and for simultaneous issuance of an owner's and lender's policy reduces the lender's fee to a flat rate of \$175

Recording Fees

Payable to the Commonwealth of Massachusetts

Deed	\$125
Mortgage	\$175
MLC	\$65
6-D Certificate	\$75
Homestead	\$35
Other Documents	\$75

Miscellaneous Fees

Miscellaneous Fees include charges for bank wire transfers, overnight fees, final title run-down and recording, and discharge tracking fees. All of these fees combined normally will not exceed \$350.

We encourage you to call us or e-mail us to schedule a follow-up appointment, where we will be happy to answer any and all of your questions and address any concerns that you may have. Our first consultation is always free!

We look forward to working with you!

Sincerely,

Lima Agranovich, Esq.
Veronica Turovsky Genin, Esq.