

The passing of papers

One of the goals of our office is to help buyers and sellers be exactly aware of what is happening at the passing. This event is held at the bank making the loan or in the office of the attorney representing the bank or at the registry of deeds of the county where the property is located. You should know every step and the reason. Here is an example:

Seller Expenses

- Drawing the deed to buyer - payable to seller's attorney.
- Legal fees to attorney for services beyond drawing of deed.
- Fee for recording discharge of any old mortgage.
- Documentary, excise or transfer stamps fee.
- Unpaid tax, water, sewer, etc. - fees owed to municipality.
- Rents paid in advance by tenants plus any interest on security deposits.
- Any other expenses relevant to a particular closing.
- Smoke detector certificate.

Buyer Expense

- Cash or certified check for difference between purchase price and mortgage loan (less earnest money deposit).
- Tax reserve to mortgage.
- Credit to seller for any prepaid items such as tax or insurance paid in advance.
- Fee for title examination - paid to attorney hired by bank to search the title.
- Fee for recording fee and mortgage
- Fee for municipal lien certificate which clears title of all municipal liens such as taxes, water, sewer etc.
- Fee to his/her own attorney for representing buyer's interests passing and other legal services.
- Any other expenses relevant to a particular closing.

The key person is the mortgage's attorney. This conveyance's basic function is to protect the largest interest, which is the banks loan. After the passing, the attorney returns to the registry to check for any last minute liens on the property. If there are none, he/she records the discharge of the old mortgage, the new deed and the new mortgage. Recording these instruments means constructive notice of the title transfer, acceptance by the buyer and public notice that the bank named has the first lien on the realty. Only taxes have priority over this first lien.

After the recording, the attorney distributes the notes to the bank, the profit or equity to the seller and the commission to the broker. The actual recorded instruments are left in the registry for duplication; several weeks later, these will be sent to the appropriate parties.