



3200 Wake Forest Road
Suite 202
Raleigh, NC 27609

Phone 919.277.0780
Fax 919.277.0781

www.lloydlawfirm.com

Real Estate Refinance Engagement Letter

Sent via email or first class mail

To: BORROWER NAME
RE: Refinance of property located at:
PROPERTY ADDRESS
North Carolina

Dear Client:

Thank you for permitting our firm to assist with your refinance of the above-referenced real property. We look forward to working with you, and will do our best to handle this closing to your satisfaction.

CLOSING DATE:

Your closing is scheduled to occur at our office unless we inform you of a different location. From time to time closings might be performed elsewhere such as at a lender's office or bank. Should your closing be scheduled to close at another location, we will let you know.

If a time and date for your closing has not already been set, we will be in touch with you as soon as possible to confirm your closing date and time. Closings are scheduled to last approximately one hour.

SPOUSE NEEDED:

PLEASE NOTE that even if you are obtaining the loan in your name only, **your spouse WILL NEED TO execute certain loan documents**. Therefore, if your spouse is not able to attend closing, please make prior arrangements (such as execution of a Power of Attorney) with us well in advance of your closing date. Also, please bring to closing a valid drivers license or other photo identification for use by the notary public.

BRING IDENTIFICATION

YOU MUST BRING A VALID (UNEXPIRED) PHOTO ID. **We will NOT be able to conduct the closing if your government issued photo identification is expired.** Many lenders are also requiring a second form of identification so please bring two forms of identification – one from each of the lists below:

Primary form: Driver's License, State issued ID card, military ID card, passport, US alien registration card, Canadian driver license.

Secondary form: social security card, government issued visa, birth certificate, non-US/Canadian driver license, most recent signed tax returns, voter registration card, bank/investment/loan statements/paycheck stub with name/ most recent W-2, home/car/renter insurance papers, recent utility bill.

FUNDS AT CLOSING:

Pursuant to North Carolina State Bar regulations, the amount due from you at closing must be in the form of either certified funds or confirmed wire transfer of funds.

Due to firm policy, **ALL CLOSING FUNDS MUST BE IN THE FORM OF A WIRE TRANSFER. CERTIFIED OR CASHIERS CHECKS WILL ONLY BE ACCEPTED IF RECEIVED 10 DAYS PRIOR TO CLOSING.**

If you plan to pay by wire transfer of funds, these should be wired into our account so that the wire transfer has been completed at least twelve hours prior to closing. Please contact us if you need wiring instructions.

If you plan to pay by check, it must be delivered to us no later than ten (10) days prior to the closing. Checks should be made payable to "THE LLOYD LAW FIRM."

You will be provided with the amount of money you will need to bring to closing no later than 24 hours before closing, provided all necessary information has been given to us by Buyers, Sellers, Lenders and Agents to properly prepare the settlement statement and other closing documentation. Please make every effort to provide your lender as soon as possible with all information that they request in order to avoid a delay in closing. Please be aware that more often than not, we receive a closing package from the lender at the last minute before closing, and that we are not able to provide you your final numbers until we receive and have an opportunity to process this package. In the event there is a delay on your lender's part in delivering the loan package and the loan funds to our office, we may have to reschedule your closing. It is helpful in this process if you encourage your lender to deliver the loan package and funds at least 48 hours in advance of your scheduled closing.

Also, please be aware that disbursement of funds will not occur at the time of closing. North Carolina and Federal law requires that a three (3) day rescission period for primary residences has expired after closing. Further, the law requires that good funds be received from the borrower and lender, that the title be updated and that the deed and loan documents be recorded at the Register of Deeds before any funds can be disbursed. The documents are delivered to the Register of Deeds after you sign your closing documents in our office and the three (3) day rescission period has expired.

If you are to receive funds from this refinance, please inform us as soon as possible how you would like to receive the funds. We can mail you a check, overnight you a check via UPS for a fee of \$25.00, you can come by our office and pick up the check, or we can wire the funds directly into a bank account of your choosing for no charge. If you decide to have the funds wired directly into your bank account, please bring a voided check or a copy of your bank's wiring instructions to closing.

WHO WE REPRESENT:

We represent you in the matter of ensuring that you understand the terms of your new mortgage loan. We can also advise you on legal questions concerning title insurance and the requirements and conditions of your loan documents. In the event of a dispute between you and the mortgage lender, we will not attempt to represent either party.

Also, we represent the lender to the extent of assuring full compliance with its loan closing instructions. The documentation must be completed precisely as required by the Loan Instructions. Therefore, we may not vary the instructions in such a way that would be either beneficial or negative to your interests.

We do not advise you with respect to the terms of your loan (i.e. your loan amount, interest rate, conditions for later conversion or refinancing, necessity or amount of mortgage insurance). You should obtain from your lender your closing instructions or other documentation stating your final loan terms and resolve any issues, disagreements or disputes concerning the terms of your loan with your lender before closing.

Because of the numerous difficulties that can arise during the loan processing procedure, we ask that you remain in close contact with your mortgage lender. Last minute delays in closing can usually be avoided if you determine in advance what conditions you must meet.

WHAT SERVICES WE PERFORM:

The following is not a complete list of the services provided, but is a list of the most common services we perform for each closing. We perform a title examination of the subject property, ensure that the deed of conveyance and loan closing documents have been properly prepared and executed, ensure that the closing funds are properly received and disbursed pursuant to the HUD-1 Settlement Statement prepared by this office and reviewed by you at closing, ensure that the transaction is properly closed, ensure that the deed of trust are duly recorded that the lenders' policies of title insurance is issued and delivered in proper form, and that mortgages and liens paid off at closing are properly cancelled.

TITLE EXAMINATION:

Our normal protocol is to complete a current owner search of the property, which will allow you to "tack" to a prior owner's title insurance policy. This means that our title examination would begin with the date and time of issuance of that policy, and we will not certify the status of the title to the property prior to that date. While defects in the title occurring prior to our search period would not be reported by us if we "tack", these defects should be covered by the existing title policy and you should receive the same title insurance coverage as if we had conducted a full title examination. "Tacking" enables us to conduct the title examination more expeditiously, and it should not expose you to any increased liability. In addition, tacking often provides a discounted title insurance premium.

If you have any questions or problems with the scope of the title examination, please contact our office.

TITLE INSURANCE:

We will obtain a policy of mortgagee insurance in favor of your lender. Per the instructions of your lender, you will be required to pay the title insurance premium. We do our best to obtain these policies at a rate most favorable to you. You have the right to select the title insurance company to be used. Pursuant to North Carolina General Statutes Chapter 58 and Section 75-17 and applicable sections of the Department of Housing and Urban Development Regulations contained in RESPA, the lender cannot require you to use a particular title insurance company or agency as a condition of the contract or loan approval.

FEES:

Our standard fee for a refinance transaction with one mortgage loan is \$495.00. This fee includes all costs needed to complete a standard, typical purchase closing, including wire fees and express mail fees. If you are obtaining a second mortgage with the purchase of the property, then we charge an additional \$250.00 for the preparation and processing of that loan.

Most lenders will send us loan packages via email or by website download. We accept these electronic loan packages at no additional charge for the first printing. However, because of the additional

computer and printing costs, we will charge \$10.00 for each time we have to reprint an email package due to an error that is not our fault. We **strongly advise** you to follow up with your lender and make sure they have everything they need to get the loan through underwriting so that there are no delays and that they can get us the package in plenty of time for the closing.

If we are required to perform additional services beyond those already described, we will charge an additional fee for such services. Examples include preparation of powers of attorney, release deeds, subordination agreements, paying off other debts that are not a lien on the real property at the request of your lenders, last minute closings (see next section), or delay or postponement of the closing through no fault of our own after the closing documents have been prepared.

Please be aware that the title search of the property can take a substantial amount of time to complete; hence, unless we hear otherwise from you, we will begin this work shortly after we have been retained to perform this work for you. **PLEASE UNDERSTAND THAT WE MUST CHARGE FOR ALL WORK PERFORMED FOR YOU, EVEN IF YOUR TRANSACTION FAILS TO CLOSE.** THIS IS ALSO TRUE FOR ANY THIRD-PARTY SERVICES WE ORDER ON YOUR BEHALF (such as a survey).

LAST MINUTE CLOSINGS:

Often, Lenders send closing packages to our office at the last minute and for varying reasons. This practice, unfortunately, causes us to rush to meet closing deadlines, which also increases the likelihood of errors. The smoothest closings occur when the Lender has sent everything to us a few days in advance of closing. To encourage timely receipt of documents, we strive to respond to the Lender's Request for Title and other requests as quickly as possible so they have everything they need to complete the loan underwriting process. In addition, we try to follow up with your Lender with calls or emails to make sure they have everything they need from us and to remind them of the closing date. Unfortunately, despite everyone's best effort, we still sometimes receive packages at the last minute or at night after our office is closed.

To better ensure a smooth closing, we require that loan package arrive at our office at least 24 hours before the scheduled closing time. Otherwise, we can reschedule the closing, or, **we can close at the original time for an expedited closing fee of \$250.00.** If your loan package is delivered late, we will contact you directly to discuss how you would like to proceed. Also, our firm reserves the right to postpone your closing (at no charge to you) if expediting your closing will harm or otherwise negatively affect the scheduled closing of another client.

HOMEOWNERS/WIND & HAIL/FLOOD INSURANCE:

Your lender requires that the improvements on the property be insured against fire, wind and other casualties with a reputable company and that insurance must be in place as of the date and time of closing. Because this is a refinance transaction, you very likely already have policies in place for your property. Please provide copies of your insurance declaration pages to our office and to your mortgage lender as soon as possible, but no later than five (5) days prior to closing. Your lender needs this information before finalizing your loan documents.

DOCUMENT RETENTION:

You will receive copies of your loan documents at closing. If there are additional documents you would like copies of, we are happy to provide them to you at or immediately after closing. Per North Carolina Bar rules, we are required to store your file for a period of six years after the closing date. After this

time, our firm will shred and dispose of your file. If you have any issue with this, please let us know in writing and we will come to a mutually agreeable arrangement.

Lastly, we understand that this letter contains a lot of information, but we believe that your understanding of this information will lead to a smooth, low stress closing. Please do not hesitate to contact us with any questions or concerns regarding your upcoming closing or questions regarding the information in this letter.

Thank you for your business, and we look forward to meeting you soon.

Respectfully,

THE LLOYD LAW FIRM, PLLC

Sean K. Lloyd

Sean K. Lloyd
Attorney at Law

Stephanie A. Barlow

Stephanie A. Barlow
Attorney at Law