

FUSS LAW FIRM, PC
1904 Eastwood Road, Suite 214
Wilmington, NC 28403
910-256-8252
910-256-9788(fax)
fuss@beachlawyers.net (email)

FIRM ENGAGEMENT LETTER FOR A REFINANCE

CLOSING

William H. Fuss be the attorney conducting your closing. His paralegals are Eric Dattler and Lynne Brooks. Pre-closing work on your file will be handled by the paralegals, any of the staff will be happy to answer any non legal questions you have prior to closing.

We are located at Lumina Station on Eastwood Road in Building 1904, Suite 214.

FUNDS AT CLOSING

Pursuant to State Bar regulations, ALL AMOUNTS DUE FROM YOU AT CLOSING MUST BE IN THE FORM OF CERTIFIED FUNDS. Please obtain a certified/cashier's check made payable to "**Fuss Law Firm, PC**". Please contact our office the day before your closing to determine the amount of money you will owe at closing.

WHO WE REPRESENT

We represent you to the extent of ensuring that you acquire good and marketable title to the property. However, we can advise you only on legal questions concerning title to your property, title insurance and the covenants and conditions of your loan documentation.

We represent the lender to the extent of assuring full compliance with its loan closing instructions.

In the event of a dispute between you and the lender, we will not attempt to represent either party.

We do not represent you with respect to the terms of your loan agreement with your lender (i.e., your loan amount, interest rate, conditions for later conversion or refinancing, necessity or amount of mortgage insurance, etc.).

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

WHAT SERVICES WE PERFORM

We are responsible for conducting the title examination of the property, ensuring that the deed of conveyance and the loan documents have been properly prepared and executed, that the closing funds are properly received and disbursed pursuant to the HUD-1 Settlement Statement to be prepared by us and reviewed by you at closing, that the map of survey (if one is required) is ordered and reviewed by us prior to closing, and that the deed and deed of trust (mortgage) are duly recorded and that the owners' and lender's

policies of title insurance are issued and delivered in proper form. We will furnish payoffs of the outstanding liens, along with cancellation of lien instructions to the proper creditors; however, in the event the creditor does not comply with our cancellation instructions we will not pursue the creditor without being further retained by you.

We cannot record until all funds are received and we have your Lender's approval (funding number).

TITLE EXAMINATION

Normally we conduct a full title examination of the property in compliance with the North Carolina Marketable Title Act. This means that we will search the title for a period of no less than thirty years prior to closing. However, if we find an existing policy of title insurance on the property, we will, unless you object, "tack" to that policy. This means that our title examination would begin with the date and time of issuance of that policy and that we will not certify the status of the title to the property prior to that date. While defects in the title occurring prior to the search period would not be reported by us if we "tack", they should be covered by the existing title policy, so you should receive the same title insurance coverage as if we had conducted a full title examination.

Obviously, "tacking" enables us to conduct the title examination more expeditiously, and it should not expose you to any increased liability.

Unless you immediately instruct us otherwise, we will either "tack" or conduct a full title examination in our discretion.

Title examination does not include any investigation into zoning or building code compliance for the property; these are issues for your property inspectors to investigate. Title examination does not include any investigation regarding whether the subject property is in compliance with any applicable Covenants and Restrictions recorded against the property. As part of your examination of the property prior to executing the Offer to Purchase and Contract you should have received and discussed these with your real estate agent or the Seller.

SURVEY

It is important that you understand the consequences of not ordering a survey. Lenders will sometimes allow you not to procure a survey because the lender's policy of title insurance will offer them coverage from loss or damage resulting from a condition which would have been reflected on an accurate survey. **Your title policy will not offer this coverage.** This means that any problem which would have been revealed on a survey will become your responsibility and liability. Please advise us either directly or through your agent as soon as possible if you wish us to order a survey. In the event you direct us not to order a survey, we will have you sign a survey waiver holding us harmless from any problems an accurate survey may have revealed.

HOMEOWNERS INSURANCE

Lenders will require that their company is listed on your existing policy as a mortgagee. **You should provide the lender with the name and telephone number of your insurance agent.**

OUR FEES

Our standard fee for a refinance up to \$400,000.00 is \$495.00. If your loan amount exceeds this amount please call our office for a fee quote. If we are required to perform additional services beyond those described herein, we will charge extra for them. Without limiting the definition of "additional services", examples would be preparation of a power of attorney or other documents, or delay or postponement of the closing through no fault of ours after the closing documents have been prepared.

Out-of-pocket expenses such as the survey fee, termite report fee, title insurance premium, homeowners insurance premium, courier and recording fees, are not included in our legal fee.

If the transaction fails to close through no fault of ours after the closing documents have been prepared, we will charge a \$150.00 redraw fee per loan package.

Please let us know if you have any questions about this transaction. We look forward to working with you, and we will do our best to handle the transaction to your satisfaction.

Very truly yours,

William (Bill) H. Fuss
Fuss Law Firm, PC