

Information for Real Estate Clients

The Agreement of Sale - Whether you are buying or selling a property, the basis of the transaction is the agreement of sale. This is the initial document in which both the buyer and seller participate and should include the full names of all of the parties, a description of the property to be sold and the price to be paid. The terms of the agreement should be clearly stated, particularly with regard to financing the purchase, the condition of the property, the party responsible for the payment of the transfer taxes and the items included in the sale. If there is a contingency to be met before closing, such as the sale of the buyer's former residence, it should be clearly stated. Never sign an agreement which does not clearly state what you believe the agreement to be. The law requires agreements for the sale of real property to be in writing, so do not rely upon oral statements. Make sure it is in writing. A recent change in Pennsylvania law requires a full disclosure of the condition of the property to be given to the buyer by the seller at the time the agreement of sale is signed. In many cases, particularly where there is no realtor involved, the buyer and the seller share the cost of the preparation of the agreement of sale.

The role of the Seller - The seller is responsible to prepare the deed and any other documents necessary to give good title to the property to the buyer. Such documents may include a release or satisfaction of an existing mortgage, affidavits as to the location of boundary lines and payment of expenses incurred in the maintenance of the property. Occasionally the seller will be called upon to take remedial action to deal with the condition of the property, the well or the septic system. The seller should ordinarily attend the closing, unless arrangements are made for the necessary documents to be signed in advance.

The role of the Buyer - The buyer is responsible to make arrangements as provided in the agreement of sale to secure the funds necessary for closing. This will often involve application for a mortgage to be secured by the property. There will be a considerable amount of information to be supplied to the lender. Most lenders will require an appraisal of the property to be purchased and may require a well, septic and termite inspection as well. The costs of these tests are usually paid by the buyer, unless the agreement provides otherwise. Since it is the responsibility of the buyer to secure the financing, it is also the responsibility of the buyer to inspect the title to the property to make sure that it is free and clear of liens and encumbrances. This title examination is generally required by the lender and the cost of it is paid by the buyer. The local practice as to real estate is *Caveat Emptor* or "Let the buyer beware", so it is always a good idea to secure a title search before the closing.

The Closing - The closing is the time when the buyer, seller, lender and realtor all sit down together to sign the papers necessary to transfer the title to the property and make sure that all money is paid to the proper persons so as to give effect to the agreement of sale. Closings are scheduled by our Real Estate Secretary, Susan Robison,

pictured on our [staff page](#). We know that this is often a stressful time for all involved and try to give everyone as much notice as possible. We will prepare a settlement statement showing all financial obligations and detailing all of the payments out of the closing. It is our responsibility to make sure that the present mortgage is paid in full, title is clear and to record the papers at the courthouse. Clients will usually be advised a couple of days in advance of the closing how much money will be needed and are reminded to bring their insurance papers and other documents required by the lender. Please remember that the closing requires an immediate disbursement of the money being brought by the buyers, so it is necessary that certified funds be brought to the closing. Otherwise there may be a delay while the checks clear and the cost of the closing may be increased.

Costs - Costs are always discussed in advance and confirmed in writing prior to beginning the work.

Questions? - For most people, a real estate closing is something that is only done a couple of times in their life. Rules change from year to year, so no matter what happened in your closing the last time, it is likely to be different this time. If you have questions, please feel free to call the office and ask to speak to [Susan Robison](#), our Real Estate Secretary. If she is not available, either she or Attorney Steadman will get back to you with an answer.