



STEGALL & CLIFFORD PLLC.
FRIENDLY & EFFICIENT LEGAL SERVICES

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Laurie R. Stegall
Brian T. Clifford
Robert W. Brown III

Dear _____,

RE:

Thank you for allowing this firm to represent you in your refinance of the above-referenced property. The attorneys and our assistants, Terri Walker, Morgan Adams, Lindsay Parrish, and Taylor King look forward to assisting you and ensuring that you have a smooth and rewarding transaction. Please review this letter carefully as it sets forth the details in making this a smooth transaction and things you need to consider.

Role of Our Firm and Title Work: We would like to explain what you can expect during the closing process and our firm's role. Our representation of you is limited to the real property transaction captioned above. As your closing attorneys, we will update title to the home you are refinancing. This includes our verification that there exist no tax or judgment liens on the property and that you have marketable title, with the exception of any easements, rights of way, and restrictions of record. Our fee for these services, which include title work, preparing and/or reviewing loan documents, conducting the closing, recording the necessary documents, fax/copy/overnight expenses and certifying title, is \$775.00 for a closing with one mortgage in Guilford County with a sales price of less than \$750,000.00. The title search fee is \$150.00. Other fees may apply. For closings in excess of \$750,000.00, please contact our office for a specific fee quote. For construction loans only*, there will be an additional fee of \$200 for the multiple title updates that will need to be performed while the construction is in process.

Out of pocket expenses for items, such as a survey (which we recommend that you obtain to determine the boundaries and size of your property and if there are any encroachments or easements through your property), insurance, home inspection, termite report, title insurance and recording fees, are not included in our fee.

Some closings require extra legal work, such as a power of attorney, an encroachment agreement, escrow agreement, lender requirements, or complex searches of an estate or a foreclosure, etc. In the event you need additional legal services, the fee will be based on the work performed and the nature and complexity of the work involved. Please understand that we are entitled to bill for all the work performed for you even if the transaction fails for any reason, even cancellation during the due diligence period.

We frequently have to estimate the amount collected for recording fees and are required to disclose how we handle those fees. If we overestimate by \$10 or less, our firm will keep those funds. If we overestimate in excess of \$10, those funds will be returned to you. If we underestimate your recording fees by \$10 or more, you will need to reimburse our firm, however, our firm will cover any uncollected recording fees of less than \$10. Please understand we must bill for all the work performed for you even if your transaction fails for any reason.

In preparation for the closing, we will perform a title search. The nature of that search may take on one of two forms, depending on whether or not the property title has been previously insured. As a benefit to you, the borrower, we will do our best to locate any previous title policies so as to obtain a discount in title insurance premium on your behalf. Should we locate this previous title policy, we will review it and use it as the starting point for our new title search. This will limit the attorney review of the title to the previous policy, which is also known as a limited search. We do not certify title prior to that date, so we will not be able to detect any prior encumbrances, restrictions, or liens against your property. However, your title insurance policy should cover you against prior encumbrances that are not specifically excepted (omitted from coverage) in your title policy. Should we be unable to find a previous title policy, then the second form is a full title search in which we search the property to title insurance industry standards of 30-40 years. Our firm will procure title insurance for you by way of a limited title search, where possible, unless you specifically request that a full search be done regardless of prior title insurance policies. Please contact our firm immediately if you would like a full search so that we may determine a cost to be associated with the additional work, as this may not fall under the quoted fee. Please note that a full title search will not include determinations of proper permits and/or inspections for the subject property.

You should be advised that title insurance, while a valuable insurance coverage, does not cover any and all damage that may arise from a title defect. Title insurance also does not necessarily provide immediate relief in the form of the payment of a claim, because title insurers have a reasonable time to correct defects in title which the insurer reasonably believes can be corrected. What constitutes “reasonable time” depends on the nature of the defect.

Most neighborhoods have two documents that you may wish to obtain and review prior to your refinance if you have not done so before. First, you should obtain the restrictive covenants that govern your neighborhood. Restrictive covenants limit the ways you can use your property and impose various dues and other fees based upon your ownership of the home. Our representation of you does not include the review and explanation of restrictive covenants. Second, if your home is in a development, the developer of your neighborhood recorded a plat, or map, of your property showing the dimensions of your lot, any easements across your property, and setback restrictions. Please review this plat so you are fully aware of the purported size of your lot and any limits or burdens placed upon it by easements or setbacks. Again, to obtain an accurate description of the boundaries, size of your lot, and location of structures, easements, and improvements on your lot, you will need a survey. Our title work does not warrant or certify the size or dimensions of your lot, regardless of any acreage or square foot estimates contained in the legal description or on the plat, or whether there are any encroachments. Moreover, your title policy will not provide you insurance coverage over these things unless you obtain a survey.

Closing, Loan Documents, Recording: If closing in the Greensboro office, the closing will be held at **445 Dolley Madison Road, Suite 102, Greensboro, NC 27410**. If closing in the Winston-Salem office, the closing will be held at **301 Fair Oaks Lane, Winston-Salem, NC 27127**. To confirm the date and time, please contact our office at (336) 281-3110. Closings generally take one hour, depending on your type of loan, the documents your lender requires, and whether you have any questions or legal issues that need to be resolved at closing. If you are married, **your spouse must come to closing**, even if he/she is not on the loan or title.

Please be aware that your closing time, in large part, is driven by when your lender can provide us with loan instructions and loan documents. Our firm cannot control when the lender will send these items. Stay in contact with your loan officer to make sure your loan is being processed in a timely manner. As soon as your lender provides me with its instructions and fees and then approves the settlement statement outlining your costs, our office will contact you or your real estate agent with the amount you need to bring to closing. Please contact our office to make sure we have a phone number or e-mail for you. **You will need to bring funds to closing in the form of a certified check from your bank made payable to “Stegall & Clifford, PLLC” or a wire. If you would like to send a bank wire, then please contact our office so that we may securely send you wiring instructions. To avoid the chance of wire fraud that comes when wiring instructions are forwarded unsecurely, we will not send the instructions to your realtor.** Please be aware that we cannot accept a personal check or cash for any amount of your closing costs. If you are not able to obtain your certified funds before closing, you can obtain your certified check afterwards, but we must receive the funds on the day of closing. If your bank does not have a branch nearby, then please be aware that you may need to make arrangements for your certified funds well in advance of closing. While we may not have your exact figure for closing at the time you need to arrange it, we will work diligently to provide you with an estimate so that you will be able to arrange for a certified check or bank wire.

Before sending any wire, call our office at (336) 281-3110 to verify the instructions. We will not change wiring instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact our office immediately. Failure to follow this procedure endangers your funds.

The refinancing is not complete until the new Deed of Trust has been recorded. To record the deed of trust, our office is required to obtain written approval from the lender for the disbursing of funds. We also must have funds from the lender, a certified check from you, and any additional payoffs or funding requirements, and time to deposit the funds and record. Most residential refinance transactions include a 3 day right of rescission. To that end, the deed of trust and any funds to be distributed to you at closing will not be completed on the day of closing, but will instead be completed once the loan comes out of the rescission period. Please verify with your lender when funds will be available after closing.

After your closing has taken place, we will scan all of your documents and store them electronically. The original loan documents will be returned to your lender. The remaining documents will be destroyed in a secure manner and all files will be stored electronically. If you object to the electronic storage of files, please advise us immediately, and certainly prior to your closing.

Thank you again for allowing this firm to assist you in your refinance. We trust this letter has given you an understanding of the closing process and the items you need to consider. If you have questions, please feel free to call us.

Sincerely,

Laurie R. Stegall
Brian T. Clifford
Robert W. Brown III

Wire Fraud Alert!

- Our office accepts either certified bank checks or wires for your closing costs. We cannot accept personal checks or certified checks from Woodforest National Bank.
- We will never demand that you send a wire instead of bringing a certified bank check to closing.
- We will never ask you to wire money for closing before your closing date.
- Any email purporting to be from our office that does not end in **@stegallcliffordlaw.com** should be presumed fraudulent.
- Criminals are actively spoofing emails to attempt to defraud you of closing funds. If you receive a request to wire funds that seems suspicious, **DO NOT SEND A WIRE. CALL 336-281-3110 TO CONFIRM THAT WE ACTUALLY SENT THE REQUEST.**

I acknowledge receipt of this engagement letter, and authorize Stegall & Clifford, PLLC to undertake representation on our behalf.

Date: X_____

Printed Name:

X_____

Printed Name:

RE: