

The Ten Eleven Commandments of Real Estate Closings

By Wayne Stephenson

- I. Thou shalt not walk into the deed vault nor close a real estate transaction unless thou knowest what thou art doing or thou hast learned brethren or sistren to lend a helping hand. The days when “anyone can close a loan” are gone.
- II. Thou art not a title insurance company nor is thy malpractice carrier. Many are those, both owners and lenders, who are using the attorney as their title insurance company.
- III. Thou shalt document the substance of every telephone conversation involved in the transaction. Thou shalt cover thine hind parts.
- IV. Thou shalt have a working knowledge of environmental law. And lo, there shall one day be pestilence upon the entire face of the earth and environmental law will touch every transaction.
- V. Verily, verily I say unto you that the closing attorney is as the hub of a wheel and each party to the transaction a spoke. If in the future any of the spokes is broken economically, ye whose name was blessed at closing shall be called “Oh cursed one.” Beware of the potential conflicts of interest that could be alleged in the future and proceed cautiously.
- VI. Thou shalt not disburse loan proceeds before updating and recording title. “Tis better to suffer the wrath of an angry realtor or property owner than to bury thy law license in the sand.”
- VII. Thou shalt uncover thine eyes and proofread carefully the work of those thou superviseth. If thy support staff has erred and thou hast not reviewed their work, then two errors have occurred. Many are the attorneys who have suffered a claim because of a typo the size of a mustard seed.
- VIII. Thou shalt say “Get thee behind me Satan” if thou art pressured to perform a transaction in a way that thou thinks is improper. Do not succumb to the almighty dollar. ‘Tis better to lose a closing fee that to suffer the slings of multiple claims resulting from a system breakdown because one has worshipped at the altar of the “Cash Cow” client.
- IX. Thou shalt always review each instrument within the title search in its entirety. Beware the deed of trust that encumbers the property in the hidden “Attached Schedule A.”
- X. Thou shalt never forget this real estate transaction is the biggest transaction of thy client’s life. Communicate, communicate, communicate.
- XI. The closing statement is the unwavering Word of Sod. It is to be the literal reflection of the transaction. Cast thine eyes upon the RESPA fine print at the bottom of the HUD-1. If ye bear false witness, ye will be persecuted.