

# LAWYERS LINK



## GETTING FAMILIAR WITH THE KEY PARTIES INVOLVED IN THE HOME BUYING PROCESS

Although not all buying processes look the same, in general, you can expect the same key people to play a role in a real estate transaction. Some of these parties are mandated by

a lender or the laws of the state you live in, while others are optional but encouraged.

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## Here is a list of parties who would likely be involved in the home buying process.

### Buyer's Agent

A buyer's agent represents the needs of the buyer. They can act as a guide to help you find the right property, negotiate a fair offer on your behalf, and smooth out any difficulties in the buying process. Furthermore, they provide you with a series of fiduciary duties to ensure that your best interests are always protected.

### Listing Agent

A listing agent helps homeowners sell their properties and oversee all aspects of listing a home for purchase. They know the local real estate market, help determine a fair market value, write and give listing presentations to provide sellers with a report of their findings, and market and stage properties for sale to attract potential buyers.

### Mortgage Lender

The mortgage lender loans money to buy real estate. Typically a mortgage lender is a bank, credit union, or corporate entity, but sometimes, it may be an individual, a group of individuals, or an investor. Lenders have specific borrowing guidelines to verify your creditworthiness and ability to repay a loan. They set the terms, interest rate, repayment schedule, and other key aspects of your mortgage.

### Title Company

The title company is a third party that works on behalf of the lender and the buyer. They research the full history of the home's ownership, and insure the title of the home being purchased. Their goal is to eliminate risks and prevent losses caused by defects in title that happened in the past. Defects may include things like errors in public records, mechanic liens, bankruptcies, judgements, liens for child support, and delinquent taxes.

If a claim is made on your title, the title company can either choose to defend the claim in court or pay the loss associated



with the claim. If the title company decides to defend the claim, your policy will cover the costs obtained while the claim is being handled.

### Escrow Company

The escrow company serves as a neutral third party and liaison between all parties involved in a real estate transaction. They collect and maintain the required instructions, funds, and documents involved in the closing process, and confirm all conditions of the sale are properly met.

### Homeowners Insurance Company

The homeowners insurance company provides coverage to repair or rebuild a home after events like fire, smoke, theft, vandalism, a falling tree, or damage caused by weather such as lightning, wind, or hail. Most standard homeowners insurance policies also cover furniture, clothing, and other possessions.

### Appraiser

An appraiser identifies what the property being sold is worth. They review the home itself and compare it to others of similar market value to determine the best price. This process is meant to protect the buyer and lender from financing more than the home is worth. The seller also benefits from knowing they aren't underselling their home.

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### Home Inspector

A home inspector is hired to help protect the buyer and ensure that the property is in good condition and up to the code required by the county or state. It's a physical examination to identify material defects in the systems, structure, and components of a building. A home inspection report will be issued to the buyer to review with their real estate agent to determine if further negotiating should happen with the seller.

### Real Estate Attorney

A real estate attorney is someone who is licensed to practice real estate law and has the knowledge and experience to advise parties involved in a real estate transaction. Real estate attorneys are not required in all states.

### Tax Advisor

A tax advisor can help you understand the tax implications and benefits you can gain from home ownership and can provide essential information specific to your area and your circumstances.

### Notary Signing Agents

A notary signing agent is responsible for ensuring that the closing is carried out correctly, that all parties involved are aware of what they are signing, and all documents are in order.

### Additional Parties to Consider

You may need to partner with other professionals during your real estate transaction in addition to the ones we've listed here. For example, you might need a home contractor or pest inspector. Work with your real estate agent to determine if you need to hire additional professionals.



# MONTHLY INDUSTRY TERMS

#### Trustor

The borrower, owner and guarantor of the property conveyed in a deed of trust.

#### Realtor®

A real estate broker or an associate holding active membership in a local real estate board affiliated with the National Association of Realtors.

#### Trustee

The neutral third party in the deed of trust with limited powers. When the loan is paid in full, the property is reconveyed by the trustee back to the person or persons legally entitled to the land, or if delinquent, the property will be conveyed pursuant to non judicial foreclosure proceedings, to the highest bidder in a public sale.