

LAWYERS LINK



11 KEY PLAYERS IN THE HOME BUYING PROCESS

The home buying process involves several key players, and while not all transactions are identical, many of the same professionals typically play a role. Some participants are legally or financially required based on local laws or lender mandates, while

others are optional but strongly recommended to protect your interests. The following list outlines the parties you would likely encounter when purchasing a home.

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Buyers Agent

A buyer's agent is a licensed real estate professional who represents the best interests of the buyer. They act as the buyer's advocate to ensure that they find and successfully acquire a home that meets their needs and budget for the lowest possible price and on the most favorable terms. They guide the buyer through the complex purchasing process, ensuring that the buyer understands the paperwork, legal requirements, and deadlines.

Listing Agent

The listing agent, or seller's agent, is a licensed real estate professional who represents the homeowner in selling their property. They have the legal and ethical responsibility to maintain confidentiality, disclose all material facts known to them about the property, and remain loyal to the seller's interests. Their primary goal is to sell the property for the highest possible price in the shortest amount of time through strategic pricing, effective marketing, and skilled negotiation.

Mortgage Lender

A mortgage lender's role is to provide the financing that allows a buyer to purchase a property. They evaluate a borrower's financial background to determine eligibility and loan terms, fund the loan at closing, and, in some cases, service the loan throughout its life.

Title Company

The title company protects real estate owners and lenders against financial loss or legal challenges resulting from defects in a property's title that occurred in the past. This is achieved through a proactive, multi-step process that ensures a secure transfer of ownership. In the event a covered title defect or claim arises after the purchase, the title company covers the legal costs to defend the owner's title and will compensate for financial losses up to the policy limit. Title defects may include things like errors in public records, mechanic liens, bankruptcies, judgments, liens for child support, and delinquent taxes.

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 homeowner's 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.

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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.

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 specializes in the legal aspects of property transactions, ensuring the process is legally sound and the client's interests are protected. They provide legal counsel and can represent clients in legal proceedings if disputes arise. 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 Agent

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.

In addition to the professionals mentioned, you may need to collaborate with other specialists during your real estate transaction. Your real estate agent is an excellent resource for recommendations, as they usually possess an extensive local network of reliable contacts with whom they have successfully collaborated and trust to deliver quality service.

This information does not and is not intended to constitute legal advice; instead, all information is for general information purposes only.



MONTHLY INDUSTRY TERMS

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.

Trustor

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