

**\*\* New Haven County Bar Association - sample \*\***

REFINANCE LETTER: 6/1/06 Final ver.

(date)  
(name and address)

RE: Refinance, (address)

Dear \_\_\_\_\_ :

Thank you for selecting me to represent you in connection with the refinancing of your property. I appreciate the opportunity to work with you and will endeavor to make the process as easy as possible for you. The rules under which I practice require that I contact you in writing about the terms of our engagement.

I have agreed to work with \_\_\_\_\_ (names) on the refinancing of property located at \_\_\_\_\_ (address). Currently, this closing is scheduled for \_\_\_\_\_ (date).

Some of the work that I will perform for you includes reviewing your mortgage commitment letter, searching your property title, working with your mortgage lender, ordering mortgage payoffs, preparing financing documents, preparing for and attending the closing, recording finance documents in the Town of \_\_\_\_\_, conducting a bringdown title search at the time of recording, and completing and returning the mortgage documents to your lender.

You will pay me the sum of \$\_\_\_\_\_ for my legal services and \$\_\_\_\_\_ for the title search (estimate). You will also pay the following additional costs:\_\_\_\_\_. These fees may change and so I will inform you of any changes.

Connecticut has a statute which requires mortgage lenders to deliver a Release of Mortgage within 60 days after payment in full. Failure to do so subjects the lender to a penalty of \$200.00 per week after the expiration of that 60 day period. By signing the copy of this retainer letter, you authorize me to pursue late releases from your mortgage lender(s) and attempt to collect the statutory penalty on your behalf. You also agree that my fee for these additional services will be one-half (½) of any penalty actually collected on your behalf. I will retain such fee from any penalty collected and forward the balance to you.

Enclosed with this letter is an Addendum containing important information spelling out in greater detail the services that attorneys perform in closings and other information that you need to know about refinancing a property and my role as your attorney in this transaction.

I look forward to working with you on this! Please call me if you have any questions.

Very truly yours,

(attorney name)

Terms accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
\_\_\_\_\_

## IMPORTANT INFORMATION ABOUT REFINANCING A HOUSE

A. **LAWYER SERVICES.** When representing the borrower in a residential refinance transaction, an attorney typically renders the following services:

1. Your attorney will review the mortgage commitment and advise you of any issues that may arise from it. He or she can also make suggestions, if you wish, for possible mortgage sources. Once you have selected a lender, please let the lender immediately know who your lawyer is, so that you are not randomly assigned a closing attorney.
2. Your attorney will arrange for a title search of the property and obtain such title insurance policies as may be required or requested. Undoubtedly, your lender will require a mortgagee's title insurance policy and you may wish to purchase an owner's title policy if you did not do so when you originally purchased the property. An owner's policy will not only protect your equity investment in the property but also (when coupled with the required mortgagee title policy) make sure that the title insurance company will be solely responsible for all legal costs in the event that there is a title claim against you and your new house. If you would prefer your attorney to use a specific title insurer, please let him or her know. If your attorney issues a title insurance policy, he or she will receive a sixty-percent commission from the title insurance premium which compensates the attorney for the work performed for the title company. The commission received in no way increases the insurance premium charged to you. The title insurance premium is subject to strict regulation by the Connecticut Department of Insurance.
3. Your attorney will prepare or review the mortgage documents and work with the lender to satisfy any other closing requirements. Your attorney will explain to you the legal significance of all documents.
4. Your attorney will prepare the closing statement with the lender and review all figures with you prior to closing, making a full accounting of all funds used in this transaction. If you wish, a copy of the HUD-1 settlement statement will be made available for your review one day prior to closing, assuming the statement is available at that time.
5. Your attorney will attend the closing as your representative, review all of the lender's documents, and record all appropriate documents as soon as possible after the closing.
6. If you are receiving funds from the closing, those funds will be delivered to you after the expiration of any rescission period in the form of an attorney's trustee check. If you require any different arrangements, such as multiple checks, wire transfers, certified funds, or bank teller's checks, it is important that you let your attorney know in advance of the closing so that your attorney can make the appropriate arrangements. Any bank costs or charges associated with this will be included in your costs.
7. Your attorney will follow up, post-closing, to make sure that all mortgage releases have been properly recorded. Your attorney may track any releases himself or herself or may hire a release tracking service for this purpose. There may be a separate fee for release tracking.

B. **QUOTED FEES.** The fees attorneys quote are based upon there being no unusual problems in this transaction. If unusual problems do arise, the fee may have to be increased. In such event, you and your attorney should discuss what an appropriate increased fee would be. These fees quoted only cover work on a first mortgage loan. If you are placing a second mortgage on the property at the same time, most attorneys charge an additional fee for the extra work that such a mortgage requires. Please let your attorney know immediately if you are planning such a transaction.

The closing attorney's fees do not include out of pocket expenses such as title search costs, bank wiring fees, recording fees, title insurance premiums, overnight mail or other costs and expenses associated with the

closing. If for some reason you do not close on the home you will be required to pay all expenses incurred on your behalf plus a reasonable fee for services that have already been rendered. If you do not pay your attorney for legal services and costs, your attorney will be unable to complete the closing or continue to represent your interests. In addition, if the attorney chooses to retain counsel or a collection service to collect unpaid fees from you, you will also pay your attorney for any collection costs reasonably incurred.

In addition, these fees may only cover attendance at a closing held in the Greater New Haven area. In the event that the closing must be held outside that area, you may be asked to pay an increased fee to compensate your attorney for the extra travel time involved.

C. EXCLUDED SERVICES. The closing services performed by your attorney and the fees quoted relate to purchase transactions only and do not include the resolution of any claimed defects relating to the unpaid mortgages or other liens against the property. If necessary or appropriate, these legal services will be billed separately and your and your attorney should discuss those fees if these situations arise.

D. TITLE SEARCHES. Under normal circumstances, a title search will not be performed until you receive your mortgage commitment. If you wish a title search sooner, please let your attorney know.

E. CERTIFIED FUNDS. PLEASE NOTE THAT AT THE TIME OF CLOSING, YOU WILL BE REQUIRED TO BRING A CERTIFIED OR BANK TELLER'S CHECK FOR THE NET BALANCE DUE IN THE EVENT THAT YOU MUST BRING FUNDS TO THE CLOSING TO COMPLETE THE TRANSACTION.

F. RESCISSION PERIOD. Please be aware that, in most consumer residential loans, there is a three-day rescission period after the signing of the documents. During this period, you have the right to cancel this transaction in compliance with federal law. For this reason, most lenders do not allow the closing attorney to disburse any net loan proceeds until the expiration of that rescission period. Please plan your post-closing cash needs accordingly.

G. TITLE AFFIDAVIT. At the time of closing, you will be asked to sign an affidavit in which you will represent that no work had been performed on the property during the ninety days preceding the closing. If work will have been done within that ninety day period, please call your attorney immediately.

H. POST-CLOSING COPIES. As part of your closing fee, your attorney will provide you with a package containing copies of all pertinent closing documents. Your attorney will provide you with additional copies at the time of closing for a nominal charge. Clients often request copies of their closing statement or other documents from their file when they are preparing income tax returns; many attorneys charge a fee for these extra post-closing copies to offset the clerical and administrative expenses involved in retrieving from storage and copying those documents. Please also be aware that many attorneys destroy their files a certain number of years after the matter is completed.

engagement letter refinance