

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

SELLER LETTER: 6/1/06 Final ver.

(date)
(name and address)

RE: Sale, (address)

Dear _____ :

Thank you for selecting me to represent you in connection with your sale of your home. 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 sale 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 purchase and sale agreement (contract), coordinating the closing with the purchaser's attorney, obtaining a release of your existing mortgage(s) and paying the outstanding balance on such mortgage(s) out of the proceeds of sale, preparing all closing adjustments, drafting the Warranty Deed and ancillary documentation, and attending the closing, including the receipt and disbursement of the proceeds of sale.

You will pay me the sum of \$_____ for my legal services. You will also pay the following additional costs:_____.

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 nportant information which spells out in greater detail the services that attorneys perform in closings and other information that you need to know about selling 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 SELLING A HOUSE
prepared by the
New Haven County Bar Association Real Estate Committee

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

1. If you have already entered into a binding contract before retaining an attorney, your attorney will advise you as to the terms of your contract and the local customs that affect residential transfers. Your attorney will also assist you by helping to find answers to any questions you may have concerning contract contingencies. If you have not signed a contract before retaining an attorney, your attorney can help you in negotiating contract terms. There ordinarily is an additional charge for this work.
2. Your attorney will contact the buyers' attorney, advise him or her of any encumbrances on the property such as mortgages or other liens of which you are aware, and set a tentative closing date and place. When the buyers' attorney has completed the title work, your attorney will discuss the results with you to ensure that there are no other liens or other encumbrances which must be released before the closing can occur.
3. Your attorney will arrange to obtain a payoff figure and release of your current mortgage(s) on the property. Lenders do not issue a release until the payoff is made; therefore, your attorney will prepare a letter of indemnification to satisfy the buyers' attorney and the buyers' title insurance company.
4. Your attorney will prepare the closing statement and the adjustments with the buyers' attorney and review them with you. This may not be until the day before the closing.
5. Your attorney will prepare the deed on your behalf as well as any other documents affecting the conveyance or your title and review these with the buyers' attorney.
6. Your attorney will represent you at the closing and forward the appropriate mortgage payoff checks as soon as possible after the closing. Ordinarily, this will require the use of an overnight delivery service and this cost will be passed along to you.
7. At the conclusion of the closing, your attorney will issue a clients' funds check in the amount of the net proceeds of sale payable to you. 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 added to your closing costs.
8. 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.

The closing attorney's fees do not include out of pocket expenses such as bank wiring fees, recording fees, or 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 for any collection costs 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 (a) suits or claims by or against the buyers or the agents, (b) negotiation or drafting of use and occupancy agreements, (c) the resolution of any claimed defects relating to the physical condition of the property, the status of title, the survey, or compliance with wetlands, zoning, building or housing regulations, or (d) obtaining releases for previously paid-off mortgages or liens which have not been properly released. If necessary or appropriate, these legal services will be billed separately and you and your attorney should discuss those fees if these situations arise.

D. CONTRACT COPY AND CONTINGENCY DEADLINES. Please deliver a copy of your contract to your attorney or instruct your agent to do so as soon as possible. Also, please keep your attorney informed with regard to your progress in obtaining a mortgage commitment. Finally, your contract contains a number of time limitations and contingency dates. It is your responsibility to timely advise your attorney if those deadlines cannot be met so that he or she can take action on your behalf. **YOU MUST REMAIN VIGILANT AS TO ALL THE TIME LIMITATIONS!**

E. CLOSING DATE FLEXIBILITY. You need to know that, although your contract lists a specific closing date, this is not necessarily the actual date when the closing will take place. Under Connecticut law, the closing may legally take place either before or within a reasonable period after the date given in the contract, without penalty to the buyer. You should not hire your mover or take other actions based on a guaranteed closing date until the closing is actually scheduled and confirmed by the attorneys, after consultation with you.

F. 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.

G. TITLE AFFIDAVIT. At the time of closing, you will be asked to sign an affidavit at closing 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.

engagement letter seller