Multi-State Transactions

Description

Real estate transactions commonly involve a distinct set of challenges and time-frames. Settlement companies are staffed by experienced licensed professionals to conduct and facilitate those transactions within that particular jurisdiction. State-based licensing processes originated decades ago and those licensee obligations continually evolve and expand as industry professionals assist clients with greater pressure to perform services for clients not only at a fast pace and cost-effectively, but also with the highest specialized skill levels. These transactions are not for the generalist. Multi-state transactions do not come up with the same frequency as single-site or residential transactions, being prepared despite a larger scope and tighter turn-times with a strong infrastructure is the key to being prepared to act, and creates the greatest likelihood for success. Information technology enables collecting and conveying information with improved speed and efficiency across all boundaries. A â??newâ?• approach to multi-state transactions is in fact built on strong fundamentals of putting together any real estate transaction.

The typical multi-state commercial client or developer will likely have access to many resources, and the resource of time is always in short supply. The clients need the selected settlement company to act with prompt attention and error-free execution. A successful multi-state transaction requires decisive expertise in each of those jurisdictions as inevitably obstacles and challenges will present which require solutions. Risk is inherent in all real estate transactions and projects â?? particularly in multi-state transactions â?? a settlement company successfully navigating a closing must manage the transaction with an aim to diminish and eliminate risk and minimize delays popping up at a most inopportune time. Ultimately the settlement company is a critical member of the deal-making and transactional team. The goal is to manage information and anticipate risk and maximize success in the consummation of the transaction, whether there are 6 or 600 parcels in 3 or 43 states.

Experienced Title Teams: Our firmâ??s experience relies on leadership by our most experienced title officers supported by exceptional production team members. Expertise in each jurisdiction is necessary â?? there is no way around it. Local and state-specific due diligence, abstract and title review will be a critical factor in assembling the team of professionals. Any project involving more than one parcel will likely also include unexpected complex issues whether they are foreclosure, environmental, bankruptcy, or estates. Issues such as these require fluency in core title resolution plans. Additionally, local considerations for recordable documents including deed form, font size, paper size, margins. etc., are no less important in assuring title is conveyed as intended by the parties.

Custom-Built Website Portal with Search Feature: Within a few days after receiving the title order, a sharepoint or subsite to our website is created which supports true collaboration and interaction rather than one-way presentations. This venue allows files to be imported from various locations, including websites and folders. The subsite will have administrator, author and browsing permission levels as well as search function. Therefore, in additional to the title team members, the buyer and seller and their counsel, the lender and their representatives will all have access to the subsite to track the transaction both before and after closing. This is especially useful by way of example in the postclosing phase, where the subsite tracks mortgage recording information for the benefit the members.

Parcel Status and Title Status Report: Develop and maintain a simple spreadsheet listing all addresses and tax identification numbers, by state, parcel and lot number, and any other particulars allowing users to track when searches are ordered and completed; track and view commitments; and review relevant documents. The report also shows parcels that have title issues and tracks title resolution. The report will balance the title status among the jurisdictions, including identifying and accommodating the type of priority recording statute (i.e., race, race-notice, etc.) and whether the jurisdiction permits e-recording.

Parcel Structure and Tenant Status: Each parcel will be tracked additionally for structural condition of buildings; plans, permits, certifications, equipment condition; surveys; zoning letters; utilities, insurance, etc. will be tracked here as well as tenant and sub-tenant status including lease copies, security deposits, CAM analysis and service contract.

Closing Management: This area is the depository for all transactional documents. Often, numerous closing officers are deployed and managed over one or more days in the various jurisdictions, also requiring the compilation and organization of hundreds of documents. Again, local regulations and other considerations will mandate transferring title properly across many states.

Many times during multi-state closings, I have presided at the settlement table for several hours at an absolute standstill as buyerâ??s and sellerâ??s counsel finalize negotiations and ultimately compromise on 500+ page purchase agreements. Erudite advice, knowledge and guidance at the table is required as final negotiations among the parties endeavor to reach agreement on which party to the transaction will pay for certain services. Across states, the local practice on which party customarily pays for certain services including title insurance, surveys, title examination, recording taxes among others becomes a hot topic.

Closing multi-state and multi-site real estate transactions necessarily involves a structure to manage the transaction. Through a structured, managed approach to the transaction, the lack of standardization across jurisdictions will not seem so overwhelming. In Virginia it is often said: â??title is titleâ?• and the reason our clients chose one professional over the other is based on relationships, knowledge and experiences we have. The right professionals, and a transactional plan maximizing electronic technology assures that our performance will successfully meet our clientsâ?? transactional needs with practical professional service.

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Category

1. Settlements

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