



Lauren P. Kohl, Attorney at Law
 Law Offices of Gibson, Kohl, Wolf & Hric, P.L.
 1800 Second Street, Suite 901, Sarasota FL, 34236
 414 South Tamiami Trail, Osprey, FL 34229
 1.941.966.3575
www.SarasotaClosings.com



2009 will be a great time to purchase real estate on Florida's Southwest Coast. Prices are at levels comparable to what we saw seven years ago and interest rates are near historic lows. But some of the buzz words have changed. Everyone is talking about short sales and foreclosures. Prospective Buyers should become informed of the legal issues inherent in these types of transactions. This article describes some of those issues but is no substitute for legal representation.

In a short sale transaction the seller of property asks its mortgage lender and/or other lien holders to release the property from the lien(s) for less than the full amount owed them. The price and terms of the Purchase and Sale Contract are negotiated between a Buyer and Seller who execute the Contract and deliver it to the Seller's lien holders for approval. Both the Buyer's and Seller's obligations are contingent upon the lien holders' approval.

Typically, the buyer makes a relatively small earnest money deposit with his or her attorney who will also review the contract on behalf of the buyer and monitor the short sale approval process. The Buyer's obligations can still be made subject to satisfactory inspections and financing however, the inspection and financing contingency clauses are modified so that time periods do not begin to run until the lien holders have approved the contract terms. These clauses protect the buyer from spending sums on inspections and appraisals before the short sale is approved.

Buyers should be aware that some of the short sale contracts allow the seller to continue to submit subsequent offers for lender approval. This can be problematic and we encourage our clients to make their highest and best offer so that they are not displaced by another prospective buyer willing to pay more after weeks of waiting.

The short sale process typically takes 2 to 3 months although we have obtained some approvals in as little as 3 weeks while others have taken as long as 9 months. During this period the lender reviews the financial status of the seller and obtains a value opinion of the property. If the buyer cannot wait this long he or she should consider making an offer on a bank-owned property or non-short-sale property.

When making an offer on a bank-owned property a buyer should be aware that the Purchase and Sale Contract has been modified by the bank's attorneys to limit the seller's liability and to remove some of the buyer's rights. These contracts should always be reviewed by an attorney. Although many Realtors understand the terms of the contracts they are prohibited from explaining the potential legal ramifications to buyers.

Buyers should consider that many bank-owned properties have remained vacant for an extended length of time. We therefore recommend that our clients obtain mold inspections in addition to the typical home inspection and termite

inspection. When representing buyers of bank-owned properties we also review the chain of title to the property to make sure there are no outstanding liens or code enforcement violations that would affect our client's title in the future. We also ensure that the proper fees are charged on the Settlement Statement.

The increase in foreclosures has also affected the financial health of some of the condominium and homeowner's associations. Specifically, if a certain condominium complex or subdivision has an inordinate amount of foreclosures the association may not have ample surplus to pay for necessary repairs. We review the appropriate financials on behalf of our clients when requested.

While the economic downturn has made the purchase process more difficult to navigate through we are certain that benefits of purchasing in this market far outweigh the costs. So go ahead and purchase your piece of paradise. Just protect yourself along the way.

Lauren P. Kohl practices primarily in the areas of real estate transactions, title insurance and estate planning. She earned

her Bachelors Degree in Marketing, Magna Cum Laude, from the University of Connecticut in 1988. She earned her Juris Doctor Degree, Magna Cum Laude, from the Florida State University College of Law in 1998. She was admitted to the Florida Bar in 1998.

Prior to becoming a lawyer, Lauren enjoyed a successful career in real estate sales. She was the top producer in her Sarasota real estate office for five consecutive years and taught home buyer seminars in conjunction with several local and national mortgage lenders. Lauren is a former Committee Chairperson for the Sarasota County Bar Association Real Property Section and currently serves on the Sarasota County Bar Association Real Estate Contract Committee and has served several non-profit associations including: United Way, 211 of Manasota, Girls Incorporated, Legal Aid of Manasota, and Meals on Wheels.

Areas of Practice: Real Estate Closings, Title Insurance, Residential & Commercial Real Estate Closings, Contract Preparation, Deeds & Mortgages, Wills & Trusts

On Your Side
Of The Closing Table

Protecting Your Interests

Representing local and international clients purchasing and selling real estate, including waterfront, golf course, foreclosures and short sales in the greater Sarasota area.
We protect your interests at closing.

Lauren P. Kohl
Attorney at Law
Law Offices of
Gibson, Kohl, Wolff & Hric, P. L.
1800 Second St, Ste 901, Sarasota, FL 34236
414 South Tamiami Trail, Osprey, FL 34229

1.941.966.3575
www.SarasotaClosings.com

GKW&H
GIBSON, KOHL, WOLFF & HRIC, P.L.

The hiring of a lawyer is an important decision that should not be based solely on advertisements. Before you decide, ask us to send you free written information about our