

EM3 – The Electronic Monday Morning Meeting
Legal News and Information for Realtors and Mortgage Specialists
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Brought to you by:

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INTRODUCTION & ANNOUCEMENTS
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1. Unofficially... We Are Live!

The work is not nearly done but our website has a pulse! We have been threatening to make it live for over 4 weeks now and the time has finally come.

It has taken quite a bit of time to get to this point but we have our splash-page up and most of the sections laid out for our site. We thought we might wait to see your reaction but because it is a work in progress we thought that we would take the time to get some feedback and comments from our most trusted friends.

The official launch is still some time away. Of course, not all of the information is loaded up yet as we are just starting to add in the information that we want and the forms that we need. The idea of our site will be to provide the information that you and your clients need to be better prepared for different transactions.

An important part of our ongoing web development will be to react to comments and concerns of all of our visitors to make the Internet experience a positive and educational one. Take a quick peak at <http://www.calgaryl.com> and stay tuned throughout the next while to see the changes as they develop.

Over the next few weeks we will introduce each of the sections to you so that you can get a feel of the overall concept and how the site is intended to operate.

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REALTOR/BROKER QUICK HELPERS

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This week's hints deal with only a few of the issues relating to interim financing and when it should be addressed with your clients. These hints will help you understand what some of those concerns might be.

1. The Interim Financing Question

Last week when we launched the newest section of EM3 called "Land Titles Watch" we let you know that it was important to you for a number of reasons. Besides the fact that it affects the closing of transactions, there is also the issue as it relates to interim financing.

The issue of interim financing is an important one to address with clients. What we often hear is clients complaining that they didn't know that it was needed until they talked to our office or that of another lawyer. This is a concern for you because it impacts their overall impression of the transaction and leaves a negative thought in their minds. If you understand when and why interim financing is required you will not only be better at servicing your clients but will also help to ensure that your clients' transactions close faster.

Because of the way that title transfers in Alberta, there is a time lag between the time that your clients' documents are submitted to Land Titles and the time that registration occurs. Complicating this further is the standardized series of steps that take place in order to complete the legal aspects of a transfer.

Essentially, the key for you to understand is that the purchasers' lawyer must ensure that, at a minimum, the entire amount of cash, excluding the anticipated mortgage or other financing, is in their trust account prior to submitting the Transfer of Land to Land Titles for registration. This means that if Land Titles is taking 5 business days to register, your clients' lawyer should have the balance of their required money to close 7 to 8 non-business days before the scheduled closing date.

Where the problem creeps in is where the clients have a sale and a purchase occurring close together and are relying on the sale proceeds to close their purchase. Where the sale is NOT closing before the purchase and at least as many days as it takes to register, then interim financing is going to be needed. Needless to say, this isn't going to be the case very often!

The wildcard is that the time for registration changes as the Land Titles Office becomes busier. The key for you is to simply understand that your clients' money will be needed at least 7 days before the closing date. If it is coming from their

sale you should have them talk to their lawyer to determine whether interim is required or not. Their lawyer will discuss the importance of interim financing and the implications of not having it.

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ASK AWAY!
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To ask your real estate or corporate question to us please send us an email at pleasehelp@calgarylaw.com and we will review it for you. We can't answer every question in our newsletter but if you have a short concise question that we think is of a concern for others we will include it. Remember, these questions are for general information only and you should consult your own attorney before acting on information you see here.

Is a walk-through for a resale home a requirement on possession day?
John Hripko, Calgary, Alberta

No, a possession day walk-through is customary but not required. Under the current Offer all that is required is that possession be granted by 12:00 noon on the day of possession. However, it is customary in Calgary to grant a walk-through prior to noon. To be absolutely guaranteed of a walk-through for your clients you have to include it as a term of the contract.

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LAND TITLES WATCH!
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As of Friday, 4:00 p.m. Land Titles was registering documents submitted on April 9, 2002, meaning that registration is 2 full business days! We anticipate that this will increase over the next week.

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FINAL MESSAGES
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This week was a busy one trying to get the web site up and running. We are planning to add back copies of EM3 in pdf format on the web site so that you can access them quickly. We think that the web site and EM3 are going to work very well together and we hope that you find both very informative.

Again, we always appreciate your comments as we want EM3 to be the best source of information for you so your input on changes and new features is appreciated.

Have a Great Week Buying and Selling
Same Time Next Week

Ron Thibeault and Bill LeClair
Barristers & Solicitors
Your Source for Information You and Your Clients Need

DISCLAIMER

The information provided is for general reference only. Prior to taking any actions, you should seek the advice of a lawyer to ensure that the steps you take to protect your client are sufficient.
