



HOW DOES THE CLOSING PROCESS WORK DURING A REAL ESTATE INVESTMENT IN THE USA

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Choosing the US real estate market when considering an investment can be a profitable choice, today we are going to take an overview of its bureaucracy.

One of the main differences in the purchase process of a property between **American real estate market** and its Italian counterpart, is the absence of the notary, making the whole procedure undoubtedly cheaper from a bureaucratic point of view.

When choosing to **invest in the USA**, he/she has to turn to one of three main figures in order to proceed with the closing:

1. Authorized Broker (Real Estate Broker)

This category plays a fundamental role in the structure of the US real estate system since he is the only one who holds the exclusive right to sell a particular property.

There is therefore no doubt about the importance and peculiarity of his professional skills, among which there is the ability to conduct an in-depth analysis on a property in order to determine its current market value and possibly a projection of the same in the future. It must be taken into consideration that once the property that will be purchased has been identified, it begins the phase during which the contract will be prepared; the broker must therefore prepare all the documents necessary to proceed with the deed.

Since these are relevant aspects concerning the purchase of a property, it is important to evaluate the most suitable figure – despite the fact that there are many – which is, at the same time, able to provide greater security to the buyer: that is why it is advisable to turn to a qualified legal professional.

2. Lawyer (Real Estate Attorney)

The lawyer not only has the ability to negotiate the terms of the contract with the other party, pursuing the most advantageous options for his client who is about to complete the purchase of a property as a **real estate investment in the USA**, but unlike the broker, he has a deeper knowledge of the legislature, which allows him a deeper analysis of the terms of the contract. In this regard, it should be borne in mind that, being a federal republic, each American State has its own particular laws.

The main function performed by the lawyer is the Title Search, which certifies that the property is sold without any slope or constraint, such as a final judgment. The outcome of the Title Search is extremely important because it reveals whether the seller actually has the legal right to sell the property.

For example, let's suppose that the Title Search identifies a sanction that the seller has yet to pay: the lawyer will be able to transform this problem into an advantage, demanding a significant price reduction to close the agreement. Consequently, it may also be able to guarantee that any pending issues have been resolved.

Another important function is the analysis of inspection documents: these documents must include mention of any defects in the property.

In the vast majority of cases, in order to protect both parties, a Real Estate Attorney has a trust account, where the buyer will pay the escrow payment and the balance (Settlement Payment); from this account the transfer will then be arranged in favor of the seller. Should even a small amount of money be missing from the amount stipulated in the contract, the conclusion of the deed will be blocked.

Finally, the registration of the sale in the archives of the county and state where the property is located: the lawyer will be able to complete it quickly and efficiently, knowing precisely the various rules.

3. Title Company

Title Companies are companies specialized in the preparation of the documents necessary to complete real estate sales, and represent a peculiarity of the United States and Canada.

Basically, they offer the same services as a Real Estate Attorney, but they are able to count on economies of scale, the relative costs are significantly lower. Just think that to carry out a Title Search, which we briefly discussed in the previous paragraph, the great majority of lawyers turn to a Title Company.

The investor who decides to perform a **real estate investment in the USA**, by relying on one of these three professional figures regarding the closing process, will certainly encounter cheaper transactions from a bureaucratic point of view compared to those he would find in Italy.