

QUERIN LAW, LLC

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ONE-HOUR DISTRESSED HOUSING CONSULTATION ENGAGEMENT LETTER

Informational Conference. The purpose of this one-hour consultation is to review and discuss your distressed housing issues and options. I prefer this to occur in my office; however, if you are unable to commute for any reason, we can hold the conference over the phone. Before the meeting I must have received your completed Distressed Housing Questionnaire. Payment of the \$250 charge must occur prior to or at the time of the consultation. You may pay by check at our meeting, or by credit card into my online trust account.

Engagement Letter. You will be asked to sign and return this Engagement Letter, confirming that you have read and agreed to the terms described herein; it describes to entire scope of my legal service during the one-hour conference. Representation at the conference shall apply solely to you. It does not apply to any related entities, third parties, ex-spouses or soon-to-be ex-spouses, unless specifically agreed to by me in advance.¹

Additional Attendees. I ask to be notified in advance if you intend to bring anyone else to the conference who has not signed these documents. If you have been referred by your Realtor® and intend to use their services, perhaps for a short sale, I recommend bringing the agent with you, in order to ensure that everyone is proceeding with the same understanding and goals in mind. *However, this decision is entirely up to you.*

Scope of My Representation. During the conference we may discuss various distressed housing alternatives, such as loan modification, short sale, deed-in-lieu of foreclosure, and foreclosure. We may also discuss the consequences of any specific alternative you may want to pursue. Specifically, we will discuss the general credit issues, tax issues, and promissory note/deficiency issues as they pertain to the information you have provided me in the Distressed Housing Questionnaire. I am not a CPA or tax attorney; our tax discussions will be general in nature. Although I am familiar with the major tax issues affecting distressed housing choices, it is important

¹ With distressed housing, a distressed marriage can follow. Upon consent of all parties and their respective counsel, I am willing to consult with both parties at the same time, so long as their interests are equally aligned regarding disposition of the home.

that you secure expert tax counsel or a qualified advisor familiar with your specific financial and tax situation.

At the conclusion of the one-hour conference, I will provide you with a chart summarizing the options covered.

What is Not Provided. Due to the limited nature, time, and scope of this representation, the one-hour conference does not include the following:

- I do not make *a specific recommendation* about how you should proceed in your particular circumstances. You are in control of the final decision and will need to consider all options. However, I will discuss all of your major housing options, and the consequences of each one. Your final decision should not occur at our conference, but only after reviewing and discussing your options with those most familiar with your personal financial situation, and whose opinions, expertise and confidentiality you trust.
- I will not “instruct” you to stop making your mortgage payments, as doing so could result in a loss of your home and damage to your credit. However, if you wish to review the consequences of not making your mortgage payments, I will discuss the credit impact, the legal effect of foreclosure, and potential liability for payment of a deficiency.²
- I will not instruct you to cease communicating with their lender or servicer.³ However, if you wish to discuss the consequences of doing so, I can provide you with information about this option.
- I do not instruct clients to “walk away,” or otherwise “abandon” their home or other residential property. Doing so can result in the loss of

² In many cases, borrowers are told by banks and servicers that if they (the borrowers) want help, they must first be 2-3 months in arrears. In some cases, I’ve had clients tell me that they were current on their loan at the time they sought consent to the short sale and as a result, their bank would not approve it. Conversely, over the past three years, of the several hundred distressed housing clients I’ve spoken with, not one has ever reported that the bank refused to work with them because they were in arrears.

³ Communications with the bank can occur for different reasons. Certainly, if the communications are part of a discussion about foreclosure avoidance measures, it should not be terminated, assuming the borrower still wants and needs the bank’s help. But if the communication is from the bank’s collection arm, where harassing calls occur multiple times a day - *that is another matter*. In the first instance, the communication is in furtherance of a solution, but in the latter case, the intent is often to browbeat the borrower into a payment he or she can no longer afford.

future options in dealing with tax and promissory note liability, as well as having a negative credit impact.

- I do not guarantee any particular outcome in your distressed housing event, such as a short sale or deed in lieu of foreclosure. Each lender or servicer has their own proprietary business model for dealing with these events. The same applies to issues of deficiency liability; I can tell you the current state of Oregon law, but cannot warrant that your lender, servicer, or a subsequent assignee, will not – rightly or wrongly - seek to pursue you for some perceived claim arising from your promissory note or mortgage.

Cost. The total charge for this one-hour conference is \$250, which is to be paid at or before our meeting, as discussed above.⁴

Conclusion of Representation. My legal representation begins at the start of our conference and ends at the conclusion of it, one hour later. Upon the conclusion of our conference, my legal representation shall be deemed fully completed. I will not be sending you a separate “file closing letter” or otherwise formally notifying you that my legal representation has ended. Subject only to the section below entitled “Follow-Up Representation,” I will have no continuing obligation to provide legal advice, recommendations, or information.

FOLLOW-UP REPRESENTATION

Post Conference Calls and Emails. When clients come to me for an initial one-hour conference, they occasionally conclude that they want me to remain available in the future as they proceed down a particular path, such as a short sale. In such cases, I generally can continue on an hourly basis, although this follow-up representation will not commence unless and until you formally request my assistance or opinion in an e-mail or phone call to me. In such cases, time permitting, I am willing to assist, with the understanding that I will render an invoice for my time at the \$250/hour rate. My minimum billing unit is .10 of an hour, which translates into \$25.00 for a short telephone conference or email. In these situations, I will render an email *invoice* with a link to the credit card payment section of my website. Invoices are typically issued on a monthly basis, or upon conclusion of the legal assistance sought, whichever first occurs.

Review of Bank Consent Letter. Frequently, I am asked to review the bank’s written consent to a short sale. In my experience, one hour or less is usually sufficient to cover the additional time necessary to review the closing statement (HUD-

⁴ My standard billing rate is \$300/hour. I do not charge distressed housing clients at this rate.

1), consent letter and any relevant e-mail communications with the lender or servicer. In those cases in which the consent letter does not explicitly waive the deficiency, additional time may be required.

Opinion Letters or Letters to Bank. If I am requested to issue an opinion letter or otherwise communicate directly or indirectly with your lender or servicer, there will be an additional charge at the same \$250/hour rate.

Engagement Letter and Retainer. I reserve the right to require as a condition to such Follow-Up Representation that you:

- Sign another engagement letter expressly describing the nature of the continued representation (or electronically confirm the scope of the representation) and
- Pay a retainer that will be deposited into my trust account until earned. Any unused trust moneys will be refunded following the completion or termination of my representation. I cannot guarantee my future availability, and for this reason, it is imperative that you notify me as soon as possible, in advance of my commencing any further work beyond the initial consultation.

Dealing With Your Realtor®. I generally encourage clients to deal primarily with their own Realtor® during the short sale process. A good Realtor® who is familiar with short sales, can be invaluable in discussing the transaction with your bank(s), and submitting and communicating with their representatives. I normally do not become involved in that process, although I can confer with the Realtor® when authorized by you. Keep in mind that you will be charged for my time conferring with your Realtor® if he/she is acting on your behalf.

Confidentiality. All information provided to me, whether written or oral, is confidential. I am ethically prohibited from sharing the information with unauthorized third parties without your express consent. Subject to Oregon State Bar rules, my duty of confidentiality continues after the conclusion of our attorney-client relationship.

Original Documents. If you provide me with any written information or documents that you would like returned, please let me know at the time they are submitted to me. Except with voluminous documents (which I prefer to return immediately after review), it is my practice to scan them into my computer (with backup) and dispose of the paper. If you do not want this to occur, you must expressly notify me at the time of submission.

Questions? If you have any questions or concerns regarding the scope of my representation described above, please feel free to give me a call or send me an email. Please do not sign this Engagement Letter until your concerns are addressed and you are comfortable in proceeding.

Very truly yours,

Phillip C. Querin
QUERIN LAW, LLC

I/WE ACKNOWLEDGE THAT I/WE HAVE READ, UNDERSTOOD, AND AGREED TO THE ABOVE TERMS.

SIGNATURE **DATE:** _____

SIGNATURE **DATE:** _____

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