



COVID-19: Practical suggestions for business transactions and loan closings

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As everyone adjusts to the various governmental containment strategies and business continuity procedures adopted in response to the COVID-19 pandemic, parties working on business transactions or loan closings will need to adjust to these new realities. Some topics to consider include:

- **COVID-19 impact provisions:** Given the uncertainty surrounding travel restrictions, business closures, and possible quarantines (governmentally or self-imposed), it is important for all sides of a deal to consider the appropriate duties and obligations of the various contracting parties in the event COVID-19-related issues arise. If cooperation is achievable, it may be advisable to agree on contract language that specifically contemplates the potential impact of COVID-19 and outlines how the parties intend to address those concerns.
- **Verify the status of the local recorder's office:** Recorder's offices across Ohio have closed to the public and imposed restrictions on public access to public record documents and recordings. Given these developments, parties will need to be mindful of the impact that the office closure will have on their transaction. As such, we recommend early and frequent communication with title insurers regarding any potential issues for real estate closings scheduled in the coming weeks. For updated information on the status of recorder's offices across Ohio, please click [here](#).
- **Execution of multiple originals:** To the extent a deed, mortgage, or other document is to be recorded in any county in

which offices are closed, it would be advisable to provide two original, signed versions of the document to be recorded, in case the document is lost or misplaced.

- **Location of closing/remote closing:** In light of recommended social distancing, we recommend considering alternatives to in-person closings. To the extent remote or virtual closings are possible, those options would be strongly encouraged. In the event it is determined that an in-person closing is necessary, at least one alternative back-up location should be arranged in case the primary location is unexpectedly closed for any reason.
- **Data security for wire transfers:** For any electronic transactions, it is important to remember that adequate security for financial information and outbound/inbound wire transfer information is absolutely necessary. A heightened focus on security is especially appropriate, given the remote-work arrangements under which many are operating. For example, just this morning, our team intercepted an attempt from an unwarranted third party to divert outbound closing proceeds. Be sure to implement and follow appropriate data security procedures for the transmission of sensitive data.
- **Heightened vigilance on confidentiality:** Remote-work arrangements also raise confidentiality concerns as we leave the relative protection of our office and adjust to working from home. Do not leave confidential information where it might be seen by family members or visitors. Lock or turn off your computers when you are not present to prevent the unintended review of confidential information. Also be aware that confidential conversations may be recorded by your at-home digital assistants, such as Alexa or Siri.

Conclusion

As business continues despite the COVID-19 outbreak, it is important to carefully think through how transactions and business deals will be impacted. Early and effective communication with your legal counsel on these issues is recommended.

Authors



Justin Ristau

*Partner & Creditors' Rights/Bankruptcy
Chair*

Columbus
614.227.4857
jristau@bricker.com



David S. Jackson

Of Counsel

Columbus
614.227.4818
djackson@bricker.com

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