

# What to Expect Near Your Closing Date

## The Closing Agent

Either a title company or an attorney will be selected as a closing agent. The closing agent will hold the deposit in escrow and will research the complete recorded history of the property to ensure that the title is free and clear of encumbrances by the date of closing and that all new encumbrances are properly added to the title.

## How to Hold Title

You may wish to consult an attorney or tax advisor on the best way to hold title. Different methods of holding title have different legal, estate and tax implications, especially when selling or upon death of the title holder.

## Inspections

Once your offer is accepted by the seller, you will need to have a licensed property inspector inspect the property within the timeframe that was agreed upon in the effective contract to purchase. You may elect to have different inspectors inspect the property, if you wish to obtain professional opinions from inspectors who specialize in a specific area (e.g. roof, HVAC, structure). We can recommend several different inspectors.

Depending on the outcome of these inspections, one of two things may happen:

1. Either each milestone is successfully closed and the contingencies will be removed, bringing you one step closer to the close, or
2. The buyer, after reviewing the property and the papers, requests a renegotiation of the terms of contract.

## Appraisal and Lending

It is imperative that you keep in close communication with your lender, who will let you know when additional documents are needed to approve your loan application and fund your loan. If the agreement is conditional upon financing, then the property will be appraised by a licensed appraiser to determine the value for the lending institution, via a third party. This is done so that the lending institution can confirm their investment in your property is accurate.

Appraisers are specialists in determining the value of properties, based on a combination of square footage measurements, building costs, recent sales of comparable properties, operating income, etc. When you are within two weeks of closing, double check with your lender to be sure the loan will go through smoothly and on time.

## Property Insurance

If you are obtaining a loan, you will be required by your lender to purchase a certain amount of insurance on the property. The value will depend on the lending institution and the purchase price of the property. You may be able to save hundreds of dollars a year on homeowners insurance by shopping around for insurance. You can also save money with these tips.

- Consider a higher deductible. Increasing your deductible by just a few hundred dollars can make a big difference in your premium.
- Ask your insurance agent about discounts. You may be able get a lower premium if your home has safety features such as dead-bolt locks, smoke detectors, an alarm system, storm shutters or fire-

retardant roofing materials. Persons over 55 years of age or long-term customers may also be offered discounts.

- Insure your house NOT the land under it. After a disaster, the land is still there. If you do not subtract the value of the land when deciding how much homeowner's insurance to buy, you will pay more than you should.
- We will be happy to recommend experienced knowledgeable insurance agents for every property type.

### **Moving In | Closing Day**

If you have come this far, then this means that it is almost time for a congratulations, but not yet. Do not forget to tie up these loose ends:

- **Final Walk-Through Inspection.** More of a formality than anything else, the final inspection takes place a day before, or the day of the closing. You will visit the property to verify that all is in working order, everything is the same as when you last viewed the property, that there are no extra items left behind, and that everything included in your purchase is still at the property.
- **Home Services and Utilities.** We will provide a list of useful numbers for the activation of home services and utilities after the closing occurs.
- **Be Prepared.** We are ready to assist you should an unforeseen glitch pop up, even at this last stage. Something at the property breaks down or some other minor detail – no need to worry. We have encountered these problems before so we know how to handle them efficiently and in a stress-free manor.
- **Closing.** The closing agent will furnish all parties involved with a settlement statement, which summarizes and details the financial transactions enacted in the process. You and the seller(s) will sign this statement, as well as the closing agent, certifying its accuracy. If you are obtaining financing, you will have to sign all pertinent documentation required by the lending institution.

If you are bringing funds to the transaction, you must wire the funds electronically into the closing agent's escrow account. Always check with your closing agent for information on the best way to do this and to ensure the funds have been received.

The seller will arrange to have all property keys and any other important information for you at the closing so that you may receive these items at this time.