

HOME SELLING GUIDE

WHAT EVERY SELLER NEEDS TO KNOW ABOUT CLOSING



Before You Close, You'll Have a Final Walk-Through

Most sales contracts give the buyer one last chance to do a walk-through of the home within 24 hours of settlement. This is their chance to check that the property is in good condition and to make sure the agreed-upon repairs were completed. In most cases, no problems arise at this stage of the transaction. (If something is amiss, your agent can walk you through it.) The final walk-through mostly gives buyers peace of mind, knowing that you, the seller, have adhered to the conditions of the sales contract and home inspection-related repairs.

Up Next: The 'Closing Disclosure'

Let's assume the final walk-through is smooth sailing. (Woo-hoo!) What happens next?

You'll get info about your closing costs from the title company.

Meanwhile, the buyer's mortgage lender must provide the buyer with a Closing Disclosure, or CD, three business days before settlement. This is a formal statement of the buyer's final loan terms and closing costs. As the loan borrower, the buyer is entitled to a three-day review period to see if there are any significant discrepancies between their CD and Loan Estimate (LE) — document buyers receive when they apply for a loan. The LE outlines the approximate fees the buyer would need to pay.

In most cases, there are no major differences between the CD and LE. However, if certain closing costs differ by 10% or more between the estimate and the disclosure, the buyer's loan has to go back to the mortgage lender so that cost differences can be reviewed. If that happens, closing is usually delayed until the issue is resolved.

Expect to See These People at the Closing

- Your agent
- The buyer
- The buyer's agent
- A title company representative
- The loan officer
- Any real estate attorneys involved with the transaction

Remember to Budget for Closing Costs

- The commission for the listing agent and buyer's agent
- Transfer taxes or recording fees
- Loan payoff costs
- Unpaid homeowner association dues
- Homeowner association dues included up to the settlement date
- Prorated property taxes
- Escrow, title, or attorney fees

Be Sure to Bring These Things to Closing

- A government-issued photo ID
- A copy of the ratified sales contract
- House keys, garage remotes, mailbox keys, gate keys, and any pool keys
- A cashier's check, or proof of wire transfer, if your closing costs are not being deducted from the sales price. (Yes, it's OK to use a cashier's check — especially if you don't want to deal with the hassle of a wire transfer, which can take time to clear. With a cashier's check, you're guaranteed the money you need for settlement will be there at closing.)