



10 TIPS for the Closing Process



The closing process is the culmination of the steps required to officially purchase a property. It comes after your contract has been accepted by the property seller and before you receive your keys.

There are multiple steps a buyer has to take to "close" on a property and receive the official title to a new home, and it starts well before closing day. Patten Title has perfected its proven process, and these are 10 tips we recommend to prepare buyers for closing day.

1 RECEIPT YOUR CONTRACT AND OPEN TITLE WITH PATTEN TITLE

A real estate transaction has multiple expenses and fees leading up to closing days. So, the first step in the closing process is to receipt your contract and open Title. You'll utilize your escrow or title company to hold the earnest money, deposit money, closing costs, and more. The title company holds the money until the deal is completed. The escrow officer acts impartially and is bound to follow the legal agreements between the buyer and seller. If the deal falls apart for some reason, the escrow officer makes sure that money is redistributed appropriately..

2 UNDERSTAND EARNEST MONEY

Earnest money is the cash offered on the house when a buyer initially makes a bid, to let the seller know that you're serious about making a competitive bid. When the contract is started, the earnest money, which is held in escrow, is included as part of the down payment on closing day.

3 SECURE YOUR CASH TO CLOSE

You'll have about 30 days of the closing process to ensure you have enough money prepared to cover the down payment and closing costs on closing day.

A typical conventional 30-year loan requires a 20% down payment, or you'll pay for mortgage insurance. However, loan requirements change if they're backed by the Veterans Administration (VA) or the United States Department of Agriculture loan (USDA). Make sure you know exactly how much is due on closing day. Your agent and lender can walk you through the cost breakdown.

4 MAKE A LIST

Start collecting your closing documents early. Then, you'll be organized when the time for closing arrives. This list of paperwork includes:

- Titles
- Disclosure forms
- Cashier checks
- Proof of your homeowner's insurance
- Paperwork from your lender

Getting organized helps reduce any last-minute snafus, and it could save you from a delay in closing.

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5 TRACK DOWN YOUR LOAN APPLICATION

Make sure you get a copy of your original loan application. Check to see that the terms are accurate. In case anything changes during the closing process — if you change jobs, for instance — as the buyer, you're obligated to inform your lender of any changes in your financial status. Your lender and your realtor will reiterate this — do not make any large purchases during the closing process. This can skew your available funds and risk you losing the contract with your lender.

6 HOLD ONTO YOUR CLOSING DISCLOSURE

Your lender must send your closing documents three days before closing. This document will qualify you:

- Loan terms
- Loan amount and interest rate
- Estimated monthly payment
- Amount of closing costs
- Amount of money you need to bring for closing
- Loan disclosures

It's important to check this document thoroughly to make sure there are no errors. Contact your lender immediately if you see any mistakes or have any questions.

7 REVIEW THE SELLER'S DISCLOSURE

A seller's disclosure is the list of any property or home defects. It's essential to match your final walkthrough with the language in the disclosure.

If there are any discrepancies in the disclosure from what was revealed during the walkthrough, this is the last chance you'll have to fix the problem. (Once you've closed on your property, you can't ask to have a roof fixed or plumbing repaired.) If an issue comes up, you can ask to have it fixed or try to negotiate an allowance for the problem. If the problem is big enough, you can consider backing out of the purchase, but you'll likely forfeit your earnest money.

8 PREPARE TO ACQUIRE THE TITLE DOCUMENTS

During the closing process, Patten Title verifies and prepares the title documents. Our thorough search guarantees that the seller legally owns the property and that there are no tax liens on the property.

Your escrow officer will have these documents ready at the closing table. It's recommended that your attorney review them so that you're aware of any red flags.

9 ACQUIRE HOMEOWNERS INSURANCE

To complete the loan, most lenders require buyers to show proof of homeowners insurance at the closing. The good news is that the initial deposit for the cost of homeowner's insurance is part of your escrow account.

If you're looking for insurance, consider calling the same company that holds your auto insurance. You may be able to save money by "bundling" the insurance.

10 FINALIZE CLOSING DAY NECESSITIES

What do you need to bring with you on closing day?

- Two forms of a government ID, like a valid driver's license or a passport
- Certified or cashier's check with the amount needed for closing. Alternatively, speak to your realtor about using Patten Title's mobile app, [ZOCCAM](#), for quick and easy wire transfers.
- Closing day disclosures to make sure they match with the written agreement with the seller
- Proof of your homeowner's insurance

To make sure the closing goes smoothly, it's helpful to understand the process before you get to the big day. Sitting at the closing table and then having something go wrong that delays or even breaks the deal can be a huge emotional letdown for both sides.

