

# The Closing Process

*"This process is the consummation of a real estate transaction. The closing includes the delivery of a deed, financial adjustments, the signing of notes, and the disbursement of funds necessary to complete the sale and loan transaction." – Jim & Connie*

**1. Set the Closing Date:** We will make sure that a date is determined that's in your best interest. The date of closing is made on the purchase agreement during the offer. Does the date give you enough time to prepare your move? Is it near the end of your lease so you won't pay unnecessary rent? We will handle the coordination with the many parties that are involved such as the seller, the lender, yourself, the seller's mortgage holder, respective attorneys, the transfer agent (if it's a co-op), the managing agent (if it's a condo) and the title company representative.

**2. Select a Closing Agent:** A third-party agent is needed to prepare the required documents, disburse the funds and activate the transfer of ownership. Your attorney, the escrow agent, the title company or a professional closing agent can act in your behalf. We can determine the closing agent for you.

**3. Title Search and Insurance:** Title insurance companies review the history of your new home's ownership to insure that no one else has claims on your property.

**4. Property Survey:** Sometimes title insurance companies require a survey of the property to verify zoning location and boundaries. If they do not require one, we recommend that one be done for your protection.

**5. Homeowner's Insurance:** All lenders require this. It protects your home and its contents from fire, theft and most disasters. Additional hazard and/or flood insurance may be required.

**6. The Final Walk-Through:** This is your last chance to inspect your new home and make sure that the seller has completed all repairs and met the conditions specified in the purchase contract.

**7. Rate Lock:** Often, you may select to lock in an interest rate at the time of your mortgage commitment and lower it before closing if market conditions change for a nominal fee. Some lenders allow you to lock in your rate anytime from application up until five business days before your scheduled closing.

**8. Good Faith Estimate:** After signing the loan application papers, you should receive a Good Faith Estimate. This is a document which tells borrowers the approximate costs they will pay at or before settlement, based on common practice in the locality. Under requirements of the Real Estate Settlement Procedures Act, the lender or mortgage broker must deliver or mail the Good Faith Estimate to the applicant within three (3) days after signing.

**9. Last-Minute Detail Check:** A few days before the closing, we will finalize all details with the closing agent.

- **Closing costs and escrow amounts:** Your Good Faith Estimate may not include all closing costs such as interim interest or property taxes.
- **Acceptable method of payment:** Certified or cashier's checks prepared in advance.
- **Miscellaneous items:** gather any miscellaneous paperwork required at closing.



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