

SELLERS

COUNTDOWN TO CLOSE



Congratulations on accepting a purchase offer on your home! Now it is time to navigate the closing process and ensure a successful outcome. The following checklist summarizes the required action steps. There may be additional steps that are specific to your situation. We are here, together with your attorney, to serve as guides and advisors throughout this process.

6 WEEKS	5 WEEKS	4 WEEKS	3 WEEKS	2 WEEKS	1 WEEK
1.	SHARE EXECUTED CONTRACT WITH YOUR ATTORNEY				
	2.	PROVIDE ANY DISCLOSURES AND/OR CONDO DOCUMENTS			
	3.	PREPARE FOR HOME INSPECTION			
		4.	RESPOND TO INSPECTION REPAIR REQUESTS		
		5.	FINALIZE ATTORNEY REVIEW		
		6.	ORDER SURVEY*		
		7.	ORDER TITLE INSURANCE*		
		8.	SCHEDULE MOVE		
		9.	PREPARE THE DEED AND CONVEYANCE DOCUMENTS*		
		10.	REVIEW TRANSACTION PAPERWORK, LEGAL DOCUMENTS AND PRELIMINARY CLOSING STATEMENT WHICH WILL INCLUDE YOUR NET SALE PROCEEDS		
			11.	SCHEDULE UTILITIES TRANSFER**	
			12.	ENSURE HOME IN PRISTINE CONDITION FOR WALKTHROUGH	
				13.	CLOSE AND MOVE OUT

*Typically managed by your attorney.

**We recommend scheduling utilities to be shut off the day after closing so there are no issues with power or gas being off at the final walkthrough and no interruptions in service for the buyer.

ATTORNEY REVIEW AND OTHER SALES CONTINGENCIES

The execution of the purchase contract signifies the beginning of attorney review. This period typically lasts five to seven business days—a time when buyers scrutinize the home through an inspection and, for condominiums and Homeowners' Associations, study condo documents, budgets and disclosures to ascertain the financial health of the building and association. This is the period when buyers may exit the contract without penalty, with a full refund of earnest money on deposit. Though less common, sellers reserve this right, as well.

OTHER COMMON CONTINGENCIES

Financing:

Many contracts include a mortgage contingency, requiring a lending institution's full approval of the mortgage for purchase. This is different from a pre-approval letter and requires additional document review and approvals. Mortgage contingencies are the most common reason for closing delays. There are additional approval criteria for condominium buildings as the lender will also need to do a condo review and approve the financial health of the building and association.

Appraisal:

All mortgaged purchases require an appraisal to complete the approval process. In shifting markets where home sale prices are increasing more quickly than comparable sales support, there can be issues with appraisals coming in lower than agreed purchase price. In these instances, either a purchaser makes up the difference in appraised amount, the sales price is renegotiated, or the deal falls apart. The holder of greater leverage in a given transaction often dictates preferred outcome.

Inspection Issues:

Most home buyers conduct an inspection shortly after contract is executed. Inspection reports that reveal many issues with the home or those performed by a zealous inspector can result in additional expenses for the seller or buyer credits at close. Pre-market inspections can help sellers get ahead of any potential problems and enhance the market appeal of their property.

Title:

Title preparation is an essential component of real estate transactions. Title refers to the legal documentation verifying ownership of a property. Title searches are performed by the seller's attorney and are warranted with a title commitment by the title company at closing.

CLOSING DOCUMENTS

Your attorney will prepare several documents for execution at closing, which can often be pre-signed before the closing date.

- **The Deed:** The document filed with the Recorder of Deeds office that transfers the title from the buyer to the seller.
- **The Affidavit of Title:** A sworn statement by the seller explicitly stating any known legal issues with the property or encumbrances on the seller's title.
- **Bill of Sale:** A receipt showing that the Seller received all required payment for the sale of the property.
- **ALTA Statement:** An ALTA statement, like an Affidavit of Title, is the sworn statement of the seller disclosing any known problems with their title to the property, such as unpaid contractors or judgment liens.
- **Transfer Tax Forms:** Transfer tax forms show the amount paid by the buyer as consideration for the property for the purposes of calculating transfer taxes.
- **Settlement Statement:** A settlement statement lays out an itemized list of all debits and credits in the transaction, including who is paying and who is receiving each item. Your attorney will usually send you a preliminary closing statement a few days prior to closing with the net sale proceeds after all debits and credits are calculated. If you need an estimated settlement statement earlier in the process, for example, if you are buying a new home with the sale proceeds and you or your lender need to know what the net sale proceeds will be for your loan approval process, please let your attorney know so they can prepare an estimate for you sooner.

CLOSING COSTS FOR SELLERS

Sellers are responsible for paying a variety of expenses involved in the closing. In addition to the remaining mortgage balance (if applicable), sellers can expect to pay 5-10% of the home sale price in closing costs. If the sale of the property is less than the total balance due, the remainder is often deposited into an escrow account by the seller prior to the closing. Below are some of the typical closing expenses for sellers:

- *Real estate agent commission*
- *Title insurance fees*
- *Property/Deed transfer fees*
- *Title company closing fees*
- *Outstanding HOA dues*
- *Real estate attorney fees*
- *Property taxes*

AFTER CLOSING

After signing the closing paperwork, the title is transferred and the keys are turned over to the buyer; the seller receives the remaining balance of the property sales funds.

- *Verify that the proceeds of the sale are correctly deposited.*
- *Cancel your homeowner's insurance policy.*
- *Keep your closing paperwork in a safe location.*
- *Change your address with the USPS and forward your mail.*