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California Realty

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What a Buyer Should Expect During the Closing

The last step in the home buying process is what real estate professionals commonly refer to as “the closing.” The closing, or settlement or close of escrow, is when all the progressive steps in buying a home from the acceptance of the offer, title search, home inspection, mortgage approval, and so on, come together in a final transaction. The documents are ready to sign, the buyer is ready to hand over the purchase price and the seller is ready to transfer title—and most importantly the keys!

Usually held in an office setting, most require about an hour and may be attended by some or all of the various parties in the process: the buyer, seller, real estate sales professionals or attorney, and title-company representative.

What goes on during the closing? The buyer reviews and signs loan and real estate documents, as well as pays for the property, closing and other costs. One such loan document is the federal Truth-in-Lending disclosure form which describes the annual rate of



financing (APR), finance charges, amount financed, total of payments and the payment schedule. There will also be a form itemizing what your monthly payment consists of including the principal, interest, taxes, insurance and other monthly charges. If everything is in order, the buyer signs the loan papers.

Real estate documents are just as important. There’s the HUD-1 form, which you have the right to inspect at least one day before the closing. This statement itemizes services provided and the fees charged for the entire real estate transactions. There will be a breakdown of the seller’s and buyer’s (borrower) financial obligations. Some of the charges include appraisal fee,

credit report fee, loan origination fee, loan discount (points), title insurance fee, government recording fees, PMI Premium, inspections and attorney fee.

Other real estate documents that may be reviewed and/or signed include title documents, warranty deed (which transfers the title of the property) and other acknowledgment of reports.

Assuming that the funds are in order, the deed is correct and the title is clear, the final step is the disbursement of funds to the seller for the purchase price of the home. The title company should already have the loan funds in its possession, but the buyer will need to bring a cashier’s or certified check for the down payment and the closing costs if it was not included in the mortgage loan. If the buyer’s annual real estate taxes and homeowner’s insurance will be paid through the lender, an escrow account will also be established.

Once all the papers are signed and funds are disbursed, the buyer will receive the keys and is now a homeowner.



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**I hope you enjoy this edition
of my monthly newsletter.**

To see the summer schedule for the outdoor movies, or for current listings, information on Loan Modifications, the stimulus package or to download a copy of the petition to Save Lawson's Landing, please go to my website, www.DebbyHuntington.com, click on Reports and scroll to "Ad Gallery" at the bottom of that page. A double click there will open a list of available documents.



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