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## *Closing Checklist*

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### **Congratulations on the purchase of your new home!**

While it was fun shopping for it, there are many things to do now to travel to a successful closing. This letter is very lengthy, but please take time to read it. Good communication will make this a pleasant and smooth process. Some of these items have been handled, but just in case they're not complete, we want to go over them to make sure there are no mistakes.

### **1. Apply for a Mortgage:**

Make application for mortgage with the lender of your choice. This is a preliminary step in obtaining a mortgage and must be completed very soon after the contract is signed. Once you have applied for a loan it is imperative that your employment does not change and you do not make any major purchases such as a car, appliances, etc. This could jeopardize your loan or the interest rate you receive. If you like, we would be glad to recommend mortgage companies that have worked well with us.

### **2. Home Inspection:**

The home inspection is a very important step and should be done as soon as possible after the contract is signed. It will reveal the true condition of the house and what repairs need to be done before closing. Often times, there is a contingency in the contract regarding a satisfactory home inspection. If this is the case, we will need to notify the sellers, in writing, 2 days after the inspection of your intent. This is to protect you, the buyer, from purchasing a house with hidden problems.

### **3. Termite Inspection:**

The lender may require a clear termite report within 30 days of closing. There also may be contingencies in the contract requiring a satisfactory termite inspection. If the initial inspection is done outside of the 30 days prior to closing (in order to remove the contingencies), then a re-inspection is required within the 30 days of the closing date.

### **4. Loan Commitment:**

Once the lender has approved your mortgage application, they will issue you a loan commitment. Often, the contract will stipulate a date by which this must happen. Please work closely with your lender to insure that any problems that might arise are taken care of by the date required in the contract. The loan process can sometimes be a nuisance, but please understand that the government and/or the investor require detailed documentation. If you haven't purchased a home in several years, it is a much more complicated process. Sometimes, after your loan package is presented to the underwriter, they request even more information.

Many people do not understand why they do not ask for this "up front". Until the underwriter sees the complete loan package, many of these questions just do not come up. The underwriter approves or disapproves the loan, and is under strict guideline requirements. So, sometimes it appears that the mortgage company has lost their mind, but it certainly is no "personal attack" on you. If you feel something is unjustified, please discuss it with your loan officer and, of course, call us if you are not satisfied with the answers you're getting. Many mortgage companies will require a copy of your canceled earnest money check (escrow deposit), so be prepared to have it available. If your loan is approved with "conditions", these must be fulfilled prior to closing or sometimes they will allow you to bring papers to closing. If you have just sold a home, they will require a copy of your closing statement. We will be in contact with you, your loan officer and the closing agent as we move forward to you closing on your new home.

## **5. Homeowner's Insurance:**

You will be required to have a one year homeowner's insurance policy at closing that must cover the mortgage amount at a minimum. We suggest you first ask for a quote from the company who insures your automobiles or other items. Multiple policies usually mean better rates.

## **6. Transfer Utilities:**

Arrange for the utilities to be transferred the same day of closing, unless, another arrangement has been made between buyer and seller. We will provide you with a list of the utility companies and their phone numbers approximately a week prior to closing. Please call us if you have any questions.

## **7. Final Walk Thru:**

It is suggested that this be done 48 hours prior to closing, if possible. This is just to make sure that the home is in the same condition as when you signed the contract, and to review any repairs that may have been made per the inspection reports.

## **8. Obtain Closing Funds:**

Your closing funds will need to be in the form of a cashier's check made payable to the Title Company where we are closing.

## **9. Closing:**

You will be informed of the exact time for closing probably within a week of the tentative closing date stated in the contract. Flexibility is a plus when it comes to the closing time. If it is the end of the month, the closing agent may be very busy and not have many options. Other times, the lender may cause the time and/or the day of the closing to change which is another reason to work closely with your lender and make sure they have everything they need as soon as possible.

The Title Company where closing occurs is typically selected by the listing agent. All parties named on the loan application will be required to take title to the property and attend closing. If a husband or wife process the loan in one name, they still may want to take title jointly and this should be discussed with the closing agent. We have several closing agents whom we use regularly. Please discuss this with us.

## **10. Transfer Termite Bond:**

If the previous owners have a termite bond, it may be possible to have that transferred to you. Usually, it must be done within 30 days after closing and most likely there will be a transfer fee. We highly recommend transferring this bond and continue renewing the policy each year.

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We hope this has provided information which will be valuable to you during this process. Our main objective is to make this a smooth transition for you and your family. FYI... statistics indicate moving to be the third most stressful time in your life. So, please let us know if we can be of further help during this process.

Oh, by the way... if you know of someone who has a real estate need and would appreciate the same level of service, call us with their name and number, we would be happy to follow up.