

Steps to Buying a Home

The Closing Process

- ☐ **Order Title Search From Lawyer or Title Company:** If it is a foreclosure situation, you must put a rush order on the title search.
- ☐ **Insurance Binder:** Call insurance broker and obtain insurance binder for property so insurance is in place the day of closing. Make sure lender's name is on policy as additional insured.
- ☐ **Lead Violations/Building Violations:** Call the city and ask if there are any outstanding leads or building violations against the property.
- ☐ **Condo Docs/Resale Certificate:** If it is a condo, call the condo management company and make sure the seller has obtained a copy of the condo docs and a 6D certificate.
- ☐ **Water Company:** Call company and have water bill changed over into company name set for the day of closing.
- ☐ **Sewer Company:** Call company and have sewer bill changed over into company name set for the day of closing.
- ☐ **Gas Company:** Call company and have gas bill changed over into company name set for the day of closing.
- ☐ **Oil Company:** Make sure there is enough oil to last 3 months.
- ☐ **Electric Company:** Call company and have electric bill changed over into company name set for day of closing.
- ☐ **Traditional Mortgage(s):** Check with mortgage broker or loan officer to get all paperwork, appraisals, fees, etc. done on time; get loan commitment and closing date commitment.
- ☐ **Mortgage(s) for Private/Hard Investor(s):** Call lawyer and inform him/her who will be sending money over if private or hard money lenders are involved, who needs to have a mortgage, and what the terms are.
- ☐ **Call Private Investors to Send Over Money:** Call all private investors for that project and have them send the money to the lawyer. Give them the wiring instructions as well as the address of the lawyer.
- ☐ **Company Funded:** If the company is purchasing the property with its own funds, find out the amounts needed to be brought on the day before the closing.
- ☐ **Certificate of Good Standing (if buying in business name):** Bring original to close. You can order through your Secretary of State.
- ☐ **Change of Management Letters:** Create and send letters to all existing tenants informing them of a change in management. Include a new application for them to fill out with your information. Have the seller sign the letters.
- ☐ **Signed and Notarized Limited Power of Attorney:** Required for all properties where the seller is not going to attend the closing.
- ☐ **Get Smoke and Carbon Monoxide Detectors Installed:** Check the fire department of the individual town to find out where the detectors need to be installed and if they need to be hard-wired; Ask homeowner to install or if need be, buy them and have them installed.

- ☐ **SetUp Smoke Inspection (at least one week before the close):** Find out the costs and if you have to pay in advance; Get receipt and a copy of the check if you make payment.
- ☐ **Set Up Water Reading (2 – 3 days before the close):** Make arrangements to have the water paid on the HUD if possible. Otherwise, you need a receipt and a copy of your check. Get a faxed or scanned copy of the water reading that can be turned in at the close.
- ☐ **Title V Report:** If the property has a septic tank, make arrangements to have a title V inspection completed.
- ☐ **Keep in Contact With the Closing Attorney:** Make sure that the closing attorney and mortgage broker have all the information they need in order to close.
- ☐ **Check Preliminary HUD Against Closing Attorney Final HUD Draft:** Make sure negotiated figures are the same and that final HUD will be acceptable to the banks.
- ☐ **Find Out Close Location & Time:** If there is one individual who has limited power of attorney, see to it that they can attend the close

The Day Before Closing:

- ☐ **Get Copy of Insurance Binder:** Call insurance company and get a copy of the insurance binder faxed over so that you have it at closing.
- ☐ **Review draft of the Closing HUD:** Make sure numbers are what you thought they were supposed to be.
- ☐ **Coordinate Closing Times with Seller & Lawyers:** Call ahead of time to see if there are any final adjustments.

Day of Closing:

- ☐ **Final Walk Through:** Do a final inspection of the property the morning of the closing to make sure there is no additional damage.
- ☐ **Get Copies of All Closing Docs:** Make sure all closing docs are in the closing folder.

Steps After Closing (at the Courthouse / City Clerk's Office):

- ☐ **Get copy of Title Insurance Policy:** Obtain this from the lawyer. Closing Folder: Go through and make sure checklist is completely finished and prepare the closing folder and transfer it to the properties owned file.