

BUY LOCAL



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What to Expect at Closing

For those of us in the title and real estate industries, we sometimes take for granted what a closing is and its importance to buyers and sellers. For the new home buyer especially, explaining what to expect at closing can help ease the stress and prepare them for a positive experience. Even seasoned buyers and sellers sometimes like to be reminded what to expect at the closing table and pick up a few tips on how to make their transaction go more smoothly. With that in mind, we've put together an explanation of the basics for new homebuyers, plus a few reminders that even veteran homeowners can use.

What is a closing?

The closing is the meeting where all real estate and mortgage documents are signed, and ownership of a property is officially transferred from the seller to the buyer.

Who attends the closing?

The buyer and seller, both real estate professionals, and closer are typically present at the closing. Sometimes the lender will send a representative, and, if a buyer or seller cannot attend, their representative (as designated by a power of attorney) will attend in their place. The title company's closer usually performs the closing for both resale and refinance transactions, although lenders may send their own representatives.

Where is the closing?

The closing usually takes place at the title company's office where the closer works. This allows the closer to easily access and print new documents if necessary. Closers occasionally travel to other locations for a closing; more commonly, Land Title can arrange for a closing professional in another Land Title office to handle your closing if the need arises. Be sure to confirm the closing ahead of time with the closer. Driving directions to all Land Title locations are available on our website at LTGC.com.

What to bring to closing

To avoid delays at the closing table, buyers and sellers will need to bring the following items to closing:

- All buyers and sellers must bring a government-issued ID — a **valid driver's license**, a picture ID issued by the state, or a valid passport.
- Lenders typically require buyers to have a second form of ID as well, like a Social Security card or credit card.
- If there has been a **change in marital status**, let your closer know immediately. The party whose name has changed will be asked to provide a driver's license reflecting the new name, as well as a marriage license or divorce decree documenting the change; it is helpful to have these items prior to the closing, rather than at the closing table, so the closer can make sure all documents are prepared correctly.
- If there is a Power of Attorney, or if there has been a death in the family, make sure the closer knows this information ahead of time. Additional documentation will be required at closing, and often documents must be approved by the title company before the closing.
- Colorado law requires that buyers bring **good funds** to closing. Good funds can be a **wire or cashier's check made payable to Land Title Guarantee Company**.



(Money orders, Western Union transfers, and personal checks are not considered good funds.) Land Title does not accept cash over \$500 for employee safety reasons.

- Sellers need to know their **Social Security number** (or Tax Identification Number) to complete IRS documents at the closing table, since the sale of the closing must be reported to the IRS.
- The seller typically brings house keys to give to the buyer. Other items pertaining to the house (appliance booklets, warranties, garage door openers, etc.) can be left at the property for the buyer when they move in.

How long is the closing?

A typical closing takes an hour to an hour and a half. We are more than willing to provide copies of all documents prior to closing to help speed up the process. Please let your closer know if you or your clients are running even a few minutes late to the closing.

What to expect at the closing table

1. The closer will greet clients and make copies of both the buyer's and the seller's required **identification** so they can notarize all signatures.
2. The closer explains that the closing is really two transactions — the **real estate side** and the **loan side**. (Since the most time-consuming part of the closing is the borrower side, some agents advise their sellers to arrive 30 minutes after the scheduled closing time in order to allow buyers to sign the loan package.)
3. The closer reviews the **settlement sheet** with the buyer and seller and answers any questions. The buyer and seller sign the settlement sheet.
4. Real estate documents are reviewed for accuracy and signed, including the Warranty Deed that officially transfers title from the seller to the buyer (**real estate side** of the transaction).
5. The buyer reviews the **new lender loan package** from the lender and signs the Deed of Trust and all lending documents (**loan side** of the transaction).
6. The buyer and lender provide good funds to the title company. (For an early morning closing, lenders are encouraged to wire funds the day prior to avoid any delays.)
7. Any **funding conditions** are sent to the lender for approval. (This can sometimes add additional time to the closing.)
8. The closer distributes **checks** to the appropriate parties.
9. The closing agent offers three choices to all parties for how they would like to receive **copies of their signed closing documents**:
 - Clients may receive paperless documents via **email**;
 - Clients may receive paperless documents on a **CD** at the closing table; or
 - Clients may elect to receive paper copies of all documents before they leave the closing.
10. Keys are transferred.
11. After the closing, the closing agent will immediately **record** the Warranty Deed, the Deed of Trust and other pertinent documents with the county clerk's office.
12. The **title policy** is generally issued within 30 days of the closing. Remind buyers that this is an important document to expect, and to file it with other legal documents.



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