



The Closing Table

What Is Closing and When Does it Happen?

Closing is the final step—before that house is finally yours! **Your closing date is the day you become the legal owner of your new home.**

During the contract negotiation phase, you (the buyer) and the seller set a closing date, which must be listed on the purchase agreement contract. After the seller accepts your offer and earnest money—money given to secure the contract—you can expect to wait a while before your actual closing date.

Even though you and the seller may agree on a closing date, your agents will probably work with your lender and title agency to suggest a timeline that allows them enough time to correctly execute their end of the deal. That could push your closing date out *several weeks or even months* after your offer is formally accepted.

How Much Does It Cost to Close on a House?

Closing costs are the fees third parties charge when you finalize buying your home; these costs usually include the home inspection bill, premium for homeowner's insurance, appraisal fee, credit report charges, attorney expenses, and so forth. Be mindful that you'll need to pay some of these fees before the actual closing day (earnest money, home inspection).

On average, you'll pay 3–4% of the purchase price of your home in closing fees. For example, if your home costs \$300,000, you might pay between \$9,000 and \$12,000 in closing costs.

How to Be Prepared for Closing Costs

At least three business days before closing, your lender must send you a **Closing Disclosure**. This form lists all final terms of your loan such as closing costs and the details of who pays and receives money at closing.

Review each cost carefully ahead of time and compare it to your original **Loan Estimate**. This is the form you received soon after you applied that told you the estimated interest rate, monthly payment, and total closing costs for your loan. If anything has changed, ask your lender why.



What Do I Need to Bring on Closing Day?

To make sure everything runs smoothly, you'll need to bring a few things to your closing appointment. Luckily, your title company representative and mortgage loan officer usually provide a checklist of everything you'll need. This list includes:

- Photo ID
- Outstanding documents or paperwork for the title company or mortgage loan officer
- Certified or cashier's check made payable to the title or closing company for closing costs that aren't being deducted from the sales price

What Happens on Closing Day?

If you bring everything you need on closing day, get ready for a John Hancock party! Here's what to expect:

- You'll pay any remaining closing costs, as listed in your Closing Disclosure.
- The seller will sign documents to transfer property ownership.
- You will sign a:
 - Settlement statement that lists all costs related to the home sale.
 - Mortgage note stating your promise to repay the loan.
 - Mortgage or deed of trust securing the mortgage note.
- The title company will register the new deed in your name.

It sounds simple but be prepared for a *ton* of paperwork!

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