



# Happily Ever After: How to Prepare for a Smooth Home Closing

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After months of excitedly waiting for your new home to be built, the big day is almost here! But before you can move in and live happily ever after in your new home, you'll need to complete the closing process. Here are several things you can do to create your plan, avoid panic, and keep the surprises to a minimum.

But first, you may be wondering...

## What is closing?

Closing, sometimes called completion or settlement, is one of the last steps in the process of buying your new home. On closing day, you and your builder will sign papers officially sealing the deal, and ownership of the property will be transferred to you. How exciting!

Who else attends the Closing besides you and your builder? Well, typically the buyer, seller, buyer's attorney, buyer's realtor, and the seller's realtor (if applicable) are all present. Sometimes your lender is also in attendance. Usually, the meeting takes place at your attorney's office. Once you all agree on the date and rough timeline (morning vs. afternoon), your attorney will schedule the exact time of closing and you will notify your builder.

The mix of people present at the home closing helps to ensure that no errors are made and that the proceedings run smoothly.

Your closing should be an enjoyable, stress-free day, and if you do some preparation head of time, it *will* be! Here are 5 things you can do to prepare for a painless closing process.

## 5 Tips for a Smooth Home Closing

### 1. Prepare for your move-in day

You'll be much more focused and less stressed during the closing if you've gotten all of your ducks in a row ahead of time. Your builder should be able to help you by providing a pre-closing checklist to prepare for your move and make sure that everything is in order for the big day. The checklist should include items such as:

- Setting up your final appraisal and obtaining a Clear to Close.
- Contacting the utility companies to transfer service and arrange proration
- Legally changing your address

The tail end of the process is when the stress can start to kick in. By preparing for your move, you can enter the closing feeling calm and confident.

## **2. Gather all of your documents in advance**

Your attorney will share with you all of the documentation that needs to be present at your closing, giving you plenty of opportunity to gather the necessary info. Be sure that your lending institution is lined up and ready to go, that your insurance is in order, and that the proper certificates have been filed. The last thing you'll want is to postpone your closing date when you're anxious to get into your new home, so take care of the necessary paperwork in advance.

### **Which paperwork should you bring to the closing?**

- Proof of homeowners insurance (Usually your insurance company will send the binder over to the closing attorney)
- Certified check for the remaining down payment and closing costs
- Personal checks for minor expenses (see below)
- Government-issued photo ID (Be sure the name on your ID matches the name on the property's title and mortgage)
- Anything the bank required to approve your loan

Don't be afraid to ask questions! Especially if this is your first time buying a home, you aren't expected to be an expert in the home closing process. Ask questions until you feel comfortable with what is going to happen and what you will need.

## **3. Transfer the necessary funds**

Your attorney should send you a draft Closing Disclosure form three days prior to closing. In the past, this form was known as a HUD-1, but as of October 2015, is now known as a TRID. This form will show you all of your costs and the amount due to you by closing, including taxes and closing costs.

Your builder and you will have agreed on the final cost of the home and your deposits to date. Keep in mind that the disclosure form will include other information that your builder is not privy to: transfer tax, closing costs, attorney fees, etc.

The state of Vermont doesn't allow attorneys to accept personal checks over \$1,000. You'll need to work with your lender, your attorney, and your builder to ensure that the necessary funds are delivered to the escrow account in advance.

It's also a smart idea to have some extra money available to you on closing day in the escrow just in case something pops up. While you should have a firm idea of the anticipated closing costs ahead of time, your individual financial circumstances will affect your final costs. Having a bit of extra money available



to pull from on the day-of provides an extra sense of security and peace of mind. If you have extra money in your escrow account, you will also walk out of closing with a check in hand.

#### **4. Check for possible errors**

Nobody's perfect, and mistakes do happen. That's why it's important that you and your representation check over all of the documents to be sure the information is as expected. For example, you'll want to double-check the sale price, the deposits, and the TRID prior to closing.

It may seem like common sense to look over the documents you're signing, but that doesn't always happen. When home buyers arrive at the closing, they are often nervous or excited, which can lead to a desire to simply sign on the dotted line, get the keys, and get it over with. Take the time to review everything prior to the closing. And speaking of time...

#### **5. Give yourself enough time on Closing Day**

While a smooth closing can all be said and done in as little as half an hour, it's not wise to try scheduling a closing during your lunch break. Your mortgage situation will, in large part, dictate the amount of time closing will take. For instance, a cash closing is relatively quick and simple. A VA loan will require quite a few more signatures. Give yourself a good amount of time, and expect the unexpected. If you work, consider taking the day off so that you can focus solely on getting the closing done right.

Your months of patience are about to pay off, and Closing can feel like the light at the end of the tunnel. Congratulations on making it this far! By taking the time to properly prepare, you can help ensure a smooth closing. You'll be loving and living in your new home before you know it.