

STEPS to the CLOSING TABLE

1. Binding date is when all parties have agreed on the terms and all parties have been notified.
2. Earnest Money is a deposit that the buyer pays when the contract becomes binding. With the deposit, the seller agrees to take it off the market and allows time for inspections and loan application process. It is generally 1% of purchase price. This is only refundable during the due diligence period. Once the due diligence period has expired, the only way to be able to get this refunded is if the home does not appraise or your loan gets denied. (Proof must be presented). This money will be held in an escrow account and then be applied towards the money you must pay at closing.
3. Due Diligence – The Due Diligence period is generally 5-10 days and is on page 1 of the Purchase and Sales Agreement. It is a time period for the buyer to do their due diligence on the home. During this time, the buyer gets a home inspection to find unseen defects (usually \$300-\$500) and researches the neighborhood, schools, or anything else that may affect the home negatively.
4. Amendment to Address Concerns is a form buyer can submit to the seller if there are any issues from the home inspection. Buyer asks for repairs or price reduction. Seller does have a right to refuse however, items are usually negotiated.
5. Loan application with Lender. It is important to get them items requested asap due to the financing contingency deadline which is generally 15-30 days. Time is of the essence and this could cause a delay in closing.
6. Lender orders the Appraisal -some lenders require buyers pay up front (\$400-\$500)
7. Order Home Insurance and give info to Closing Atty and Lender
8. Conditional loan approval means loan is approved if they receive specific additional info. Sometimes it is a more recent bank statement, or the appraisal of the property.
9. Final Approval and Clear to Close means lender has approved the loan and will issue a Closing Disclosure that must be signed by buyer 3 days before closing.
10. Do a Final Walk through of property to make sure it's in the same condition as before.
11. Call utility companies and schedule services
12. Wire money to closing attorney – Directions will be given by closing attorney
13. Attend closing and sign paperwork
14. Congratulations! You are a new Homeowner!