Alabama Home Buying & Selling Timeline

From Contract Acceptance to Closing Day

Note: Every transaction is unique. Some dates may vary based on financing, inspections, repairs, and the terms negotiated in the purchase agreement.

Day 0 — Contract Accepted

Congratulations! Both buyer and seller have signed the purchase agreement, creating a legally binding contract.

Buyer

- Deposit earnest money according to the contract.
- Submit any requested documents to lender.
- Schedule home inspection.
- Begin shopping for homeowners insurance.
- Avoid making major purchases or opening new credit.

Seller

- Provide any required disclosures.
- Schedule any agreed repairs if known.
- Keep utilities on throughout the transaction.
- Continue maintaining the property.

REALTOR®

- Deliver executed contract to all parties.
- Coordinate deadlines.
- Send contract to lender and closing attorney/title company.
- Begin transaction management.

Days 1–7

Earnest Money & Loan Processing

Buyer

- Deliver earnest money.
- Complete full loan application if not already completed.
- Upload requested financial documents.
- Lock interest rate if desired.
- Schedule inspections.

Lender

- Verify income
- Verify assets
- Verify employment
- Order appraisal (when appropriate)

Days 5–10

Home Inspection

The buyer typically completes inspections during the inspection contingency period.

Possible inspections include:

- General home inspection
- HVAC
- Roof
- Termite
- Radon (if desired)
- Septic
- Well
- Pool
- Structural
- Mold

Important

Remember:

No home is perfect.

The purpose of inspections is to identify **major defects, safety concerns, or significant issues**, not cosmetic imperfections or normal wear.

Inspection Negotiations

If significant issues are discovered:

Buyer may:

- Request repairs
- Request a credit
- Request price reduction
- Accept property as-is
- Terminate if allowed under contract

Seller may:

- Agree
- Counter
- Decline requests

Negotiations continue until both parties agree or the contingency expires.

Days 10–20

Loan Underwriting

The lender now begins reviewing the file.

This includes:

- Credit review
- Income verification
- Asset verification
- Employment verification
- Debt calculations

Additional documentation is often requested. This is completely normal.

Appraisal Ordered

The lender orders an independent appraisal.

The appraiser determines:

- Market value
- Property condition
- Comparable sales

Possible outcomes:

Value Meets or Exceeds Purchase Price

Great! Loan continues.

Value Comes In Low

Possible solutions:

- Buyer pays difference
- Seller reduces price
- Parties negotiate
- Buyer terminates if contract permits

Title Work Begins

The closing attorney/title company will:

- Search public records
- Verify ownership
- Identify liens
- Prepare title insurance
- Calculate prorations
- Prepare settlement statement

Insurance

Buyer obtains:

- Homeowners insurance
- Flood insurance (if required)
- Wind coverage if applicable

Lender cannot close without proof of insurance.

Repair Completion

If repairs were negotiated:

Seller:

- Completes repairs
- Provides receipts if required

Buyer:

- May re-inspect repairs
- Confirms completion

Final Loan Approval

Once underwriting conditions are satisfied:

The lender issues:

Clear to Close (CTC)

This means:

The loan has been fully approved.

Closing can now be scheduled.

Approximately 3 Days Before Closing

Closing Disclosure

Federal law generally requires the buyer to receive the Closing Disclosure at least three business days before consummation of most financed residential loans.

Buyer should carefully review:

- Cash needed to close
- Interest rate
- Monthly payment
- Closing costs
- Escrows
- Loan terms

Utilities

Seller should schedule utility disconnection **after** closing.

Buyer should schedule utility activation effective on closing day.

Utilities should never be disconnected before closing.

Final Walk-Through

Usually 24 hours before closing.

Buyer confirms:

- Home is in substantially the same condition
- Repairs are complete
- Appliances remain
- No unexpected damage
- Personal property included in the contract remains

Closing Day

Closing day is the day ownership officially transfers from the seller to the buyer.

Buyer

The buyer will sign:

- Mortgage (if financing)
- Promissory Note
- Closing Disclosure
- Loan documents
- Various affidavits and disclosures

Seller

The seller will sign:

- Deed
- Settlement Statement
- Required affidavits
- Other closing documents necessary to transfer ownership

Funding & Final Confirmation

For financed purchases, signing the documents does not immediately complete the transaction.

After all documents have been signed, the lender reviews the executed loan package and transmits the loan funds to the closing attorney or title company. The closing agent also confirms receipt of all other required funds, including the buyer's closing funds and any wire transfers.

Once the closing agent has confirmed that **all funds have been received and are available for disbursement**, the transaction is considered fully funded and may be finalized.

Possession & Keys (Typical Alabama Practice)

In Alabama, buyers **typically receive possession of the property at the closing table** once the closing agent has confirmed that all loan funding and wire transfers have been successfully received and the transaction is authorized for disbursement.

At that point, the buyer will generally receive:

- House keys
- Garage door openers
- Mailbox keys (if applicable)

- Gate or amenity access cards
- Alarm codes and other access information

Although most closings follow this process, the purchase agreement always controls. If the parties have negotiated delayed possession, seller occupancy after closing, or another arrangement, possession will occur according to those agreed-upon terms.

After Closing

Buyer

- Change locks
- Update mailing address
- Transfer utilities if not already completed
- File for any available homestead exemption when eligible
- Store closing documents safely
- Celebrate your new home!

Seller

- Cancel homeowners insurance after confirming the transaction has closed and ownership has transferred.
- Cancel utilities after closing if appropriate.
- Keep copies of settlement documents for tax purposes.
- Notify service providers of your move.

Common Questions

How long does the average transaction take?

Typically **30–45 days**, although cash purchases may close much faster and some financed transactions may take longer.

Can the buyer move in before closing?

Generally, no. Early possession should only occur if specifically negotiated and documented in a written agreement accepted by all parties.

What happens if repairs aren't completed?

The parties should resolve the issue before closing. Depending on the contract, options may include delaying closing, negotiating a credit, holding funds in escrow (if agreed), or other mutually acceptable solutions.

Can closing be delayed?

Yes. Common reasons include financing delays, appraisal issues, title defects, repair delays, or other unforeseen circumstances.

When does the buyer officially own the home?

Ownership transfers when the transaction has closed, the deed has been delivered and recorded (or as otherwise provided under Alabama law and local closing practice), and all closing conditions have been satisfied.

When do buyers receive the keys?

In Alabama, buyers typically receive keys and take possession **after the closing has been completed, loan funding has been received and confirmed by the closing attorney/title company, and the transaction is authorized for possession**. Buyers should not expect to receive keys simply because they have finished signing documents.

Disclaimer

This timeline is intended as a general educational guide for residential real estate transactions in Alabama. Every transaction is unique, and deadlines, contingencies, financing requirements, and closing procedures may vary based on the purchase agreement, lender requirements, title company or closing attorney practices, and applicable laws. Buyers and sellers should consult their REALTOR®, lender, closing attorney, and other professionals for guidance specific to their transaction.