

The Top 10 Things You Should Know About the Closing Process

1 Time is of the Essence

To avoid delays or a postponement of your closing be sure to respond to the lender and title company requests immediately.

- Work closely with your lender, real estate agent and title professional to avoid delays.

2 You Have A Choice

- When it comes to service providers associated with your closing, you have a choice
- Talk to your lender, real estate agents and title professional to obtain additional information about the various service providers associate with your closing.

3 Protecting Your Information - Secure Emails

- As an additional security measure to protect your non-public personal information, you may receive secured emails from your lender and title company.
- You will need to follow the instructions for retrieving that information (which will likely require you to create an account) and make sure that you return any information through the secured email system.

4 Loan Estimate (LE)

The loan Estimate (LE) will be sent to you within 3 days of your loan application. You may receive multiple copies of the LE if there are any changes in circumstances.

The terms provide on the LE will also appear on the Closing Disclosure (CD). Lender are required to explain any changes in fees on the CD.

5 Preparing for Closing

- Approximately 10-14 days before you are scheduled to sign your documents you should be prepared to communicate with you lender, real estate agent and title professional. It will be important for you to provide your hazard insurance information.
- NOTE: Wiring instruction will be subject to strict verifications to prevent fraud. Discuss this with your title professional well in advance.

6 Closing Disclosure

A closing statement call the Closing Disclosure (CD) will be used for most loan applications. The CD will be sent directly to you (buyer/consumer) and not your real estate agent.

The CD is designed to make it easy for you to understand the terms of your loan.

7 Three-Day Review Period

- The CD must be delivered to the buyer/consumer at least 3 days prior to signing the closing documents.
- If the CD is delivered via email it is important to acknowledge receipt to avoid additional delays.
- The CD may also be mailed seven days in advance and does not require proof of receipt.
- This time allows you to share it with your agent, attorney and/or financial advisor and ask questions or get clarification from your lender about the terms and conditions of your loan.

8 Lender's Policy

- Lenders typically require their borrowers to purchase a Lender's Policy of title insurance for the purchase loan.
- The fees are usually based on the amount of the loan.
- However, a Lender's Policy protects only the lender's interest should a problem arise with the title.

9 Owner's Policy

- Research the value and importance of an Owner's Policy of title insurance early on in the process of obtaining a loan and closing on the purchase of your home.
- Homebuyers often assume that the Lender's Policy protects them from challenges to their ownership rights in the property being acquired. This is not the case. Instead, the homebuyer's interest are protected by an Owner's Policy. This insurance coverage typically protects against adverse matters such as ownership challenges, errors and omissions in deeds, forgery, and undisclosed heirs, among other things. It also provides coverage for the attorney's fees that arise where legal challenges to your to your property's ownership occur. Its cost is typically based on the home's total purchase price, and is a one-time fee at closing.

10 Ask Questions

- This in one of the most important purchases of your life. Do not be afraid to ask questions of your lender, real estate agent and title professional.

