

What to Expect at Closing

You have made your final walk through, your financing is ready, you have even made the arrangements to move, the only detail left is – the closing! Here is what to expect at closing.

In Tennessee we call the event at which transfer of title to the home occurs: “closing”. Other names for this event are “settlement” and “escrow closing”. At this event the parties sign all of the paperwork necessary for the transaction. If you are the Buyer then you sign the paperwork necessary to obtain the loan to purchase the property, and you pay whatever the difference is between your loan amount and the purchase price plus closing costs (see our page concerning closing costs). If you are the Seller then you sign all the paperwork necessary to convey title and you receive the net proceeds.

Closing is typically held at the attorney’s office, although it may occur at your real estate agent’s office, and sometimes even at a hotel, restaurant or the house itself! At closing all monies for the transaction will be paid to the title agent or attorney and he or she will, in-turn, write all the checks for the transaction, including the checks for the transfer taxes, filing fees, title insurance, real estate commissions, the pay-offs for any mortgages, and all other costs and fees – including the Seller’s proceeds. The title agent or attorney is responsible for making sure the Warranty Deed and Trust Deed are correctly completed and recorded after the transaction.

In middle Tennessee it is rare for the Buyer and Seller to sit down at the closing table together, the only exceptions are when the parties know each other well. Usually the Buyer meets with the closing agent or attorney first (for about thirty-five minutes) and then the Seller will meet to sign the rest of the paperwork (takes about fifteen minutes). More and more often the Buyer and Seller actually close with separate title agents or attorneys and then the two title agent’s or attorney’s companies will cause the paperwork to be couriered to the closing office for the other party. It is definitely more convenient for both parties to close with the same title agent or attorney but it is certainly not necessary.

The best part about Closing is that by this time all the work to buy or sell is complete. All that is left is to sign the paperwork – and move! All people signing documents need to bring their driver’s licenses to closing. Buyers need to bring any documents (conditions) the lender has told you to bring. Seller’s need to bring termite letters, septic letters, and any other documents the contract states they are to provide. Typically the Buyer needs to bring money to closing. The money needs to be in the form of a cashier’s check made payable to the attorney or title agent, in our case make it payable to McCann & Hubbard. If you do not know how much to bring then call the closing agent’s or attorney’s office. If they do not know an amount yet then bring the amount stated on the Good Faith Statement.

If a husband or wife cannot attend closing be sure to inform the attorney of this fact as early before closing as possible; usually we can take care of this problem with powers of attorney. But lenders have to approve a buyer using a poa and that takes a few days

advance notice. Only a poa provided by the closing attorney or approved by the closing attorney in advance can be accepted at closing. The original poa will need to be given to the attorney at closing and recorded with the Deed. The original will be returned after it has been recorded.

Before you leave the closing table the Buyer needs to be sure he or she knows when the first payment on the mortgage loan will be due. Be sure to keep the copies given you at closing. Approximately one month after closing the Buyer will receive the original recorded Warranty Deed and the Owners Title Insurance Policy in the mail. Be sure to put these documents with the rest of the copies to keep for future reference. If you refinance or sell within the next ten years we can give you a discount on the next title insurance policy you purchase concerning this house.