

From Contract to Closing

Working through the mortgage process doesn't have to be stressful. Simply follow this checklist to guide you through your preparations. Use it in combination with the background information on this site and the guidance your loan officer provides and you can feel comfortable with your new home.

- Choose a lawyer or notary (if not already done) and arrange for the signed purchase offer to be delivered to him as soon as possible. Review the fees and disbursements, anticipated adjustments, property transfer tax, mortgage deductions and other closing costs. Talk to your attorney about how you plan to be registered on title.
- Satisfy any outstanding conditions, such as financing or a home inspection, within the time frame set by the offer. Be sure you fully understand how to keep the contract alive, and how to cancel it if the conditions can't be satisfied.
- Once your mortgage application has been approved, have the mortgage commitment sent to your attorney and or Real Estate Agent.
- Any tenants must either cancel their leases or sublease their current premises, if permitted. How much prior written notice is need will vary, so check it out with your lawyer.
- Arrange insurance coverage to take effect on closing. Be sure the insurance agent provides your Lender with written confirmation before closing, showing the name of the insuring company, the amount of coverage, its expiration date and the name of any lenders in the loss payable clause. Coverage should be for the full insurable value of the building only (not the land), on a replacement cost basis.
- Contact the water, electric and gas department to have the meters read on closing, new accounts set up in your name and final bills sent to the seller. Many buyers do a "double-check" a few days before closing, just to be sure. Contacting the telephone and cable TV companies is also your responsibility.
- Plan to meet your lawyer and or real estate agent a day or two before closing to review and sign all closing documents, if possible. Don't wait for the actual closing date, when so many other things must be done. At that time you should deliver the money needed for closing, in certified funds, payable to your lawyer in trust. Be sure to get information about any payments due right after closing – the mortgage, property taxes or condominium maintenance.