

CLOSING A REAL ESTATE TRANSACTION

Steps to Close a Sale

(After a Purchase and Sale Agreement is finalized by both buyer and seller.)

- (I) Deposit earnest money into a trust account.
- (II) Buyer makes loan application at financial institution of choice if applicable.

Financial institution then performs the following:

1. Orders appraisal of property from certified appraisal company.
2. Processes credit report form the purchaser
3. Verifies purchaser's employment
4. Verified purchaser's bank accounts or other monies necessary to close.
5. Orders any required inspections and oversees any necessary repairs.
6. Oversees that all conditions of the Purchase and Sale Agreement are met before closing.
7. Consolidates all the above into a loan package that is presented to the loan committee for final approval.
8. When final lender approval is completed, all necessary information is forwarded to the designated closing company.

- (III) Select a closing agency to coordinate the closing of the sale.

The closing agency then performs the following:

1. Orders preliminary title report.
2. Oversees and coordinates solution of any problems revealed in the preliminary title report.
3. Files documents to clear title of all liens, encumbrances, judgments, clouds on title, or easement questions.
4. Orders title insurance policy.
5. Verifies that all work orders are completed and reinspected if necessary.
6. Prorates any rents, taxes, or utilities to date of closing.
7. Prepares all documents and closing papers for buyer and seller to sign.
8. Arranges for both parties to sign closing documents.
9. Files all documents with the local government to close the sale.
10. Upon closing, disburses funds per the closing instructions.

As your professional real estate agent, I will be working hard on an ongoing basis to ensure that all of these steps take place in a timely manner as we work together toward a closed sale.