



YOUR CLOSING GUIDE

WHEN SELLING YOUR HOUSE AND BUYING A HOME



Content in this publication is for informational purposes only and is not to be construed as legal, financial or real estate advice.

WAGNER  **REALTY**
ESTABLISHED IN 1939

You're Almost There To Closing Day

You've found a buyer, negotiated home repairs and you're getting closer and closer to closing day. This guide is just that. It's a guide to help you navigate through the closing process. It provides security precautions regarding the transfer of money and personal information and will educate you through potential title issues.

Closing is the final step when both parties sign the final ownership and insurance paperwork, and the buyer becomes the legal owner of the home.

Your real estate agent will be your constant communication to answer questions and offer support through closing.

During pre-closing, a closing date is selected and all the paperwork for the sale is collected. This includes the deed, title insurance, lender forms, and copies of all the documents necessary to close the sale. The buyer is provided with the final cash figure that he or she will need to bring to the closing, usually in the form of a cashier's check. The buyer is responsible for performing a final walk-through just before closing to ensure that the property is in the agreed-upon condition before the sale is finalized.

Closing takes place in an attorney's office, the real estate office, or the title company. The buyer and seller are both present to sign all documents related to the sale and the loan, and the representative from the title company files the new deed into the municipal records. After all documents are signed and payment is given to the seller, the buyer takes possession of the keys and officially becomes the new owner of the property.

6

STEPS to get ready for THE FINAL WALK-THROUGH

- 1 Clean House.** Your house should be spotless for the final walk-through, and you should be fully moved out, if buyer is taking immediate ownership on closing day.
- 2 Leave owner's manuals and warranties.** The buyer's will appreciate if you provide all manuals and warranties for appliances. Print out copies and have them neatly arranged in one place. If you made repairs, be sure to leave receipts from contractors.
- 3 Provide a vendor list.** Provide buyer with a contact list for home contractors or maintenance companies that you use, including lawn care. These vendors are familiar with your home.
- 4 Check for forgotten items.** Do one more check throughout the house to make sure you didn't miss anything. Before removing any leftover exterior/interior paint, ask buyer's whether they would like you to leave the paint.
- 5 Turn off water shut-off valves.** Coordinate with the buyers agent to facilitate the transfer of utilities.
- 6 Lock it up.** Until the final papers are signed, you are still responsible for the property, meaning you'd be liable if there's a break-in before closing.

**A Key Player in the
Process**

THE TITLE COMPANY

Title companies play several key roles in common real estate transactions. Title companies generally act as the combined agent of the insurance company, the buyer, the seller, and any other parties related to a real estate transaction, such as mortgage lenders. The title company reviews title, issues insurance policies, facilitates closings, and files and records paperwork.

WHAT YOU NEED TO KNOW ABOUT THE 10 COMMON TITLE ISSUES

1. Errors in public records. Clerical or filing errors could affect the deed or survey of your property and cause undue financial strain in order to resolve them.
2. Unknown liens. Prior owners of your property may not have been the perfect record keepers. Even though an discovered former debt is not your own, banks or other financing companies can place liens on your property for unpaid debts even after you have closed on the sale.
3. Illegal deeds. While the chain of title on your property may appear perfectly sound, it's possible that a prior deed was made by an undocumented immigrant, a minor, a person of unsound mind, or one who is reported single but in actuality, married. These instances may affect the enforceability of the prior deeds, prior (and possibly present) ownership.
4. Missing heirs. When a person dies, the ownership of their home may fall to their heirs, or those named within their will. However, those heirs are sometimes missing or unknown at the time of death. Other times, family members may contest the will for their own property rights. These scenarios may affect your rights to the property.
5. Forgeries. Sometimes forged or fabricated documents that affect property ownership are filed within public records, obscuring the rightful ownership of the property. Once these forgeries come to light, your rights to your home may be in jeopardy.
6. Undiscovered encumbrances. At the time of purchase, you may not know that a third party holds a claim to all or part of the property – due to a former mortgage or lien, or non-financial claims, like restrictions of covenants limiting the use of your property.
7. Unknown Easements. An unknown easement may prohibit you from using it as you'd like, or could allow government agencies, businesses, or other parties access to all or portions of your property. While usually non-financial issues, easements can still affect your right to enjoy your property.
8. Boundary/Survey Disputes. You may have seen several surveys of your property prior to purchasing, however other surveys may exist that show differing boundaries. Therefore, a neighbor or other party may be able to claim ownership to a portion of your property.
9. Undiscovered Will. When a property owner dies with no apparent will or heir, the state may sell his or her assets, including the home. Years later, the deceased owner's will may come to light and your rights to the property may be seriously jeopardized.
10. False Impersonation of Previous Owner. If you purchase a home that was once sold by a fake owner, you can risk losing your legal claim to the property.

BUYER BEWARE

Wire Fraud Is On The Rise!

```
52 $vocabularly = taxonomy_vocabulary_machine_name_load($arg[1]);
53 switch ($vocabularly-hierarchy) {
54   case 0:
55     return 'op' . t('You can reorganize the terms in $capital_name using their drag-and-drop handles, and group to
56 ucfirst($vocabularly-name), "Name" => $vocabularly-name)); //>';
57   case 1:
58     return 'op' . t('The $capital_name contains terms grouped under parent terms. You can reorganize the terms in this
59 e' => $vocabularly-name)); //>';
60   case 2:
61     return 'op' . t('The $capital_name contains terms with multiple parents. Drag and drop of terms with multiple
62 parent.', array($capital_name => drupal_ucfirst($vocabularly-name)); //>';
63 }
64 /**
65  * Implements hook_permission().
66  */
67 function taxonomy_permissions() {
68   $permissions = array(
69     'administer taxonomy' => array(
70       'title' => t('Administer vocabularies and terms'),
71     ),
72   );
73   foreach (taxonomy_get_vocabularies() as $vocabularly) {
74     $permissions += array(
75       'edit terms in ' . $vocabularly->vid => array(
76         'title' => t('Edit terms in $vocabularly', array($vocabularly => $vocabularly->name)),
77       ),
78     );
79     $permissions += array(
80       'delete terms in ' . $vocabularly->vid => array(
81         'title' => t('Delete terms from $vocabularly', array($vocabularly => $vocabularly->name)),
82       ),
83     );
84   }
85   return $permissions;
86 }
87
```

It is important for title companies, and real estate brokers to stay vigilant and continuously caution prospective buyers and sellers about the dangers of wire transfers and the potential for wire fraud.



FRAUD

CALL BEFORE YOU WIRE!

REAL ESTATE BUYERS AND SELLERS ARE
TARGETS FOR WIRE FRAUD AND MANY HAVE
LOST HUNDREDS OF THOUSANDS OF DOLLARS
BECAUSE THEY FAILED TO TAKE
TWO SIMPLE STEPS:

- 1** Obtain the phone number of your real estate agent and your title company at your first meeting.
- 2** Call the known phone number to **SPEAK DIRECTLY WITH YOUR TITLE COMPANY** to confirm wire instruction **PRIOR** to wiring.



REAL ESTATE PHISHING SCAMS:

Learn to identify and avoid them

Scammers are using a simple technique known as phishing to target people in the midst of a home buying process. It's called phishing because the bait comes in the form of what looks or sounds like an official message from a government agency, company or financial institution. And their success is based on getting their victims to act impulsively.

Look for these red flags:



UNSECURED - Legitimate companies will NEVER ask for account information over the phone.

VAGUE - Phishing messages usually say something like "This is xxx Financial Services and we are missing information for your upcoming transaction."

A legitimate company would never be this vague.

UNUSUAL - Scammers will communicate in strange ways, often posing as your bank.

DEAD-END - Legitimate companies will have customer service information, address and phone numbers. No contact information indicates a red flag.

UNKNOWN - When receiving emails, look for bad grammar, and typos. Make sure websites that may appear authentic are not bogus.

WHAT TO DO IF YOU GET A SUSPICIOUS MESSAGE



STAY CALM.

Stop and think first before you act.

VERIFY

Get in touch with your real estate agent to make sure they know what's going on. They will help determine whether it is legitimate.

GO TO THE SOURCE

If you still feel uncomfortable, call the title company and arrange a secure transaction. Just make sure you are calling the title company and not the one in the suspicious email.





THE BIG DAY HAS ARRIVED! IT'S CLOSING TIME

What Do I Need to Bring on Closing Day?

To make sure everything runs smoothly, you'll need to bring a few things to your closing appointment. Luckily, your title company representative will provide a checklist of everything you'll need.

- Photo ID.
- Outstanding documents or paperwork for the title company or mortgage loan officer.
- Certified or cashier's check made payable to the title or closing company for closing costs that aren't being deducted from the sales price.

What Happens on Closing Day?

Here's how closing works: You'll pay any remaining closing costs, as listed in your Closing Disclosure. The seller will sign documents to transfer property ownership. Buyers will sign a Settlement Statement that lists all costs related to the home sale; a Mortgage note stating your promise to repay the loan; a Mortgage or deed of trust securing the mortgage note. After that, the title company will register the new deed in your name. It sounds simple, but be prepared for a lot of paperwork!

Where Does Closing Take Place?

For your closing appointment, you'll likely meet at the office of the escrowee. The escrowee will probably be the title company that legally secures your ownership of the house.

Who Attends the Closing of a House?

Depending on where you live, those at your closing appointment might include you (the seller), the buyer, the escrow/closing agent, the attorney (who might also be the closing agent), a title company representative, the mortgage lender, and the real estate agents. But if the seller pre-signed the deed and transfer documents, they probably won't need to be there.





Congratulations

FROM WAGNER REALTY
BRINGING FAMILIES HOME SINCE 1939

