You Are Under Contract - Now What?

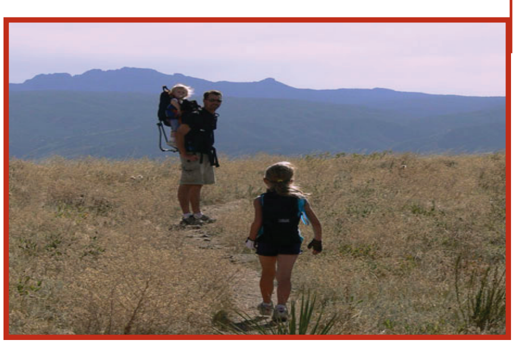
Jaris Realty, Inc. CLOSING!

Let's Get You In Your Home!

Keep These Documents!

On closing day, expect to sign a lot of documents and walk away with a big stack of papers. Here's a list of the most important documents you should file away for future reference.

- **HUD-1 settlement statement.** Itemizes all the costs, commissions, loan fees, points, and hazard insurance, associated with the closing. You'll need it for income tax purposes if you paid points.
- **Truth in Lending statement.** Summarizes the terms of your mortgage loan, including the annual percentage rate and recision period.
- **Mortgage and note.** Spell out the legal terms of your mortgage obligation and the agreed-upon repayment terms.
- **Deed.** Transfers ownership to you.
- **Affidavits.** Binding statements by either party. For example, the sellers will often sign an affidavit stating that they haven't incurred any liens.
- **Riders.** Amendments to the sales contract that affect your rights. Example: The sellers won't move out until two weeks after closing but will pay rent to the buyers during that period.
- **Insurance policies.** Provide a record and proof of your coverage.



Common Closing Costs for Buyers

You'll likely be responsible for a variety of fees and expenses that you and the seller will have to pay at the time of closing. Your lender must provide a good-faith estimate of all settlement costs. The title company or other entity conducting the closing will tell you the required amount for:

- **Down payment**
- **Loan origination**
- **Points, or loan discount fees, which you pay to receive a lower interest rate**
- **Home inspection**
- **Appraisal**
- **Credit report**
- **Private mortgage insurance premium**
- **Insurance escrow for homeowner's insurance, if being paid as part of the mortgage**
- **Property tax escrow, if being paid as part of the mortgage. Lenders keep funds for taxes and insurance in escrow accounts as they are paid with the mortgage, then pay the insurance or taxes for you.**
- **Deed recording**
- **Title insurance policy premiums**
- **Land survey**
- **Notary fees**
- **Prorations for your share of costs, such as utility bills and property taxes**

A Note About Prorations: Because such costs are usually paid on either a monthly or yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way for the sellers to pay you back or for you to pay them for bills they may have paid in advance. For example, the gas company usually sends a bill each month for the gas used during the previous month. But assume you buy the home on the 6th of the month. You would owe the gas company for only the days from the 6th to the end for the month. The seller would owe for the first five days. The bill would be prorated for the number of days in the month, and then each person would be responsible for the days of his or her ownership.

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