

contract, settlement & beyond

Moving Towards Settlement

A number of items you might consider, now that settlement is set, include:

- ◆ Get rid of items you won't be moving. Consider having a garage sale or make donations to local charities.
- ◆ Check with your insurance company. Make sure your family car and household goods are adequately protected while moving. If you plan to vacate the house more than 30 days before settlement, be sure hazard insurance covers risk until settlement occurs.
- ◆ Obtain transcripts of children's school records as well as medical and dental records.



You should make plans to clean, remove trash, and vacate the day prior to settlement, or in any case, not later than settlement day. All appliances should be in good working order in time for the buyer's final walk-through inspection.

Settlement Day

Settlement day is here! There will be a lot of paper signing and the passing of the keys from seller to buyer.

At the settlement should be an attorney or title company representative, the buyer, listing and selling brokers, and all owners. You should bring all warranties on equipment (or leave them in the house) and any instructions on equipment maintenance or operation.

The settlement attorney will have searched the title, and obtained old and new lender instructions. First, all unresolved walk-through deficiencies are resolved, if any.

With the buyer, the attorney explains the deed of trust, deed of trust note, and settlement sheets. The buyer signs all three, and pays the balance of the down payment and buyer's closing costs.

With the seller, the attorney explains the deed and settlement sheets and gets the home seller's signature on them. The seller pays appropriate closing costs.

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Seller's Costs

Closing costs for the seller may include:

- ◆ Attorney's fees (preparation of the deed, settlement fee, and any release fees)
- ◆ Lender's inspection fee
- ◆ Appraisal
- ◆ Broker's commission
- ◆ State deed transfer tax or recordation fee
- ◆ Condominium or homeowners association packet fees, if applicable
- ◆ Water escrow (to reduce, bring canceled check and last bill; amount prorated at settlement)
- ◆ Termite inspection
- ◆ Mortgage pay-off penalty (see deed of trust note)

Taxes and homeowners association dues or condominium fees will be prorated on a daily basis. The seller, buyer, and brokers are supplied a copy of settlement sheets for their records. The house keys are transferred to the new owners.

Disbursement

The attorney or title company will disburse funds after all funds are in hand, checks have cleared, the new lender has reviewed papers, and the title has been re-checked and the deed recorded. You should not plan to receive funds for up to four days, although they may be disbursed the same day in some localities.

The house has now been sold, settled, and funds disbursed.

