

What to Expect at Closing

By ANNA CHANG-YEN | Green Shoot Media

Signing your name to a commitment to make monthly payments for 30 years can be an intimidating experience.

Throw in mountains of paperwork written in sometimes incomprehensible language and you're perfectly justified in feeling like you're out of your league. Lean on your real estate attorney in the days leading up to the closing to help be sure you understand what you are agreeing to and what you're getting in return.

PEOPLE

Your state may require that you have a real estate attorney present at closing. Even if it's not required, it's still a good idea. Mortgage and property transfer documentation can be hard for the layman to understand, so having someone who speaks the same language as the paperwork in front of you can only work in your favor. Your attorney can both explain and ask questions on your behalf.

PLACES

Closings are often held at the title company's offices during regular business hours. Some large lenders may send a mobile notary public to your home to sign papers if you're simply refinancing. At the table during closing will be a representative of the closing compa-



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If you are feeling overwhelmed by the mountain of paperwork that comes with a mortgage, consider hiring an attorney to help you understand what you're signing.

ny, your attorney and you. Anyone listed on the mortgage as a borrower must attend the closing, so if you have a co-signer, such as parents or a friend, that person must accompany you to the closing.

THINGS

You will need to bring along your photo identification, such as a state-issued drivers license or identification, in order to validate your signature and identity.

The paperwork that must be signed during a mortgage closing can make any other loan process look like child's play.

Don't be afraid to ask questions about anything you don't understand. Bring along any papers you have been given pertaining to the mortgage, such as the good faith estimate and the mortgage application. Be sure that the numbers in front of you at closing match the original paperwork, and if you can't square any discrepancies, ask questions.

Also bring along the funds required for closing, such as a down payment or closing costs. Usually these funds will be required to be paid in certified funds, such as a certified check. Be sure to get a receipt for any

money paid at closing.

THE UNEXPECTED

It's not uncommon for a lender to make unexpected demands at closing. The bank may suddenly decide it needs more documentation, such as paycheck stubs or additional proof that an old loan has been paid off. This can be frustrating. Keep a cool head to accomplish your end goal — getting the documents in order as soon as possible, even if it means delaying the closing for a few days, in order to get the keys to your new home.

REAL ESTATE 101

Top Mistakes to Avoid at Closing

- **Rushing.** Closing on your home and mortgage is one of the most important financial commitments you'll ever make. Take all the time you need.
- **Trying to make someone else happy.** You are going to be the one who has to pay the mortgage every month. The only person you need to make happy is you.

- **Feeling like you "should" know the answer to something, and not asking questions.** Mortgages are complicated, and there's a lot of unfamiliar paperwork. When in doubt, ask!

- **Silencing that little voice inside of you that says something is wrong.** Trust your gut and speak up. Now is your chance to prevent future problems.

Source: Consumer Financial Protection Bureau



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HOMESWISE GLOSSARY

Borrower contribution: The total amount contributed by the borrower to the down payment, closing costs, financing costs and prepaids/escrows.

Estimated closing costs: The dollar amount of the estimated loan fees, title fees, appraisal fees and other closing costs associated with the subject transaction excluding discount points and prepaids.

SOURCE: U.S. Department of Housing and Urban Development

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