

THE RESIDENTIAL HOME BUYER'S ROAD MAP

What to expect from contract to closing, & everything in between.

01 YOU ARE HERE

Looking at listings, attending showings with your real estate agent, and finally submitting your offer. While signing the contract might feel like the end of your journey, in some ways it's only the beginning!

02 THE CONTRACT NEGOTIATION STAGE

Get ready to see some new faces! Your lender, real estate attorney, and the seller all start playing much bigger roles starting now.

The real estate contract you'll sign is a standardized form designed to fairly balance the interests of buyer and seller in a typical real estate deal. But this step provides an opportunity to tweak the form contract as needed to make the contract work for your situation. Your real estate attorney can negotiate any desired changes or additions with the seller's attorney, adding provisions that can protect and benefit you later on in the deal; this time-sensitive negotiation stage is known as the "attorney review period." Many experienced real estate attorneys have an arsenal of contract provisions that can greatly benefit their buyers (including extended deadlines, additional disclosures or information from the seller, repairs to the property before you move in, or even credits toward the purchase price!), or they can craft totally custom terms for your specific needs.

03 CHECKING ALL THE BOXES

Even after the attorney review period is closed, your real estate attorney will monitor the deal closely. There are a surprising number of moving parts in a residential real estate deal, so it's essential to have a "quarterback" to coordinate everyone on both sides. Your loan officer will be moving your mortgage through the application, appraisal, underwriting, and approval processes during this time. Delays can be common when the real estate market is busy, so your attorney will ensure that all deadlines are met or extensions are agreed to in advance to avoid issues. The goal is for everything to be progressing toward what we call "clear to close," which is when the loan receives final approval and your lender gives the green light to schedule the closing!

As we approach your "clear to close," your real estate attorney will communicate with the seller's attorney frequently to make sure that all conditions of the contract are being met properly. This includes things like reviewing the property taxes and survey of your property, analyzing your title insurance commitment, and confirming that all closing documents are prepared correctly and in compliance with all of your lender's requirements.

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CLEAR TO CLOSE

Once your lender confirms that your loan is "clear to close" (basically, that your loan has received final approval), your real estate attorney will coordinate with you and the seller's attorney to schedule the closing. Once the closing is scheduled, the seller's attorney will prepare a ledger of the most up-to-date figures of who owes what to whom – this is known as the "closing statement." The closing statement shows all of the money moving between lots of different parties relating to your real estate deal, including the buyer and seller, of course, but also each party's real estate agents and attorneys, the mortgage lender, title company, surveyors, HOA fees, the county recorder's office, and often many more. Your attorney will verify that all amounts are accurate, to make sure you're getting any credits owed to you and that you're not paying any more than you should be. The closing statement will also help us determine what's called your "cash to close," which is the total amount of money that you'll need to bring to the closing table in order to leave the closing with keys to your new house in hand. Once your lender confirms your cash to close, your attorney will coordinate with you to figure out how you'll get the money to closing; for most buyers this will be either a check or a prearranged wire transfer.

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CLOSING TIME!

The day you've been waiting for is finally here... I hope you like paperwork! After you finish the "final walkthrough" of the property with your real estate agent, you'll head to your closing to cross the finish line of your real estate deal. Your closing will probably take place at the office of a title insurance company, and often only you and your attorney will attend the closing in person; the seller will sign closing documents ahead of time, and the seller's attorney and your lender will participate virtually. (During COVID-19, most title companies are only allowing buyers and their attorneys to attend closings in person.) Your attorney's role at the closing will be to explain all of the closing documents and ensure that they're all filled out correctly, verify that all contract conditions have been met, and most importantly, to make sure you're comfortable with the process and answer any and every question you might have. Your attorney should be experienced and knowledgeable in title insurance because they are responsible for reviewing your title policy to ensure that you're receiving "clear title" to the property (which is arguably the most important part of the whole process!). As the buyer, your job is to sign your name so many times that it loses all meaning to you, and to ask questions. The closing is all about you, so don't be afraid to ask as many questions as you need to feel completely comfortable with this process.

Once you've signed your way through a small mountain range of paperwork, your lender will review everything electronically and release the loan funds to the title company. Listen for the telltale sign of checks printing and ripping,