

Buyer's Checklist

There is no way to guarantee a smooth path from an approved contract to the settlement table, but doing your part is at least half the job. Expect minor problems and delays along the way. On the seller's side, title problems are a common cause of postponed settlements. On your side, bureaucratic snags such as extensive credit checks and slow appraisals can bog things down. In many cases, there isn't much you or the seller can do but wait.

While you're waiting for completion of all the processes now in motion, you should:

Apply for homeowners insurance on your new home.

Get an exact accounting settlement cost, and make sure the money and necessary documents will be there at closing.

Select a date for the final walk-through of the house.

Contact utility companies about starting service in your name.

Insurance on your new home:

Your lender will require you to take out a homeowner's insurance policy, something you would want to do anyway. The lender wants to cover the amount of its mortgage loan so it can recover the money in the event of a loss. However, it's up to you to see that your insurance coverage remains adequate by getting property protection, liability insurance and/or any additional coverage you think is necessary.

The final inspection:

The house you're buying must be handed over to you in the condition specified in the contract. To verify this, schedule a walk-through of the house shortly before settlement, several days in advance is best, to allow time for the seller to correct any last-minute problems.

Take along a simple device, such as a plug-in nightlight, to test all electrical outlets. Turn on the furnace and air conditioning, flush toilets and turn on faucets, put the washing machine and dryer through a cycle. In short, put the house through its paces.

If anything needs fixing or further cleaning, tell the seller immediately. Neither you nor the seller wants to postpone the settlement, but make it clear you won't go to closing until a second walk-through is satisfactory.

What happens at closing:

The closing is where ownership of the home is officially transferred from the seller to you. The closing officer works for the title company and coordinates the document signing and the collection and disbursement of funds. Your main role at the closing is to review and sign the documents related to the mortgage loan and to pay the closing costs.

Most parties involved with the purchase of your new home will attend your closing. The closing is a formal meeting typically attended by the buyer(s) and the seller(s) (and their attorneys if they have one), both real estate sales professionals, and, of course, the closing officer. The meeting is typically held at the mortgage company or an attorney's office.

What to bring to closing:

For things to go smoothly, each party should bring certain documents and be prepared to pay the necessary fees. Many closing costs can be paid by personal check, but ask your attorney before you attend the closing. A certified or cashier's check may be required. Find out to whom checks should be made payable.

The seller and his attorney are responsible for preparing and bringing the deed and the most recent property-tax bill. They also will bring other documents required by the contract. This can include the property insurance policy, termite inspection, documents showing the removal of liens and a bill of sale for personal property.

Make sure you have adequate funds for the down payment and other settlement costs, arrange for your attorney to represent your interests at the meeting, bring the loan commitment, inform the lender of the meeting time and place and have your driver's license ready as proof of identity. Finally, it's a good idea to bring a copy of the purchase contract to refresh your memory.