

Escrow and Closing

When the closing is scheduled, you are getting close to the finish line. At the closing, your seller officially signs over the title to the house. Your lender releases the purchase funds to the buyer, and of course, you sign reams of documents pledging to pay back your lender.

The escrow agent conducts the closing and is often affiliated with the title insurance company. Their job is to ensure the buyer obtains a clean title, the lender obtains a good mortgage, that the costs of the transaction are paid, that the seller's mortgage is paid off, and that the seller receives their proceeds.

The escrow agent prepares a closing statement that outlines what the required funds are, who's paying and where the funds are to be deposited. The agent will not disburse funds until they can guarantee that the above noted items have been taken care of.

Last-minute details

Utilities – Water, gas and electric meters will be read on the day of closing and the seller will owe for the utility usage up until that day. You may also need to make deposits with both the water and electric companies.

Service Contracts – If you are taking over any service contracts from the home seller, you will owe the seller for the unused portion of those contracts that have been pre-paid. These could include pest control, pool and/or lawn services, home maintenance contracts, etc.

The check – The title/escrow company you are using will tell you how much you need to bring to closing. Personal checks are not accepted, so bring a cashier's check.

Home Warranty – You might want to purchase a home warranty, especially if the heating and cooling systems and major appliances are not new. The warranty will cover the repair or replacement costs in case items such as appliances break down after you purchase the home.