

Onward to Closing

The closing agent might or might not be an attorney. In either case, the closing agent is not representing **you** even though you are paying part of the bill (nor is the agent representing the buyer). Most buyers and sellers in our area do not retain an attorney to represent their interests at closing. If you do anticipate unresolved problems or feel especially inadequate, discuss possible legal representation with your listing agent or with an attorney whose specialty is real estate.

The closing agent will notify your existing lender of your intention to pay off the mortgage and will obtain the required information. It is a good idea to double-check this event with your lender. If you cannot be present at closing, you will need to designate someone to act for you. Power-of-attorney forms should be available through your closing agent. If you surprise your closing agent with a non-approved power-of-attorney form, you risk having to postpone settlement until a suitable document can be secured.

The purchaser's lender will send an appraiser to your home to render an opinion of its fair market value. If there is a potential problem, your agent might want to discuss the matter with the appraiser and possibly provide helpful information. If the appraisal report indicates that the fair market value is lower than the contract price, do not panic. The appraiser will usually work with you to justify your contract price if it is reasonably possible: Your listing agent's original market value analysis might help.

If the final version of the appraisal sets your home's value below the price on your contract, price negotiations probably will reopen. Check your contract for the rules. Do your best, but you are in a weak position because your purchaser knows that if you lose this contract, you likely will have an appraisal problem next time. On the other hand, remember that the buyer probably does not want to start the home search process anew. Watch out if the story about the purchaser's "second choice home" is true, or if he or she previously has expressed second thoughts about buying your home.

At some point you will have to make a commitment to your movers. If your purchaser has not obtained loan approval by this time, get a progress report and some assurance that a timely approval is likely.

As closing approaches, transfer of electricity, gas, water, sewer, telephone, refuse collection, cable TV, newspaper delivery, et cetera, normally can be handled within a few days. Coordinating the transfer of utilities with your

purchaser can help avoid unnecessary extra charges. Most important, continuity of the basic utilities will help ensure a meaningful final inspection: It is hard to check the air conditioner when electric power has been shut off.

The purchaser's final inspection, or walk-through, will be done shortly before closing. It is usually uneventful, but if a problem is detected, the purchaser could ask that part of your proceeds be set aside with the closing agent in an escrow account until the problem can be resolved. Reasonableness should rule. Refer to your contract for details.

A typical closing takes less than an hour. Most questions are directed to the closing agent. The financial details of the transaction are among the first items to be explained. Check carefully for errors or omissions compared with the contract provisions. Errors do occur, but your agent will help. Most of the signing is associated with the new loan and is done by the purchaser. All mortgage companies have major investments in paper mills. There is a form for everything, even a form to check whether all the forms are completed.

Although you might be receiving tens or even hundreds of thousands of dollars from this transaction, the actual closing ceremony can be boring: The buyer signs most of the documents. To ensure a more memorable occasion, complain at length about the \$5 charge for notary fees.

Near the end of the closing ceremony you will pass any keys, garage door openers, instruction manuals, et cetera, to the purchaser if they have not been left in a designated kitchen drawer. You might not receive the net proceeds from your sale at closing. They might be available the same day, but it could be a day or two later. Ask about the specifics in your jurisdiction. Do not cancel your homeowners insurance until the deed has been recorded in the land records.

The closing agent will have sent more than sufficient funds to pay off your mortgage. In several weeks, your mortgage lender will refund the unused portion of those funds plus any unused balance in your real estate tax and homeowners insurance escrow account. Save your copy of the financial documents with your important records. There might be important tax considerations involved in selling your home. If you are the least bit uncertain, a good tax accountant can be worth his or her weight in gold. At the end of the closing ceremony, go ahead . . . un-cork the champagne.

*This series is excerpted from David Rathgeber's **SELLING YOUR HOME in the Washington, DC Metropolitan Area**
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