



Kerr County Abstract & Title Co.

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A Step by Step Guide to the Closing Process

If it hasn't already, the thrill of buying a home will definitely hit you at the closing! Along with the excitement, the deed and the shiny new keys comes a stack of paperwork. To understand what you're signing, it's important to understand the events leading up to your closing.

- 1. It starts when a seller accepts a contract you've put in on their home.** You might put down a deposit check to prove you're serious about the offer. At that point, Kerr County Abstract gets the ball rolling, deposits any funds you've submitted into a special escrow account and puts in requests for title work, an examination of the home's ownership history.
- 2. Kerr County Abstract & Title Co. begins reviewing the title.** Each home has a series of documents recorded at the local courthouse that reflect prior owners, lenders and other parties who have or had an interest in the home you're buying. These documents are examined to identify all outstanding interests.
- 3. Mortgage issues are addressed.** Your settlement agent works with your lender to verify dollar figures and other important details of the transaction. In addition, if prior mortgages have to be paid, or if a loan is being assumed, that is also worked out by your settlement agent.
- 4. The property is inspected.** In most cases, a professional inspector will conduct a home inspection, survey the property and inspect for termites to ensure the integrity of the property.
- 5. The HUD-1 statement is prepared.** Your settlement agent prepares this document which shows all costs that will be paid at your closing. An escrow officer will call you with the amount you need to bring to the closing.
- 6. You close on your property.** You'll need to provide a picture ID and funds in the amount that your escrow officer at Kerr County Abstract says you'll need to complete the closing. During the closing, you (and whoever else is buying the property with you) will sign a number of documents, each of which will be explained to you by your escrow officer. After your closing process is complete, the house is yours. Welcome to homeownership!

Who's Involved In the Process

If you have a **real estate agent**, he or she will be involved throughout the closing process. Ask your agent what responsibilities he or she will assume.

If you are getting a loan, your **mortgage representative** is responsible for all details of your loan, from application through closing.

A **title examiner from Kerr County Abstract** examines the property's ownership history — making sure the title will transfer smoothly — and issues the title insurance policy.

A **real estate attorney** is primarily concerned with protecting your legal rights. He or she sees that the title is transferred properly, and can answer questions about your contract and the deed.

A **home inspector, surveyor and termite inspector** may be required to ensure the integrity of the property. The home inspector will go over every facet of the property in detail, and will most likely give you a report that outlines what problems may occur and the current condition of the home. The surveyor will check the actual dimensions of the lot, and the termite inspector will evaluate the home for damage and create a certificate, which is often needed for your mortgage.

A **homeowner's insurance agent** may inspect your home in order to process the property and casualty insurance coverage for your new property, often referred to simply as "homeowner's insurance." (You'll likely need this coverage to qualify for a mortgage.)

A **settlement agent (or closing agent or escrow officer)** makes sure everything is signed and that the appropriate documents are recorded, and that the funds collected for various fees and expenses are properly distributed. The settlement agent is responsible for satisfying all the title conditions, paying the seller and the previous lender, obtaining money from the buyer and new lender, obtaining recording fees and taxes for the government and filing the paperwork at the local courthouse or county recorder's office.

Typically, during the closing itself, the closing or settlement agent and you – or someone representing you – are always present. Often, the seller, or someone representing him or her, may be present too, and real estate agents for you and the seller might attend. A representative of the lender might also attend.