

# YOU HAVE A BUYER. WHAT HAPPENS NEXT?

## 10 STEPS TO CLOSING THE SALE OF YOUR HOME

Once there is an acceptable offer made to you from a buyer, the next step is to sit down with your buyer and complete your purchase contract. If you would like us to sit with you for support and/or questions, just let us know, we would be delighted to help.

- 1 Purchase Agreement** - Once a purchase price is agreed upon, proceed by filling out the Purchase Contract and all other supporting documents, i.e. Property Disclosure Form, Lead Paint Addendum (if applicable) and Condo/HOA Addendum (if applicable). Collect the earnest money deposit that will be held by the seller or title company of choice.
- 2 Forward Signed Documents to Title Company** - Once the documents have been completed and signed by all parties, forward a copy of the signed documents to Mount Morris Title Agency, LLC. You will receive an order number and title work will be started. If the earnest money is also deposited, an escrow account will be opened.
- 3 Escrow Account** - Mount Morris Title Agency, LLC, can set up an escrow account for deposit of the Good Faith funds from the Buyer, until they are needed during the closing.
- 4 Title Exam** - We will examine the public records and search for any existing liens, mortgages and taxes, and clear any title issues or discrepancies in the title to make sure it is marketable to sell. Once the examination is complete, a title insurance report also known as an Insurance Binder is generated and provided to the lender and/or the buyer for review.
- 5 Clearing Title** - If there are any mortgages or valid liens against the property the escrow officer will order payoffs to clear such liens prior to closing. *Note: The seller must provide the account numbers to all mortgages and liens to the title company with a signed release in order for the title company to obtain payoffs from the lien holder.*
- 6 Escrow** - The escrow officer will prepare a settlement statement with all of the fees and closing costs for both the buyer and seller. This settlement statement will include all lender fees charged to the buyer. The escrow officer will communicate with the lender to coordinate the buyers loan and closing papers as well as the funding of the loan. The escrow officer will then schedule separate appointments with the seller and the buyer to sign the appropriate paperwork. In our area, signing documents usually occurs 2-3 days prior to transferring the property to the buyer.
- 7 Funding** - Once the paperwork has been signed and the buyer has brought in their funds for closing, the lender will then review the signed loan papers and forward the loan funds to the title company. This usually happens by way of electronic wire transfer to Mount Morris Title Agency, LLC's escrow account.
- 8 Record and Transfer** - After all the funds have been received and all the documents have been reviewed, the title company is now ready to transfer the property to the buyer by recording the warranty deed and the mortgage with the county recorders office. Once the approval to transfer the property is given to the title company from the lender, the title company records the documents.
- 9 Disbursement of Funds and Close of Escrow** - After the warranty deed and the mortgage have been recorded the escrow officer is now ready to disburse the funds held in escrow to the appropriate parties. The title company will deduct the sellers closing costs from the seller's proceeds of sale and pay-out all third parties involved, such as the Surveyor who performed a survey, and the Attorney who prepared the Warranty Deed, etc. This will finish the transaction and close the escrow. *Note: Disbursement of funds follows within 24-72 hours after the transfer of title to the buyer.*
- 10 Title Insurance Policies and Recorded Documents** - Several weeks later the county recorder will return the recorded mortgage and deed to Mount Morris Title Agency, LLC. Once we receive the recorded documents, the Owner's Title Insurance Policy is prepared for the new owner and the Lender's Title Insurance Policy is prepared for the Lender. The transaction is now complete.



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