

Residential Closing Checklist for Sellers

Residential real estate closings can be frustrating when you take your eye off all the steps required. Closings are increasingly complex these days because of more stringent lending requirements, governmental regulations and title company procedures. Review each of these steps well before heading out to the title company or sending your attorney to the closing.

Personal Property:

Have you left behind all the personal property items required in the contract, the attorney review, the MLS listing sheet or brochure?? Think about items such as the basement refrigerator, battery back-up sump pump, mirrors, chandeliers, planter boxes, swing set, curtains, blinds and shelving. Ask your realtor or attorney if you are unsure.

Conversely, you need to check that you have not left behind items that the buyer did not expect to inherit, like cans of paint, old doors and shelving.

Inspection Items:

Make sure you review with your agent or attorney the all promised repairs required under the contract and attorney review have been completed as needed. Arrange a thorough cleaning of your home, including the appliances. You should provide paid receipts for all the repair items. We often see disputes arise when damage or stains were covered up by rugs or furniture. Ask yourself if this would be a surprise to you as a buyer.

Loan Payoffs:

Is the sale price and payoff information correct on your closing documents? Were you given credit for any items to be credited to your account like tax escrows? Normally the lender mails escrow balances after closing. Make sure your lender has your forwarding address.

Moving:

Do you know what day you must vacate the property? Is it the day of closing? Normally, the buyer expects to take possession at the time of closing and walkthrough a vacant home. Make sure you clarify this with your agent or attorney if this is not the case.

Movers:

Make sure your movers are confirmed and that they have the proper sized crew and truck to make the move. Also, if you have difficult items to move, these are accounted for ahead of time. Will large items get out of the present home and make it through the new front door and stairs? Also, if you have difficult items to move, these must

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be accounted for ahead of time. Do you have the proper tools to disassemble larger items? It may take a metric socket wrench to disassemble the bed. Make sure you know what form of payment they take; many do not accept personal checks. Remember, it is always less hectic to close on any day but a Friday, the 15th of the month or the last day of the month.

In condominiums, you may need to reserve an elevator and sometimes put down deposits well ahead of time. Did you inform the buyer of the application or interview they may need?

Closing:

It is best not to attend your closing. The risks of personality conflicts with the buyer during an emotional transaction do not benefit anyone. Normally, your attorney has a Power of Attorney to act in your name and for your benefit. You should review the closing statement and understand it before the closing.

Identification:

Bring a government issued photo ID, like a driver's license. Your attorney or the title company needs this to notarize the documents or, if a Power of Attorney will be used, some title companies require a driver's license copy, front and back. Your attorney will need your social security number for the tax reporting or exemption documents.

Transfer Taxes:

Some communities charge a transfer tax either to the buyer, the seller or both. Before the community will issue the stamps, a water bill usually must be paid in full. Be sure to verify the form of payment. In Chicago, the water department will take a personal check for the water charges, but only a certified or attorney check for the certification fee. Also some communities require a home inspection by their building department. Other communities require a copy of the contract, deed and / or state transfer declaration. Ask your attorney or realtor about the procedures and be prepared.

In the City of Chicago, the seller's attorney obtains the zoning certification (single family homes and 2-5 unit buildings must be ordered 3 weeks or more before the closing) and the water certification. The Chicago transfer stamps may be purchased through the title company.

Liquidate Funds:

If you are short on your payoff, you may have to bring funds to the closing. The balance of your sales price, your loan, commissions, back taxes etc. must be taken into account. Call your attorney to review the closing statement. Liquidating the funds may take extra time if the funds are coming from the sale of stock or a loan from a retirement plan or a relative.

Form of Funds:

If you have to bring funds to the closing and the bottom line does not exceed \$50,000, you can use a cashier's check. If your funds are out

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of state, you need to plan ahead as some title companies may not take out of state cashier's checks. In this case, wiring the funds is best. Funds over \$50,000 must be wired. If the funds required closing is higher than \$49,999, all funds must be wired. For example, if your cash to close is \$60,000, you cannot use one cashier's check for \$40,000 and another

for \$20,000. You also want to leave a cushion, so wire in extra funds because the tile company cannot take your personal check. Get wire instructions from your attorney well ahead of closing and note the title company escrow number on the wire form.

The bank will normally require you to initiate the wire in person and you cannot always phone it in.

- Wire Instructions: The best way to get your proceeds from your sale is to have the title company wire them into your account from the closing. This makes the funds immediately available, as opposed to a check that may takes days to clear your bank.
- Spouse: Even if your spouse is not on the deed, for a home, your spouse usually must sign the deed to release homestead rights (certain protections for spouses).
- Home insurance: Remember to cancel insurance coverage or move the coverage to your new home or apartment after the sale funds.
- Disclosures: Make sure you provide the disclosures and test results you arranged for in the contract stage. These include, well/water, radon, termite and mold. Also, for condominiums, make sure you sent the required condominium disclosures and minutes to the buyer.
- Walkthrough: Make sure you know when the buyer scheduled the final walkthrough. Verify that inspection items that you agreed to fix were completed and paid receipts are available for the buyer. Verify that the required personal property items were left behind for the buyer – and if you are in doubt, check with your agent or attorney. Verify that everything is in working order, such as appliances and that there are no leaks or damage not previously disclosed.
- Keys: Make sure all the keys, fobs, mailbox keys, codes and garage door openers are available to your buyer at the closing. Nothing is more frustrating to buyers than being locked out of their new home.
- Utilities: Make arrangements to transfer the utilities. Just make sure you do not shut them off before the closing and give the buyer a day or two after the closing to transfer them in their name.

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Real Estate Taxes: Be sure you understand that you will give a tax credit to the buyer for the accrued but unpaid taxes. Also, any back taxes will have to be paid. Similarly, your payoff to your lender will have the accrued

but unpaid interest as your monthly payment represents the payment for the prior month.

Income Taxes: Make a copy of your HUD-1 and put that in your tax file.

Mail: Forward the mail to your new home!