

FROM CONTRACT TO CLOSING

Your offer has been accepted by the seller and you can't wait to move into your new home. These are exciting times, but don't break out the champagne just yet. There's still more to do before you officially become a homeowner. You've got to prepare for and complete the process known as "closing."

Closing is the point at which the ownership and usually possession of the property is transferred from the seller to you. It takes place after the parties involved agree that all legal and financial obligations have been met. Many people, including you will have a role in events leading up to this process. The REALTOR and your lawyer will guide you through the many steps involved, but here's a check list of the major things to be done, so you'll know what to expect along the way.

Check List

- Make sure a copy of the signed Offer to Purchase is sent to your lawyer right away. Your REALTOR will usually do this for you. Your lawyer needs to see any conditions that exist, and the date you and the seller have agreed to close. The lawyer will ask how you (and other involved in the purchase with you) want to be registered on the title to the property.
- Immediately begin satisfying any conditions of the agreement that require action on your part. They have definite dates associated with them, and if you miss a date, you may have to arrange an extension or possibly risk losing the entire deal. As each condition is met, the REALTOR will fill out a "waiver" form for signatures. This document states that the conditions have been satisfied and is no longer part of the agreement. Note that most lawyers won't begin doing many of the tasks they have to complete until the conditions are waived. This saves you money, should the deal fall through because a condition couldn't be met.
- Upon your direction and after the conditions have been met, your lawyer will begin searching title to the property. This can be an involved and time-consuming process of going back through government records to be sure the seller has clear title, and that it can be transferred to you without any problem.
- If you so decide, your offer should contain a condition that the property pass inspection by a professional home inspector. Have the inspection done within the time established by the condition, to be sure the house is in good shape and that you want to proceed with the purchase.
- If no current land survey exists on the property, arrange for one soon. **Note:** This is typically provided to you by the Seller. Your lender may require it, and

you'll want it for your own peace of mind, anyway.

- Your lawyer will contact your lending institution and have them begin the process of finalizing your mortgage documents.
- Your lawyer will contact the seller's lawyer with any questions or issues regarding title and costs that have to be resolved before closing can take place.
- You should contact the gas and utility companies for final meter readings on the day of closing. You should also contact the utilities, telephone company and cable company to arrange for all services to be put in your name.
- If you currently rent, you'll need to give notice to your landlord or sublease your apartment. Also contact moving companies to begin getting costs and make arrangements to move.
- Meanwhile, your lawyer will be busy gathering a number of different reports, certification and clearances from various governmental offices. The lawyer will make sure that property taxes on the house are up to date, local zoning and building restrictions have been met, and there aren't any liens on personal property, such as appliances, to be sold with the house. You want your lawyer to make sure that what you've agreed to buy is what you're getting - nothing more and nothing less.
- If your lender is not going to draw up the mortgage papers your lawyer will do this for you. When a vendor take back mortgage is involved, your lawyer will create this document, too. If you're assuming an existing mortgage, make sure you're qualified to assume by contacting the lending institution, and have your lawyer review any documents you will be signing.
- Send out your change of address notices and fill out a card at the post office. Plan to notify the Ministry of Transportation right after you close, for driver's licenses, car registration, etc.
- Well before closing contact your insurance agent to arrange homeowner's insurance coverage to become effective on the date of closing. They may not issue you a policy before that date, but your agent can give you a "binder" letter, certifying that coverage is in place. You may need to produce this document before closing. You may also want to talk to your agent about mortgage life insurance.
- Your lawyer will review and verify the draft deed (the document that transfers ownership from the seller to you), statement of adjustments and other closing information provided by the seller's lawyer, and will deal with any problems as they arise.

- A day or two before closing, you'll meet with your lawyer to go over and sign the closing document. Also bring with you to the meeting a cheque to cover the costs involved. Your lawyer will let you know what the amounts are before meeting.

The Big Day Arrives

So much happens in such a short amount of time, it can all become quite a blur.

If your lawyer arranged everything well, closing day can be almost anti-climatic. The process takes place at the local registry office, usually in a matter of hours, depending upon how busy the office is that day. There is no need for you to be present at closing. The lawyers for both parties exchange documents and funds, and then register the title and mortgage. Soon thereafter, you'll be given the keys to your new home through your Realtor on closing day - usually 12 noon.

Congratulation! You can now call yourself a homeowner.

After You've Moved In

Most of the packing boxes have been taken away, and you're actually beginning to remember where you put things in your new home. Before we leave you to the pleasures of settling in, here's a final tip about enjoying your home.

Whether you've bought a new home or a resale home, you'll experience a very strong urge to begin make changes and improvement right away. The existing carpeting has just got to go. The yard needs additional trees and shrubs. Better start building the new deck now, in time for summer.

Slow down and do some planning first. Live in the house for awhile and see how it fits.

Set up and follow a budget. Track your daily expenditures for a couple of months, so that you'll know where the money goes. Make a few mortgage payments and begin building a reserve fund for rainy days. Set up a maintenance program (your home inspector probably gave you a lot of information about this) and begin to establish some routines.

You've just been through several weeks of stressful events - finding your home, arranging financing, making lots of decisions, writing lots of cheques, and moving; all leading up to a large, long-term commitment. Don't try to change everything in the first week or even the first month. Give yourself some time to relax and experience the sense of pride and accomplishment you should feel about owning your own home.

Above all, have fun!