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Buyer's Contract to Close Checklist

Congratulations, you're under contract! We know that the contract to closing period can be one of the most stressful parts of the property buying process, so we've put together a checklist of steps to help you.

Immediately

1. Finalize Your Mortgage

If the contract you negotiated includes a financial contingency period¹, you have a set amount of time (as detailed in the contract) to secure a loan to purchase the property. It is important to treat each request by your lender with high priority during this time to ensure a quick and easy loan approval prior to closing.

2. Schedule a Home Inspection

We strongly recommend that you schedule a third party inspection because we want you to discover any problems with your new property before you own it. By scheduling your inspection right away, you will have time to address any issues with the property during the option period².

Three Weeks Before Closing

1. Arrange for an Appraisal

Your lender or bank will require an appraisal by an independent party in order to finalize the mortgage. The appraisal determines whether the seller's asking price is higher or lower than the actual value of the property. The cost of the appraisal is typically part of your closing costs (rather than the seller's cost). The results of the appraisal may require renegotiation of the contract, so it's a good idea to have it done early.

2. Perform Title Research

This step is performed by the title company selected during contract negotiations. The title company you selected is responsible for issuing title and providing title insurance, so the title company will make sure there are no issues with the property such as any outstanding mortgages, unpaid taxes and restrictions that may impact your ownership of the property after closing.

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3. Schedule Movers

We recommend scheduling a mover at least three weeks prior to your move-in date. You should also start packing up your belongings at this time.

Two Weeks Before Closing

1. Get Quotes for Homeowner's Insurance

As part of the financing process, your lender will need to know all the information related to your homeowner's insurance. It's a good idea to shop around and compare quotes before committing to any policy. Don't forget that flood damage isn't covered by your typical homeowner's insurance policy, so you'll need to purchase this separately. You will complete the purchase of your homeowner's insurance at closing.

2. Secure a Home Warranty

A home warranty covers appliances (e.g. dishwasher, oven) and major mechanical systems (e.g. HVAC, plumbing). Typically, the seller sets an amount they will pay for a home warranty and the buyer selects their own home warranty company within that price range.

3. Schedule a Time for Closing

In anticipation of closing, we will contact all parties involved in the sale to arrange a time for closing. This meeting is most often held at the offices of the title or mortgage company. Make sure that you will be present for the entire closing; it can take over an hour to complete.

One Week Before Closing

1. Schedule and Attend a Final Walk-Through

The final walk-through typically occurs one or two days before closing and is an important step you shouldn't overlook. It gives you a chance to make sure all repairs have been made by the seller and there are no last-minute problems with the home before closing.

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2. Plan Your Move

During the complicated process of completing your property purchase, it can be easy to overlook the little details you will need to complete soon after closing, like changing your address and transferring utilities to your name. Be sure to make a plan for moving in to your new home. If you have arranged for a seller lease back³, you will have more time to complete these steps.

3. Obtain Certified Checks

You will need certified bank or cashier's checks from your bank in order to pay final closing costs to the title company and seller. Make sure you have plenty of personal checks as well in case any last minute payments are needed at closing.

Day of Closing

This is the time when the last papers are signed and once the deal funds, the property is officially yours! Typically, both parties meet at the title company at different times to sign all required documents. As a buyer, you will have quite a bit of paperwork to sign - especially if you have taken out a loan to purchase the property. Closings typically take an hour or more, so be prepared for a long morning or afternoon.

What to Bring to Closing

- Photo ID
- Certified checks from the bank
- Copy of homeowner's insurance
- All documents related to the sale of the home (inspection reports, copy of contract, etc.)

Once both you and the seller complete the closing process and the title company has received the funds, you will receive keys to the property and the process is complete! Congratulations!

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1. Financial Contingency: A contractually agreed upon time to settle your financing needs, which is usually two to three weeks from contract commencement. If you find you are unable to obtain financing during this time, you can back out of the contract without penalty.
2. Option Period: The amount of time negotiated in the contract in which the buyer can cancel the contract for any reason. Typically, the option period is 10 days, and the buyer pays a nominal fee (e.g. \$100) for the right to cancel.
3. Seller Lease Back: There are circumstances where sellers don't move out of a property right away after closing. This situation often leads to a lease back, where the seller pays rent to the buyer, who is the new owner of the property. A lease back can arise for many reasons, such as when a situation prevents a seller from moving immediately. If you find yourself in this situation, be sure to put all lease back agreements in writing in order to protect both your rights as the buyer and the seller's rights.