

# 6 tips for a painless closing

Closing on a house can be joyful or horrific. Follow this advice for a smooth settlement.

By Polyana da Costa of [Bankrate.com](https://www.bankrate.com)

You finally found the house of your dreams. You signed a contract and got approved for a mortgage. You've even hired the movers. Now comes the most important part: the closing.

In an ideal world, closing should be a mere formality, where homebuyer and seller sign on the dotted lines, exchange checks for the keys and shake hands. But this isn't an ideal world, which means that if you and the professionals you hired don't prepare, your closing could be a disaster.

Here are six tips for ensuring your closing goes smoothly.

## 1. Ask questions

Knowing what to expect and communicating with all parties involved in the deal are key to a successful closing, says Neil Garfinkel, a real-estate attorney at Abrams Garfinkel Margolis Bergson LLP in New York.

A week before closing, "talk to the people who are representing you, and tell them you'd like to spend a couple of minutes to discuss what to expect," Garfinkel says.

Don't be afraid to bother your loan officer or your real-estate agent, says Jeff Richardson, a real-estate agent at Alliance Bay Realty in Newark, Calif.

"Stay on them," he says. "Ask them 'Do you have everything you need?' Don't assume everyone knows what they are doing."

## 2. Anticipate human error

Richardson says he recently represented a buyer whose closing failed because of missing loan documents. The buyer was a co-signer on his brother's mortgage, and the lender had requested 12 canceled checks showing that the brother, not the buyer, was paying the old mortgage. The buyer could come up with only eight checks, and the loan officer said that would be enough. That was weeks before closing.

"I kept saying that wasn't going to work," says Richardson, who also has worked as a mortgage broker. "The requirement is 12 checks. How can eight checks be sufficient?"

Three days before closing, the lender said it couldn't issue the loan without the 12 checks, and the deal was canceled.

Sometimes people don't know as well," Richardson says. "I asked his loan officer, 'How can you give someone an approval letter when you don't have all the documentation?' And his answer was, 'Well, now I learned it.'"

## 3. Review loan documents in advance

One way to ensure all is going as planned is to tell the lender that you want to review the documents before closing, or ask your attorney to do so.

By law, you have the right to review the closing-settlement statement, or the [HUD-1](#) form, at least 24 hours before closing. Compare that form to the good-faith estimate you received when you applied for the loan.

"You should have everything you are going to sign before you sign it," Richardson says. "A lot of people don't do that. When they get to closing, they are nervous, and they just want to sign and get the keys. That's how people get in trouble."

#### **4. Take a check**

Another reason to review the loan documents in advance is so you know how much money you must bring to closing. And yes, you will need a check at closing, most likely a certified one.

Many buyers are so anxious and excited that they forget they need to stop at the bank to get the check.

Using a wire transfer is an option, but it may delay the closing, says Rafael Castellanos, a managing partner at Expert Title Insurance Agency in New York.

"Some people think a wire transfer is faster, but the closing won't happen until they have actual confirmation that the wire hit," Castellanos says. "Depending on the time the transfer was made, it could be a huge problem."

The buyer must also bring photo identification and a copy of the homeowners-insurance policy, as well as the good-faith estimate, the HUD-1 statement or both, in case there are discrepancies.

#### **5. Take the day off**

A smooth closing may take less than 30 minutes, but you won't know for sure if your closing will go as planned until it's done.

"There may be delays, especially if you are closing at the end of the month," says Rob Nunziata, president of FBC Mortgage in Orlando, Fla. "Sometimes, people have to sit there for hours and say, 'I've got to get back to work.'"

Trying to close during your lunch break is a bad idea, Castellanos says.

"Imagine you get these delays, and you are on your lunch hour," Castellanos says. "Now you're hungry, you're frustrated and you're late. That's a pretty bad combination."

#### **6. Expect the unexpected — including typos**

You're at the closing table. You're told everything is good to go. All you need to do is sign.

You must double-check the numbers on the mortgage note you are signing, even if you have received the HUD-1 form before closing.

"One of the biggest holdups in closing is when the mortgage documents are incorrect," Castellanos says. "Sometimes, you have to correct the interest rate, or the amount is wrong and you need to fix it."

Because of a simple typo, your loan documents may need to be sent back to the lender to be redone.

To prepare for these unexpected delays, borrowers should try to schedule their closings for earlier in the day. And don't wait until the last day on the contract to close.

"You shouldn't get to that line, especially when you are buying a foreclosure or short sale," Richardson says.