

## Don't Be Surprised at Closing

Familiarize yourself with the terms, conditions and requirements beforehand

In some situations, surprises are welcome. But your closing isn't movie theater or magic show — so you don't want any.

Hiring a qualified real-estate agent will go a long way toward helping you avoid unforeseen issues, since they'll be more familiar how these transactions should typically work. They'll also have gone over the document in detail beforehand, making sure you're familiar with all of its ins and outs.

Here's what to keep a close eye out for when getting prepared for the big day:

### TERMS AND CONDITIONS

The excitement and joy of buying a new home can potentially blind us to the inherent financial risks involved with signing a mortgage. In a rush to secure the property, you might put yourself in a bind if you don't pay close attention to what you're signing. Read the fine print, since these contracts come packaged with a number of set rules that could result in



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### REAL ESTATE 101

#### Agents, Realtors and Brokers

There are important differences between a real estate agent, and Realtor and a real-estate broker. Anyone with a real estate license is an agent, while brokers have taken additional courses and passed a broker's exam. Realtors are members of a national association which pledges to uphold a strict code of ethics in selling and buying homes.

home forfeiture if they are not followed. Loan officers can

walk you through the whole thing, putting all of it in lay-

man's terms so the requirements make sense.

### CLOSING COSTS

It's going to be a big contract, with lots of pages and even more jargon. That's where a loan officer come in, and they help you sort through everything from the length of escrow, to whether the seller is covering any portion of the costs to close, and which furnishings or fixtures may remain on the property. Be ready to pay closing costs, which are the processing fees charged by the lender and cover things like home appraisals and title searches. They typically amount to between 3% and 6% of your total loan. So, a \$200,000 home will include somewhere between \$6,000 and \$12,000 in closing costs.

### WHO'S ON THE TITLE

The property will be titled at purchase, and the name or names that appear on the document matter. Typically, spouses share in the purchase, but primary buyers may include family members, a significant other or even friends. Just remember that a property can not be resold until everyone on the title consents and signs off. Putting younger people on the title may also lead to additional costs, since they are at higher risk of car accidents or financial difficulties.





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### REAL ESTATE 101



#### HOMESWISE GLOSSARY

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**Rule of 72:** The rule says that to find the number of years required to double your money at a given interest rate, you just divide the interest rate into 72. **SOURCE:** MLS.com

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