



What to Expect at the Mortgage Closing Table

What is Closing?

After shopping around for the right lender and the right loan, and completing the appropriate applications and supplying the valid documents, you are finally ready to come to the mortgage loan closing table. The close of your loan is the final step in securing a loan for your home purchase. It is where you officially become the owner of the home you are buying. At this point, you should have taken care of all the mortgage details and should not need to make any changes to the loan terms. Closing means signing into a hefty mortgage commitment, so you should have done your research before this point to make sure you are comfortable with the loan.

Who Will Be There?

If you are closing on a home purchase, it is likely that besides yourself, the buyer, you will also have the home seller, his or her real estate agent, the mortgage lender, the title insurance agent, and the escrow agent at the loan closing. The escrow agent acts as the moderator or impartial administrator of the transaction. In some cases your loan officer may also be in attendance.

What Will I Have To Do?

All of the required paperwork will be prepared and provided by the closing agent, but you are responsible for reading and understanding the terms of the loan as described. In some cases mortgage wording can sound like a lot of legal jargon and you may want to consider bringing along your attorney to help you make sense of it all. No precaution is too minor when it comes to signing into your mortgage. Of course, you hope that all mortgage lenders are perfectly honest and straightforward, but there are some out there that may try to slip some new, less favorable terms into the loan at closing. Reading all the fine print will save you from unpleasant surprises later.

The documents that you will read and sign are: 1) the Settlement Statement – a document detailing all the terms of the home purchase, including the price, the loan amount, the fees, taxes, etc., 2) the Truth-in-Lending Act Statement – a final accounting of the estimated monthly payment and cost of the closing fees, noting any difference from the original estimate, 3) the Mortgage Note – the actual loan contract that says exactly what you agree to do and what the lender agrees to do, the costs and penalties associated with the mortgage, and 4) the Deed of Trust – a listing of the rights and responsibilities of both you and your lender.

At the close, you will also be required to pay for the closing costs and fees of your loan. Ideally, you would have already gotten a good faith estimate of what fees are included and how much they amount to. This way you can have at least that much waiting in a bank account to be transferred at closing.

After signing the documents and paying the fees, congratulations! The home is now yours!