

## Closing on Your Home

Pfeifer Homes, Inc. recognizes that timing is vitally important in planning your move and locking in your loan. We can specify an exact delivery date when construction reaches a point at which weather and other factors are unlikely to affect completion of your home. This occurs 30 days before closing. Until then, many factors can influence the schedule:

- Weather can delay getting the foundation in and can affect framing, roofing, and exterior finish.
- Material shortages and labor strikes may also affect the construction schedule.
- If you are delayed in responding to a request from your lender, this can affect work progress.
- Change orders signed after the original purchase agreement has been completed can add to the schedule.

### **Date of Closing**

The closing, or settlement, takes place 3-5 days after the orientation and usually the same day as the sign off walk-through. Pfeifer Homes, Inc. will notify you 30 or more days prior to the completion of your new home. You and/or your Realtor need to contact your lender to arrange for your closing at this time. This should give your lender plenty of time to prepare for the closing. Typically the closing process takes 45 minutes to an hour. You will be given the keys and can move into your new home immediately after the Title Company records your closing with the County and disburses all funds. This usually occurs the day after closing.

### **Location of Closing**

The closing on your new home typically takes place at the title company, although it occasionally occurs at the lender's office. Your lender should confirm the location with you, when you notify them of your closing.

### **Closing Documents**

At closing, the documents necessary to convey your new home to you and to close the loan from the mortgage company will be executed and delivered. In addition to these standard items, the lender, the title company, and Pfeifer Homes, Inc. may require other documents to be signed. The principal documents typically include the following:

- **General Warranty Deed** - The general warranty deed conveys the home and lot to you, subject only to permitted exceptions.

**Title Commitment** - At or before closing, we will deliver to you a standard form for an Affiliated Land Title Association (ALTA) owner's title insurance commitment to insure salable title of your home to you in the amount of the purchase price, subject to the permitted title exceptions that may be described in the purchase agreement. Review the title commitment carefully. Discuss any questions with your title company. Within 60 days after the closing, the title company mails a standard ALTA owner's title insurance policy, insuring you the title to your home in accordance with the commitment you received at closing. Keep the title insurance policy with your other valuable papers.

- **Lien Coverage**

Pfeifer Homes, Inc. provides lien coverage with your title policy. This protects you from liens associated with work that Pfeifer Homes, Inc. subcontractors performed on your home. This coverage does not include any work performed by buyer, buyer's subcontractors or buyer's suppliers.

- **Pfeifer Homes, Inc. Limited Warranty** - We provide a copy of the limited warranty in this manual for your review. Please read it thoroughly.

- **Promissory Note** - The promissory note is from you, payable to the lender in the principal amount of the loan, plus interest. One-twelfth of your annual taxes and homeowner's insurance will be added to the principal and interest payment to determine your total monthly payment.

- **Deed of Trust** - This encumbers your home as security for repayment of the promissory note.

## **Closing Expenses**

Review the good faith estimate in "Applying for Loan" for other costs such as recording fees and closer fees.

Certain customary items in connection with the property will be prorated to the date of closing such as prepaid expenses, or reserves required by your lender and homeowners association, if applicable. Prorations of general real property taxes and assessments will be based on the current year's taxes and assessments or, if they are unavailable, on the taxes and assessments for the prior year.

## **"The Final Number"**

The final cost figure is available near to the actual closing. Although a reasonably close estimate may be determined before the date of closing, the proration of several items included is affected by the closing date and cannot be calculated until that date is known.

## Preparation

Plan to bring certified funds to the closing table. In your planning, be sure to allow time to arrange for and obtain these funds. In addition, please keep the following items in mind:

- **Documents** - The Real Estate Settlement Procedures Act (RESPA) provides you with many protections. Under this law, you can review the settlement page that lists costs you are paying at closing one day before the closing appointment. Although these documents are not negotiable and thousands of home buyers have signed them, you should read them.
- **Insurance** - You need to provide proof of a homeowner's policy from your insurance company. Your insurance agent should know exactly what is needed. We suggest you arrange for this at least three weeks before the expected closing date.
- **Pfeifer Homes, Inc. or Lender Issues** - The title company is not authorized to negotiate or make representations on behalf of any of the parties involved in the closing. Therefore, please discuss any questions, agreements, or other details directly with us or your lender in advance of the closing.
- **Utilities** - Pfeifer Homes, Inc. will have utility service removed from its name **the day of closing**. You will need to notify all applicable utility companies of your move so that service is provided in your name. We suggest that you contact these companies well ahead of time to avoid any interruption in service. Utility company phone numbers are provided to assist you in making these arrangements. If special circumstances prevent the transfer, please call our office.