

# CONGRATULATIONS— YOU GOT A CONTRACT. NOW WHAT?



A CHEAT SHEET OF IMPORTANT EVENTS, DEADLINES, TIPS,  
AND NEED-TO-KNOW INFORMATION FOR A STRESS-FREE &  
SUCCESSFUL CLOSING

PRESENTED BY:  
DANNY SAMSON  
REALTOR® | SAMSON PROPERTIES

**SAMSON**  
PROPERTIES

*Cardinal*   
TITLE GROUP

## YOU GOT A CONTRACT . . .

### REALTOR LOCKBOX OFF, COMBO LOCKBOX ON.

We may decide to remove your Realtor (Sen-trilock) lockbox and put on a combination box within a day or so after we ratify a contract. We do this so that random agents can't enter your house. We will provide the combo box code only to the appraiser, wood destroying insect inspector and/or buyer agent, as needed, and will let you know in advance when they are coming. At this time the listing status will change from Active to Contract Pending Contin-



gencies. We may also remove marketing materials from inside the home and put up an Under Contract sign/rider.

### SELLER INFORMATION SHEET

We will send you a "Seller Information Request Sheet" within days of ratification. Please get this back to us as soon as you can. This will document certain necessary information, such as your loan payoff information, HOA/Condo association details, etc., which the title company will need in order to get the paperwork and payoffs ready for closing. If you will need a Power of Attorney prepared, let me know in advance.

### HOA/CONDO RESALE DISCLOSURE DOCUMENTS

We will order them for you. They typically cost anywhere from \$150 to \$250, but can in some instances be more than that. If you have two associations, it will likely be more. They will send their invoice to the settlement company for payment from closing. Note: If I have already given you a "Seller's Estimate of Proceeds," the projected \$\$ number for these disclosure documents is itemized there. We typically order these disclosures right after we ratify a contract. They can take 1 to 2 weeks for an HOA/CONDO to process. Once we receive the documents, we will turn them over to the buyer. Under state law, the buyer always has a 3-DAY REVIEW PERIOD AFTER RECEIPT OF THE DOCUMENTS, WHERE THEY CAN UNILATERALLY VOID THE CONTRACT. If we deliver on a Tuesday, they have until Friday at 9:00 pm to void, no questions asked, if they so choose.

### VIOLATIONS

One of the main things I check for in the documents is "violations." If we have any existing HOA violations (maintenance issues, improvements made without HOA/Condo approval), we are bound by the contract to correct those and get them cleared for the buyer prior to closing.

### HOME INSPECTION

*"X" days Initial Contingency, "X" days Negotiation Period*

The buyer agent will let me know when they plan to do their inspection. You really should plan to be out of the house for the inspection. The agent, buyer and inspector will be present, and they want to feel free to talk about



the home without the seller “hovering.” They can take anywhere from 2 hours on condos to 4 hours on larger single-family homes. Please make sure that they can access all areas of the house—especially electrical boxes, sump pumps, HVAC equipment, attics, etc.

The buyer has the specified number of days in the contingency period to complete the home inspection and deliver to us a copy of the full report from the inspector, along with a separate addendum containing any items they are re-requesting that we fix (or provide \$\$ credit for).

Be prepared for a number of items to be listed in their repair/replace/credit request. This is the single biggest hurdle to navigate towards our end-goal of a successful closing. I encourage you to keep an open mind, try to keep your blood pressure in check, and to “think like a buyer” during this phase of your transaction. Typically, we will get a list of between 5 and 15 repair items, though I have had as many as 35 or 40 requests and as little as 0.

Typically, these repairs are not cosmetic in nature (or at least they shouldn’t be). Roof leaks, plumbing leaks, wood rot, window issues, electrical problems, HVAC and other appliance issues, etc. are generally what we see.

Once we receive the list we will have a few options:

1. Saying ‘Yes’ to all repairs—We will have until closing to complete them.

2. Saying ‘No’ to all repairs—may cause the deal to fall apart but will depend on your leverage
3. Counter with the repairs—We will/ will not agree to . . .
4. Offer a credit in lieu of repairs or some combination of the two.

Often a credit is best. We cut down on your hassle of having to deal with repairs, as well as the potential for disputes later on over whether a repair was done correctly.

Be sure to send us any receipts for repairs (from qualified, licensed contractors), and the sooner the better. If you intend to have any repairs performed by a non-licensed individual, definitely talk with me about that ahead of time, as the contract generally calls for the license, but we may be able to negotiate an agreement with the buyer, especially for simpler repair items.

Our “Negotiation Period” begins when we receive the buyer’s addendum. We have until the end of the Negotiation Period to come to an agreement on what will and won’t be done, in consideration of the buyer removing their inspection contingency. If we can’t come to terms in the specified time period, then the buyer will have a “Purchaser Election” period, typically 2 days or so, in which that they are allowed to void the deal.

## RADON INSPECTION

They will let us know when they plan to do their test for radon. A lot of times it is organized with the home inspection. An inspector will drop a “lunch box” looking device in your basement. They will come back 2 days later and pick it up to get the results. If the house tests over the EPA “safety” benchmark of 4.0pCi/L then the buyer will likely ask us to remediate.

Radon remediation typically costs around \$800–\$850, when needed. The highest risk of high radon levels may be in basements with no walk-outs and/or no full-size windows. During the testing period, you will be asked to keep all windows closed and doors closed except for normal entry and exit (but not left open).

## WOOD DESTROYING INSECT IN-





## SPECTION (TERMITES)

Someone has to pay for the +/- \$35 inspection. It's about 50/50 whether the buyer or seller pays for the inspection, and it's in the contract as to who will order it and pay for it.

The inspection has to be done within 30 days of closing. 80% of them come back clean. If they find a need for any type of treatment for termites (or carpenter ants or powder post beetles), we ARE required to treat before closing, non-negotiable. This is lender required, and, if needed, treatments typically run \$400–\$500. Inspection and/or treatment costs can all be paid at closing.

It doesn't matter if you are home or not, the licensed inspector will be provided access. It only takes 10 or 20 minutes, but they do need brief inside access.

## PROFESSIONAL MOVERS?

If you will be using professional movers, you'll want to line them up and get on their calendar for your scheduled move day, as they can book up far in advance. Unless we have a negotiated rent-back, you'll need to have everything packed up and out prior to closing. If you'd like recommendations on movers, just ask me.

## SURVEY

At



some point you may see someone wandering around your yard doing measurements for the survey. Don't be alarmed—it's for the buyer. As a courtesy, they should announce/introduce themselves but, just in case, that's who it is.

## APPRAISAL

The appraisal contingency will typically run 21 days from ratification. The lender orders the appraisal through a 3rd party. Expect to get contacted by an appraiser somewhere between 7 to 14 days after we get a contract. For the actual appraiser visit, you may be home or not, either one. Ideally, we'd like the house to be picked up and looking good for the appraisal, which typically takes about 30 minutes. The appraiser will walk through the house, take measurements, photos of every room, and note upgrades. They are working to appraise the value of the home compared to recent sold homes around you.

If the appraisal comes in less than the contract price, the buyer can void the deal if we aren't willing to come down to the appraised value. With FHA and VA buyers, they can actually choose to void the deal regardless.

The lender will only give the buyer a loan as a percentage of the appraised value, which means they would have to come up with the difference in cash unless we come down in price to the appraisal figure, or reach a compromise with them. Sometimes the buyer just doesn't have the cash, sometimes they have it but aren't willing to proceed based on the fact they now feel they are overpaying.

We can choose to come down all the way to the appraised value, we can say no that we aren't willing to come down, or we can attempt to negotiate and make a (compromise) deal. Each deal and buyer is different, but these are our options. We probably see low appraisals in 5% to 10% of transactions. The odds of a low appraisal can increase when a home contains an extreme amount of upgrades or is under contract for considerably more than your neighbors' have sold for.

Appraisers are looking primarily at sales within a mile of your home, which have closed in the last 90 days. If they don't have enough data they will go back slightly longer



and look at a slightly larger area, if need be.

UTILITIES

As you prepare for closing, remember to call your utility companies to inform them of the upcoming sale. Email us the names of the utility companies that you use and schedule turn off for the DAY AFTER closing. We do this to ensure the utilities remain on through closing (per the contract) and we don't have any last minute surprises. The buyer will call ahead of closing and schedule the transfer into their name to be effective the day after closing.



HOMEOWNER'S INSURANCE

You'll want to contact your insurance agent, with request to terminate your policy 3 or 4 days after settlement. The idea is to retain coverage in place until the deed is recorded.

If you will be renting back for a short time after closing, you'll want to make sure your insurance company knows this, as well, so that you have appropriate coverages in place without paying any more per day than necessary (as you'll no longer own the home).

WALK THROUGH

The buyers will do a final walk through inspection, and I will let you know when. It's typically a day or two before closing—and sometimes the morning of closing. They actually have the contractual right to one or more "inspections" up to 7 days prior to closing.

Closing Cost Details				
Loan Costs	Borrower-Paid		Seller-Paid	
	At Closing	Before Closing	At Closing	Before Closing
<b>A. Origination Charges</b>				
1. 0.25 % of Loan Amount (Points)	\$1,600.00			
2. Application Fee	\$100.00			
3. Underwriting Fee	\$1,000.00			
4.				
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13.				
<b>B. Services Borrower Did Not Shop For</b>				
1. Approval Fee	\$236.55			
2. Credit Report Fee		\$29.80		\$400.00
3. Flood Determination Fee		\$20.00		
4. Flood Monitoring Fee		\$31.75		
5. Tax Monitoring Fee		\$75.00		
6. Tax Status Research Fee		\$80.00		
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13.				
<b>C. Services Borrower Did Shop For</b>				
1. Post Inspection Fee	\$120.00			
2. Survey Fee	\$85.00			
3. Title - Insurance Binder	\$600.00			
4. Title - Lender's Title Insurance	\$500.00			
5. Title - Settlement Agent Fee	\$500.00			
6. Title - Title Search	\$800.00			
7.				
8.				
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12.				
13.				
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>				
Loan Costs Subtotal (A - F + G + H + I)	\$4,604.25	\$29.80		
<b>Other Costs</b>				
<b>1. Taxes and Other Government Fees</b>				
1. Recording Fees	\$85.00			
2. Transfer Tax	\$950.00			
3.				
<b>2. Prepaids</b>				
1. Homeowner's Insurance Premium (1.2 mo.)	\$1,200.00			
2. Mortgage Insurance Premium (mo.)	\$1,200.00			
3. Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04			
4. Property Taxes (\$6.00 per sq. ft. for 2013)	\$600.00			
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<b>3. Initial Escrow Payment at Closing</b>				
1. Homeowner's Insurance (1.2 mo.)	\$1,200.00			
2. Mortgage Insurance (per month for 2 mo.)	\$219.00			
3. Property Taxes (\$105.00 per month for 2 mo.)	\$210.00			
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<b>4. Aggregate Adjustment</b>				
1. Aggregate Adjustment	-\$0.01			
<b>5. Other</b>				
1. HOA Capital Contribution	\$500.00			
2. HOA Processing Fee	\$100.00			
3. Home Inspection Fee	\$750.00			\$750.00
4. Home Warranty Fee	\$450.00			
5. Real Estate Commission	\$5,700.00			
6. Real Estate Commission	\$5,700.00			
7. Real Estate Commission	\$5,700.00			
8. Title - Owner's Title Insurance (optional)	\$1,000.00			
9. Title - Lender's Title Insurance (optional)	\$1,000.00			
10.				
11.				
12.				
13.				
<b>6. TOTAL OTHER COSTS (Borrower-Paid)</b>				
Other Costs Subtotal (J - L + M + N + O + P + Q + R + S + T + U + V + W + X + Y + Z)	\$5,018.05			
<b>7. TOTAL CLOSING COSTS (Borrower-Paid)</b>				
Closing Costs Subtotal (D + E + F + G + H + I + J + K + L + M + N + O + P + Q + R + S + T + U + V + W + X + Y + Z)	\$9,712.30			
Loan Costs	\$4,604.25	\$29.80	\$12,800.00	\$750.00
Lender Credits				\$400.00

Please be sure to have all agreed-upon repairs completed (and have contractor receipts available) no later than 1 week prior to closing. If you have moved out already great; if not, some buyer agents will wait and do their final walk through after you have moved out, even if it's right before closing.

The house must be completely vacant before closing. You must leave the house in "broom swept" condition. As a courtesy to their buyer, many sellers choose to thoroughly clean the property themselves or have professional cleaners come. Talk to me about any holes in the walls larger than a dime, as they may need to be filled/repaired. Smaller holes can be left. All appliances, lighting, fans, curtain rods, blinds typically stay unless otherwise agreed upon. The actual curtains are defined as "window treatments" in the contract. If we checked "Yes" then they must stay. If we checked "No" then you can take the curtains with you.

If you anticipate any of this being an issue, please talk to me beforehand—don't wait until closing day.

SETTLEMENT

On the seller side, we can expect a closing disclosure 3 days before closing, which shows the, "bottom line" (net proceeds), assuming we have provided the title company with all of their re-requested seller information in advance.

Lenders are required to provide your Closing Disclosure three business days before your scheduled closing. Use these days wisely. This tool will help you double-check that all the details are correct. If something looks different from what you expected, ask why. Now is the time to resolve problems, if the explanation you get isn't satisfactory, keep asking questions.

Closing Disclosure		This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.	
<b>Closing Information</b>		<b>Transaction Information</b>	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone
Closing Date	4/15/2013	Property	123 Anywhere Street, Anytown, ST 12345
Settlement Agent	Equity Title Co.	Seller	Steve Cole and Amy Doe
Property	456 Somewhere Ave, Anytown, ST 12345	Lender	Fico Bank
Sale Price	\$180,000	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> MIC
<b>Loan Terms</b>		<b>Can this amount increase after closing?</b>	
Loan Amount	\$162,000	Interest Rate	3.875%
Monthly Principal & Interest	\$761.78	Prepayment Penalty	YES - As high as \$3,240 if you pay off the loan during the first 2 years
<b>Projected Payments</b>		<b>Does the loan have these features?</b>	
Payment Calculation	Years 1-7	Years 8-30	
Principal & Interest	\$761.78		\$761.78
Mortgage Insurance	+		+
Estimated Escrow	+		+
Estimated Total Monthly Payment	\$1,050.26		\$967.91
Estimated Taxes, Insurance & Assessments	\$356.13 a month	<input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	
<b>Costs at Closing</b>		<b>In escrow?</b>	
Closing Costs	\$9,712.10	YES	
Cash to Close	\$14,147.26	YES	

We will get a copy of the preliminary Closing Disclosure (formerly the HUD-1 settlement statement) and review the numbers ahead of time to see if we have any questions or issues.

Also, remember to cancel any auto-drafts for HOA payments and your mortgage.

If you are closing in the first 7 to 10 days of the month, and if you would prefer, it's OK to not pay your mortgage payment and HOA for that month. The mortgage payment you typically make on the first of the month (or thereabouts) is actually for the prior month (mortgage payments are typically, "paid in arrears", unlike rent).

The settlement company will prorate what you owe and collect it as part of your loan payoff. If you think an HOA

or mortgage payment has posted within a few days of closing, please let us and/or the settlement company know to ensure they have updated payoffs at closing for both accounts.

For Settlement you will need to bring your li-cense or other government-issued photo ID, as well as account information on where you want your money wired to. Typically a voided check or wiring instructions is the preferred method. You can also choose, of course, to pick up a check or have a check mailed to you. Your funds will typically post to your account in the afternoon one or two business days following closing. The sale will typically go on record in the county land records the next business day following closing, and then your funds will be disbursed.

If you are buying right after selling and there are two title companies involved, we will coordinate everything so funds can be wired directly from one Title Company to the other. If you need to bring funds to closing to complete the sale (to cover all selling expenses and loan payoffs), you'll need to bring a certified check written out to the title company unless wired in advance from a lender that we know and trust to get the job done.

## THE SETTLEMENT STATEMENT OR CLOSING DISCLOSURE

The first page is primarily a summary of all numbers, many of which are brought forward from the *Disclosure Form*—stating the final terms and closing costs, closing information, transaction information, and loan information. Most of the information on this page is for the Buyer.

The second page is designed with the closing cost details, with the Seller-Paid costs column detailing "At Closing" and "Before Closing" to the right of the Borrower-Paid column.

Pages 3–5 include:

- Calculating Cash to Close
- Summaries the Transactions for the

Borrower and Seller's Transactions

- Loan Disclosures



**FIRST  
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- Other Disclosures for Appraisal, Contract Details, Liability after Foreclosure

**FIRST HERITAGE MORTGAGE PROVIDES**—Open House Sheets | Co-branded Marketing Material | Pre-Qualification Letters/Formal Approval | Buyer Consultation

**FIRST HERITAGE MORTGAGE, LLC**

**WWW.FHMTG.COM**

Company NMLS ID# 86548 ([www.NMLSconsumeraccess.org](http://www.NMLSconsumeraccess.org))

All loan approvals subject to underwriting guidelines. Not all applicants will qualify.  
This is an advertisement and not a commitment to lend.



*Cardinal*  
TITLE GROUP



In-house Title, Legal, and Mortgage Lenders providing you with the highest quality of service to speed your settlement and build your trust

## GET PAID AT CLOSING

Cardinal Title Group is your in-house real estate settlement services company for residential and commercial clients in Virginia, Maryland and D.C.—with the most competitive rates in the industry. We are conveniently located in the Chantilly Virginia office performing closings for all Samson Properties locations, client's office, property address, or any location that is convenient to you.

We strive to ensure your transaction is smooth and flawless—and stand behind our work. Find out how our professional and dedicated team can serve your settlement needs. Your point of contact is Reid Hubbard on status, estimates, and questions. Ratified Contracts can be hand delivered or email to [contracts@CardinalTitleGroup.com](mailto:contracts@CardinalTitleGroup.com).

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**BRUCE STERN**

# THANK YOU

We sincerely thank you for bringing your business to Cardinal Title Group. Our business would not be possible without the hard work and dedication of REALTOR®s like you bringing our settlements to Cardinal Title Group. Your commitment to our success benefits all of us—and keeps a good thing going!





# SAMSON

PROPERTIES

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