
CHECKLIST FOR RESIDENTIAL CLOSING

BUYER

Set forth below are some of the issues and tasks that may come up when buying your home. Obviously, every sale is different--rural property has different issues from a downtown property; there may be an oil tank or lead paint that is subject to federal laws; or perhaps you find out the other party is very demanding.

Likewise, the various professionals involved all have their own areas of expertise. You go to a lender for help with financing the purchase. You have an inspector assist you in determining the physical condition of the house. A real estate agent is trained to help you find a buyer or seller. An attorney's duty is to advise you of your legal rights and responsibilities, to help you spot issues before they become serious problems, and generally be your advocate from preparation of that important purchase contract through the closing where the funds are exchanged for the deed. Keep these various roles in mind; when one professional tries to do what another is trained for, that is when we commonly see misunderstandings and problems arise.

The issues and questions below are not meant to be comprehensive, and are not to be used in lieu of experienced legal advice. They are meant to give you a sample of what can come up. Your attorney should review these with you when you start the process, and help you to get the answers you need before the closing to ensure a happy homeowner or seller.

Checklist for Preliminary Matters

- An attorney can provide the buyer with an overview of the entire process, including the attorney's role in:
 - ◆ Drafting the offer to purchase
 - ◆ Investigating and securing financing
 - ◆ Preclosing matters
 - ◆ Closing
- Discuss with your attorney the expenses associated with a home purchase, including attorney fees and possible complications. Your attorney can also explain the broker's role and the difference between purchasing a home through a broker and purchasing it directly from the owner/seller (FSBO).
- If you are buying, consider getting a prequalification letter from a lender before making an offer to purchase.
- Know who is responsible for identifying and correcting certain kinds of defects.

- Consider the advantages of obtaining a professional home inspection. Ask your attorney for suggestions or a referral to a qualified specialist if appropriate. Is the inspector qualified to inspect for: radon? lead-based paint? lead pipes?
- Know what are the tax advantages of homeownership.
- Discuss financing and explain mortgages and land contracts.
- Other: _____

Checklist For Preclosing Matters

- Assure that all contingencies in the offer to purchase have been cleared:
 - ◆ Financing
 - ◆ Sale of property
 - ◆ Appraisal
 - ◆ Home inspection
 - ◆ Rezoning
 - ◆ License or permit
 - ◆ Other: _____
- If the purchase contract indicated that the premises were leased, assure that proper termination notice is given to tenants. See secs. 704.19, .21, Stats.
- How title will be taken (e.g., individually? marital property? or survivorship marital property?)? Discuss this with your attorney; how you hold title will affect your estate plan, your taxes, the ability of creditors to reach your property, etc.
- Contact the municipality to verify the property's current zoning, and inquire as to pending zoning changes.
- Pursue any special municipal matters (e.g., compliance with the requirements for securing an occupancy permit).
- Is the property in a floodplain? If so, has the municipality in which the property is located qualified for federal flood insurance?
- Contact the municipality regarding the prior year's taxes, outstanding special assessments, completed or pending reassessments, and planned public improvements.
- Check for any building orders or code violations
- Do utility companies need to be contacted to verify that payments for sewer and water charges are current and obtain proration information?

- Search for personal property security interests against the seller, if appropriate.
- Have your attorney review the title insurance commitment or abstract (title opinion):
 - ◆ Determine whether the seller has good title in conformity with warranties in offer to purchase.
 - ◆ Ensure that any encumbrances not excepted in the offer to purchase will be removed prior to or at closing. Prepare the request for copy of mortgage satisfaction or lien waiver.
 - ◆ Identify unusual easements, private covenants, or subdivision regulations.
- Arrange to obtain and review copies of the lender's note and mortgage forms; negotiate changes if necessary.
- Notify the seller that contingencies have been removed.
- Review the survey, if available.
- Set the time and place for closing and notify the buyer, the seller, and the seller's attorney and broker.
- Have your attorney review the copy of the deed to be given at closing:
 - ◆ Legal description
 - ◆ Warranties
 - ◆ Parties' names
 - ◆ Manner of taking title
- Have your attorney review the bill of sale for personal property.
- Have your attorney prepare an occupancy agreement or lease if the seller will continue to occupy the property after closing.
- Have your attorney review the closing statement.
- Will it be necessary to have an escrow agreement? If necessary, have your attorney draft it a few days before closing and forward a copy to the seller's attorney for review.
- Approximately one week before closing, give the buyer instructions about closing. Both buyer and the buyer's spouse should attend closing if the loan is to both spouses. The buyer should bring a certified check or a cashier's check.
- Compare the seller's closing statement with the *pro forma*.
- Other: _____

Checklist For Closing Matters

These documents should be reviewed and signed with the assistance of an attorney. Do not rely on a real estate agent or a title company agent advising you what is important. Remember, it is against the law for any one except an attorney to give legal advice. However, the general rule that Wisconsin courts follow is "caveat emptor"—"let the buyer beware." Courts routinely expect you to take responsibility when entering into a transaction of this size. Obviously, we recommend that having an attorney is just good "homeowner's" insurance.

- Note
- Mortgage
- Government disclosure forms
- Lender's closing statement
- Assignment of Rents
- Letter requesting copy of mortgage satisfaction or lien waiver
- Certified or cashier's check for balance
- Copy of appraisal (request from lender)
- Closing statement from seller, signed by buyer and seller
- Verification from municipality regarding past year's taxes, special assessments, etc.
- Receipted tax bill for previous year
- Owner's affidavit of construction liens and possession, and lien waivers, if appropriate
- Payoff letters
- Deed:
- Bill of sale for personal property
- Real Estate Transfer Return
- Keys
- Encumbrances to be cleared at closing: _____

Checklist For Postclosing Matters

(At Scheffer & Wexler, S.C., we handle these matters without additional cost when we represent a client through closing.)

- Assure that the appropriate documents will be recorded by the lender or take steps to record them.
- Assure that the title insurance policy is ordered following the recording of the deed and mortgage, or order an abstract continuation and prepare a supplemental title opinion.
- Prepare the document clip, if necessary.
- Prepare a letter to the buyer regarding income tax consequences and send it to buyer with the document clip.
- Prepare letter to title insurance company requesting the original to go the buyer and a copy to buyer's attorney (S&W).

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