

What to Expect at Closing

Closing or “settlement” is when you will sign the final mortgage documents and the property will be legally transferred to you. It typically involves you and any co-borrowers, a closing agent and your real estate agent, although closing practices may vary in your local area.

When preparing for the loan closing, you should contact your closing agent to determine how much money you will need to bring to closing and any other steps for completing the purchase of your home.

You will sign many documents at closing and it is important that you read the documents carefully and ask as many questions as necessary. These documents include:

- **The Mortgage Note.** A legal document that provides evidence of your debt and your formal promise to repay the mortgage loan.
- **The Mortgage or Deed of Trust.** The security instrument that you give to the lender that protects the lender’s interest in your property. When you sign the deed of trust, you are giving the lender the right to take the property back by foreclosure if you fail to pay the mortgage according to the set terms.
- **The final Truth-in-Lending Disclosure.** This document reflects any changes to the terms of your mortgage loan since your application date.
- **Affidavits and Declarations.** Statements declaring something to be true, such as the property will be your principal place of residence.
- **The HUD-1 Statement.** Discloses the final details of your mortgage loan including:
 - The actual settlement charges you will be paying
 - A comparison of the costs disclosed on your GFE to the costs being charged at closing
 - Your final loan terms

Tips for Closing

- **Avoid feeling rushed** by reading all the documents that will be sent to you prior to closing. Oftentimes, real estate agents will review your documents in detail with you before the closing date to ensure you are comfortable. Don’t hesitate to ask your agent for this.
- **Don’t be afraid to ask questions** about the legal terminology in closing documents. It is important that you understand everything you are signing; most homebuyers ask a lot of questions and it is expected.
- **The documents in the mortgage process are the same for everyone**, regardless of race or ethnic origin.
- **Consider having an attorney look at the documents** or attend the closing with you.

Closing on a home involves a number of important steps. Make sure to pay the same level of attention to these steps as you did when you were house hunting.