

# Six Basic Steps at Closing

Closing the real estate transaction is basically the investigation made or actions taken by either a title agent or title attorney before the actual issuance of the title policy. There are six basic steps that usually followed in somewhat the same order in every real estate transaction. Although it is not the job of the title agent or title attorney to cure defects in or problems with the title to the property or perform escrow or other services outside of closing the transaction, title agents and title attorney help in these matters on a somewhat regular basis.

---



## Opening the Title Order

An "escrow" or "sales" contract (agreement to close) starts the process.



## Processing the File

Processing the file is when tax information, loan payoffs, survey if necessary, homeowner/maintenance fees, inspections/reports, and hazard and other insurances as well as legal papers are ordered and title commitments/preliminary reports are reviewed and sent out.



## Title Search

Search made of the public records. Records searched include deeds, mortgages, paving assessments, liens, wills, divorce settlements and other documents affecting title to the property.



## **Title Examination**

Title examination is the examination of the documents found during the title search that affect the title to the property. This is when verification of the legal owner is made and the debts owed against the property are determined.



## **Document Preparation and/or Request to Produce**

Review lender instructions/ requirements, review instructions from other parties to transaction, review legal and loan documents, assemble charges, and prepare closing statements and set closing.



## **Settlement/Closing the Transaction**

Escrow/Settlement officer oversees closing of transaction. Seller signs deed, buyer signs new mortgage, Old loan is paid off, new mortgage is signed. Seller, real estate agents, attorneys and other parties to the transaction are paid. Documents are recorded in the county in which the property is located.