

# What to Expect at Closing (Escrow)



Falling in love with the right home, making an accepted offer, getting prepared to become the new owner. All that stands between you and the front-door keys is the closing.

Take the final steps to realizing your dream by discovering what you need to know about your real estate closing. Chicago Title will act as a neutral third party to assure both buyer and seller that all mutually agreed-to terms are met before the transaction is completed.

Your Chicago Title escrow officer will assist you throughout your real estate transaction to bring you to a successful closing. For more information, contact your nearest Chicago Title office.



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*You've found the home you want, and your offer was accepted! Now all that needs to be done is to finalize the funding and paperwork. Here are a few basics to help you understand the steps before the keys to the front door are placed in your hand.*

### What Is Closing?

Also known as “settlement,” or “escrow,” closing on a home sale is the legal transfer of a property from one owner to another. Completing all of the steps necessary for the final contracts to be signed takes about a month, but in some cases, closing can take from 15 to 60 days.

### What Are Closing Costs?

Closing costs cover the services required for a property to change hands. Services required to process the property transaction include title work, appraisals, inspections, document preparation, recording fees and other expenses.

### How Much Are Closing Costs?

Typically, closing costs total 1% to 2% of the home's purchase price. Closing costs generally cover:



**Mortgage Costs:** Loan origination fee, document preparation, points, commitment fee, underwriting fee.

**Outside Vendor Costs:** Appraisal, credit report, flood determination fee.

**Title Costs:** Settlement fee, title/abstract search, title insurance premium (for the lender's and owner's policies), plat drawing.

**Government Fees:** Title recording fees, mortgage registration tax.

At closing, you'll also face the cost for “pre-paid items,” which cost another 1% to 2% of the purchase price. The pre-paid items usually cover upfront payment of typical “year one” costs of home ownership, such as homeowner's insurance premiums and real estate taxes.

### Do I Need Owner's Title Insurance?

Buying a home is one of the biggest decisions and financial investments you'll ever make. An owner's title insurance policy protects your claim to your property from potential problems caused by mistakes and irregularities that may have occurred in the past. Dollar for dollar, it's one of the most cost-efficient forms of insurance for homeowners. The relatively low, one-time title insurance premium covers you against legal problems that could otherwise cost tens of thousands of dollars and even the loss of your home.

### What Is Escrow?

An escrow is an arrangement in which a neutral third party, called an escrow holder, holds legal documents and funds on behalf of a buyer and seller. The escrow holder distributes funds and documents according to the buyer's and seller's instructions and advises them if any of their instructions are not mutually consistent or cannot be carried out. By acting on behalf of the buyer and seller, the escrow holder can save time and facilitate the real estate closing.



### What Do I Need to Bring to Closing?

Buyers and sellers need to bring approved photo identification, such as a valid driver's license. Confirm with your closing/escrow agent about the form in which any money you owe should be submitted.

## Get The Complete Closing and Escrow Expertise You Need with Chicago Title Insurance Company's Four Pillars of Protection

### 🌀 SERVICE

The experience and dedication of our full-service, nationwide network of professionals assure you of an expert title search and examination and an accurate, timely closing.

### 🌀 SECURITY

We're leaders in combating mortgage fraud to help protect you against those who misrepresent themselves or the property or who attempt identity theft.

### 🌀 TECHNOLOGY

We hold the industry's largest collection of real estate-related data, documentation and public record information. Using comprehensive, intuitive technology tools and rapid communications, our professionals can quickly and securely search and clear property titles.

### 🌀 TRUST

Home buyers trust our passionate commitment to helping consumers understand the steps, fees and requirements of real estate transactions. Our open process and availability to answer all your questions provide the clarity you need about what is often your largest and most valuable purchase.