

Section 7: Closing on Your Home

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2. Location—we confirm the location of your closing appointment when we set the appointment
3. Documents—an overview of the materials that you will sign at closing
4. “The Final Number”—due to prorations that are based on your closing date, the final amount you will need to bring can be determined only after your closing date is set
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Closing on Your Home

At closing the ultimate purpose of your building construction agreement is achieved: Ownership of your new home is transferred from Hartman Homes to you. The steps include finalizing your loan (one set of papers and checks) and Hartman Homes receiving final payments. (another set of papers and checks). The funds are disbursed to the appropriate people and companies, title is transferred to your name(s), and the loan is recorded against your new property. This process involves about 75 documents—some of which are duplicates. Although these documents are not negotiable and thousands of home buyers have signed them, you should read them.

Date

Hartman Homes recognizes that timing is vitally important in planning your move and locking in your loan. We can specify an exact delivery date when construction reaches a point at which weather, material and labor shortages, lender issues, or change orders are unlikely to affect completion of your home. The closing takes place shortly after your orientation. Hartman Homes will notify you of the closing date 30 days or more before the date. We set the specific appointment time with at least 3 day's notice. Typically, the closing process takes about an hour.

Location

The closing on your new home typically takes place at the title company, although it occasionally occurs at the lender's office. We confirm the location with you when we set the appointment.

Documents

At closing, the documents necessary to convey your new home to you and to close the loan from the mortgage company will be signed and delivered. In addition to these standard items, the lender, the Title Company, and Hartman Homes may require other documents to be signed. The principal documents typically include the following:

General Warranty Deed

The general warranty deed conveys the home and lot to you, subject only to permitted exceptions. This does not apply if you already own the lot.

Title Commitment

At or before closing, we will deliver to you a standard form for an American Land Title Association (ALTA) owner's title insurance commitment to insure salable title of your home to you in the amount of the purchase price, subject to the permitted title exceptions that may be described in the purchase agreement.

The title insurance company will mail the actual policy in the weeks following the closing. When you receive this, keep it in a safe place with your other important papers. What you will see on the day of closing is a document that promises to issue the policy. Lenders require title insurance in the amount of the mortgage. This insurance protects the lender in the event the title search missed anything. You are wise to request an owner's policy to protect your interest in the property. By ordering the owner's policy from the same company that issues the lender's policy, you can save a bit; the title insurance company will usually issue a second policy at a discount.

Review the title commitment carefully. Discuss any questions with your title company. Within 60 days after the closing, the title company mails a standard ALTA owner's title insurance policy, insuring you the title to your home in accordance with the commitment you received at closing. Keep the title insurance policy with your other valuable papers.

Hartman Homes Limited Warranty

We provide a copy of the limited warranty in this manual for your review. Please read it thoroughly.

Promissory Note

The promissory note is from you, payable to the lender in the principal amount of the loan, plus interest. One-twelfth of your annual taxes and homeowner's insurance will be added to the principal and interest payment to determine your total monthly payment.

Deed of Trust

This encumbers your home as security for repayment of the promissory note.

Homeowner Association Documents

You will receive and sign for another copy of your homeowner association covenants, conditions, and restrictions; the association bylaws; and articles of incorporation at closing. Hartman Homes recommends that you read these carefully. The provisions they contain will be enforced.

"The Final Number"

Certain customary items in connection with the property will be prorated to the date of closing such as prepaid expenses, or reserves required by your lender and homeowners association, if applicable. Perorations of general real property taxes and assessments will be based on the current year's taxes and assessments or, if they are unavailable, on the taxes and assessments for the prior year.

The final cost figure is available near to the actual closing. Although a reasonably close estimate may be determined before the date of closing, the peroration of several items included is affected by the closing date and cannot be calculated until that date is known. The Real Estate Settlement Procedures Act (RESPA) provides you with many protections. Under this law, you can review the settlement page that lists costs you are paying at closing one day before the closing appointment.

Preparation

The key to a smooth closing is preparation. Several details require your attention. You can handle most of these by phone. Address these details during the weeks before closing to prevent last-minute delays.

Form of Payment

Plan to bring cash, certified funds, or a bank check (made out to yourself, in which you will endorse at the closing) to the closing table. In your planning, be sure to allow time to arrange for and obtain these funds. Keep in mind that some banks place a hold on monies moved from another account.

Insurance

You need to provide proof of a homeowner's policy from your insurance company. Your insurance agent should know exactly what is needed. We suggest you arrange for this at least 3 weeks before the expected closing date.

Hartman Homes or Lender Issues

The title company is not authorized to negotiate or make representations on behalf of any of the parties involved in the closing. Therefore, please discuss any questions, agreements, or other details directly with us or your lender in advance of the closing.

Utilities

Hartman Homes will have utility service removed from its name 3 days after closing. You will need to notify all applicable utility companies of your move so that service is provided in your name. We suggest that you contact these companies well ahead of time to avoid any interruption in service. If you ordered a security system for your home, you can arrange to activate that system by contacting the monitoring service for a connection appointment. For your convenience, we have included a list of your utility companies and contact information at the end of this section.

House Keys

When the closing process is complete, you will get the keys to your new home. The same key will operate both the knob and the deadbolt locks. We recommend that you try all of the keys in all of your locks to confirm smooth operations. Depending on the number of family members living in the home, you may want to get extra copies of your house keys made.

Garage Door Opener Operators

Garage door opener operators, if applicable, will be left in a drawer in your kitchen. If you wish to change the code, review the manufacturer instructions. Batteries typically need to be replaced about once a year. You will receive two operators for each garage door opener installed in your home. If you need additional operators, contact the garage door opener company using the customer service number shown in the manufacturer's literature that came with the openers.

Mailbox Keys

U.S. Postal Service regulations state that, Hartman Homes is not permitted to deliver mailbox keys to you. Mailbox keys, where applicable, are available from your post office. You will need proof of identity, and you will be asked to sign for your keys.

First Mortgage Payment

Your lender will provide you with information on where to send your mortgage payments and when the first payment will be due. Many lenders supply payment coupons for you to send in with your payments.

Storing Documents

We suggest that you store the legal documents from your closing with other valuable papers, in a safe place. You will need them for tax purposes and when you refinance or sell your home.

Moving Hints

Take precautions to protect vulnerable surfaces such as hardwood or resilient floors. Cover rails with moving pads or blankets. Remove doors where furniture might be a tight fit. You can protect carpet with ribbed, plastic runners.

Professional movers should have insurance for any damage they might accidentally cause. Friends and relatives will not. They are also unlikely to have the training and practiced skills of professional movers. If you are moving yourself, organize the schedule to avoid rushing and include rest breaks.

Whatever else is going on, at dinner time assemble the family for your first meal together in the new home. Sit across the card table from each other, smile, and say "We made it."

Moving Preparation Checklist

- ❑ Compare proposals of professional movers:
 - Costs for services such as packing and unpacking
 - Costs of packing materials and boxes
 - Distance and weight charges
 - Insurance
 - Availability and notice needed

- ❑ Plan a self-move well in advance:
 - Make truck reservation early (6–8 weeks, or more)
 - Include a reservation for a dolly and moving pads
 - Reconfirm one week prior

- ❑ If you have children, involve them in planning and preparing for the move
- ❑ Create a file for storing documents about your home and manufacturer literature
- ❑ Retain receipts for tax purposes. Moving costs may be deductible
- ❑ Send change-of-address cards to magazines and book clubs six weeks prior to your move
- ❑ Give the forwarding order to your old post office one month prior to assure uninterrupted service
- ❑ Register children in their new schools
- ❑ Transfer medical and dental records, if necessary
- ❑ Arrange for homeowner insurance and obtain the certificate you need for closing
- ❑ Order checks with new your address; update financial records
- ❑ Update your driver's license, car and voter registration
- ❑ Properly dispose of flammable or hazardous materials that should not be moved

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❑ **Packing Materials**

- ❑ Boxes of various sizes; cartons for mattresses
- ❑ Packing tape and heavy string
- ❑ Packing paper, newspaper, bubble wrap
- ❑ Labels to identify boxes (include a number, room/name); "Fragile" labels for special items
- ❑ Markers
- ❑ Master packing list (list each box by number with name/room and brief description of contents)
- ❑ Scissors
- ❑ Furniture pads, blankets, rugs

❑ **Moving Day Necessities**

- ❑ Children's toys and games
- ❑ Toilet paper
- ❑ Beverages and snacks
- ❑ Paper towels
- ❑ Soap and hand towels
- ❑ Trash bags
- ❑ First aid kit
- ❑ Prescription medication
- ❑ Medical supplies for special needs
- ❑ Pad and pen
- ❑ Shelf liners
- ❑ Small tools: Tape measure, scissors, screwdrivers, hammer
- ❑ Ice maker hook-up kit
- ❑ Dryer vent flex hose
- ❑ New hoses for washing machine
- ❑ Picture hangers
- ❑ Plant hooks
- ❑ Scratch cover
- ❑ Phone and phone book