

What Happens at a Real Estate Closing? Answers to Common Questions

I witness between 30 and 50 real estate closings each year, but I realize that even a sophisticated buyer or seller can wonder what is expected of them, how utilities are transferred, how funds should be brought or taken, etc. This week I'll answer some of those questions which I hear most frequently.

Do you need a lawyer? In some states, there can be as many as four lawyers involved in each closing, but in Colorado, I rarely see a lawyer involved in a real estate transaction. You'll sign listing agreements and transaction documents containing a warning to consult a lawyer (and tax advisor), but it doesn't happen much. Here in Colorado, real estate licensees are granted by statute "limited legal authority" to interpret the state approved real estate forms. We can tell you what the various terms and conditions mean without

engaging in the practice of law, which would be illegal (unless your agent is also a lawyer admitted to the state bar).

What do you need to bring to closing? Just your driver's license or photo ID, since you'll be signing documents in front of a Notary, and the Notary requires such identification. Until you're at the closing table, you will not need the services of a Notary except for signing a

Power of Attorney granting someone else the power to sign documents for you, if applicable.

What utilities should you notify? You'll want to notify the gas & electric utility just prior to closing so they can take final meter readings. They will not turn off their services, but merely wait for the buyer to identify himself, at which point your final readings becomes their initial readings. You do *not* notify the water and sewer utilities. That is

handled by the title company, which will escrow money from the seller at closing and send you a check for what's left over after paying the bill. The title company handles water & sewer because an unpaid water bill can become a lien against the property and they are insuring for the buyer that they are getting clear title to the property. By the way, in Colorado, unlike many states, the seller pays for the owner's title policy, which can be a major closing cost.

Of course, you also notify your telephone, cable and trash providers to terminate service. The buyer will have to order new service. It's great that nowadays you can keep your existing landline phone number if you move within the same area code, although most people seem to be dispensing with landlines. (They're not required for DSL broadband service.)

I'd be happy to answer your real estate closing questions, too.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

This Week's Featured New Listing

South Golden Home with Accessory Dwelling Unit



Take a Narrated Video Tour Online at www.SouthGoldenHome.com

It was only in the past couple years that Golden legalized accessory dwelling units for qualifying homes. This home at **419 Scenic Court** is one of the first to qualify under that ordinance. To the left of the oversized 2-car garage is the main home, with 2 bedrooms and 2 full bathrooms — a total of 1,552 square feet. To the right of the garage is an entirely separate 1-bedroom, 1-bath legal rental unit with 922 sq. ft. The home is being prepared for showings, which begin with an open house that I'll hold this coming **Saturday, 1-4 pm.**



Serving the West Metro Area

Jim Smith

Broker/Owner

Golden Real Estate, Inc.

DIRECT: **303-525-1851**

EMAIL: Jim@GoldenRealEstate.com

17695 South Golden Road, Golden 80401

COMMENT AT: www.JimSmithBlog.com



Comment on this column at www.JimSmithBlog.com. Find 200 previous columns at www.JimSmithColumns.com.