

Preparing Buyers for Closing

From the moment they decide to purchase a new home, buyers are understandably curious about when they can move in. Builders find it difficult to predict that date with certainty. At some point, however, the home is far enough along that the builder should notify the homeowner of a firm delivery date.

Establish Minimum Notice

The more notice the buyers receive the better. Providing anything less than 45 days is unreasonable. If buyers need to schedule movers, give notice on a rental they occupy, and so on, less than 45 days can cause them expense, stress, and inconvenience. All of these are blamed on the builder. Once weather and other factors outside the company's control have been reduced, most companies can give a reliable 45 day notice for closing. Describe such practices in your homeowner guide and add this subject to meeting agendas—providing an update on the current “target” date along the way.

Closing Conference Call

A typical closing takes 45-60 minutes and involves the buyers signing approximately 75 documents. While this process may seem routine to the builder's staff, to the buyers the event is exciting--joyous and terrifying all at the same time. To prevent last minute surprises, builders should review the preparation steps with the buyers. This may be done in person or with a closing conference phone call. Then follow up in writing. While time remains to react calmly, remind buyers about such details as insurance, utilities, certified funds, loan contingencies, and last minute questions.

Document Details & Reminders

The sample letter that follows confirms the closing date and location arranged by phone with the buyers. The letter provides one more review of the preparation required of the buyers.

Your particular details may vary from those listed in this example. Whatever details your letter would include, providing an extra reminder for the buyers is wise. Avoid assuming that because the buyers purchased homes before they understand the procedures. First time buyers may need even more information and perhaps some reassurance.

Last Minute Questions

If questions regarding features, quality, or financial details remain unanswered they are guaranteed to surface at the closing table. Rather than risk last minute conflicts, resolve each issue in advance of the closing. All builder staff need to understand the urgency of buyers' last minute questions and make every effort to resolve any issue.

Builder Rep at Closing?

Some builders arrange for the closing to take place without sending a representative. While this practice saves staff time and, some believe, reduces the possibility that buyers will raise last minute issues, buyers may feel offended by what they interpret as a lack of interest on the builder's part. Your philosophy or tradition in your region will guide you in making a decision on how to handle this. It may present an opportunity to differentiate your company from area builders.

Patience & Empathy

The excitement and demands of the buying process, combined with the work of moving and financial stress causes some buyers to behave less rationally than they might under other

circumstances. Many buyers report a sense of everything being out of control. Emotions run near the surface--tempers may be short, tears come easily, and even a minor detail can seem to be a major catastrophe.

All personnel should take this into account and make a special effort to be patient if buyers are a bit difficult. As professionals who watch this process all the time, a well-trained staff can ease the most nervous buyers through the final stages of the purchase.

A well-managed closing occurs on time, includes a warm welcome of the buyers, proceeds in an orderly manner, and avoids last minute crises. Successfully completed, the experience reinforces the buyers' good opinion of the builder and associates.

[Logo]

(date)

Dear (Home Buyers):

This is to confirm your closing appointment which has been scheduled for

(date)
 (time)
 (address)
 (contact)
 (phone)

The asterisk on the enclosed map indicates the location. Parking is available on the north side of the building or two-hour metered parking can often be found along the street.

The closing process usually takes 45 minutes to one hour. In preparing for this your closing, please remember the following items.

- Transfer utility services into your name, effective within 3 days of the closing date. The phone numbers are listed in your homeowner guide, Chapter 6, *Closing on Your Home*.
- Arrange for evidence of insurance. Your insurance agent will know what is needed. Allow two weeks for this.
- Plan to bring certified funds. The exact amount you will need is usually calculated near to the closing date since some items are prorated to that day.
- Confirm with your mortgage lender that all loan contingencies are satisfied. If any further documentation is required, be sure to bring that to the closing.
- Closing agents have no authority to negotiate for lenders or builders. If you have any remaining questions, work directly with your lender or contact our office to obtain needed answers prior to the closing.

Soon you will be moving into your new home. We look forward to having you join our community. If you have any questions or need assistance with last minute details, please contact me.

Sincerely,

[Builder] Closing Coordinator

Enclosure/map

cc: (Closing agent)