



**COLDWELL BANKER**

**SETTLEMENT REALTY, BROKERAGE**

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SALES REPRESENTATIVE

## HOME BUYERS CHECKLIST

**THE FOLLOWING INFORMATION PROVIDE TO YOU BY:**

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### 1. COMMUNICATION IS KEY

Your lawyer will typically make contact shortly after receiving your Agreement of Purchase and Sale and you will meet with them one to three days before Closing to review and sign Closing documents. While you may not meet with your lawyer more than once, your lawyer's office should always be available to answer any questions you may have.

### 2. MONEY

Your lawyer will ask you to provide a bank draft issued to your lawyer's firm, in trust, prior to Closing. The total amount your lawyer will request includes your purchase price less any deposit you have paid, your legal fees and disbursements, land transfer tax and any closing adjustments, less the total mortgage proceeds forwarded to your lawyer.

### 3. MORTGAGE AMOUNT

In most cases, your lawyer will receive less than the total amount of your mortgage. Any HST on mortgage insurance fees is deducted from the funds forwarded to your lawyer. Your financial institution may also deduct additional administrative or other fees. This may mean that you will need to bring in more money than initially anticipated to finalize your purchase.

Your mortgage broker can explain what fees and other costs will be deducted from the mortgage loan before funds are forwarded to your lawyer. Your lawyer will review these figures with you prior to closing.

### 4. CLOSING ADJUSTMENTS

Your lawyer will determine a daily rate for prepaid expenses such as property taxes, fuel costs, fuel tank rental costs, road maintenance or common expenses. You will be required to pay a large sum up-front for these expenses if the Seller has prepaid these costs prior to Closing.

### 5. LAND TRANSFER TAX

Your lawyer also collects and remits land transfer tax on your behalf. Luckily, first-time homebuyers are eligible for a credit up to \$4,000.00. First-time homebuyers purchasing a property valued above \$368,000 will receive the maximum credit of \$4,000.00

## **6. LEGAL FEES AND DISBURSEMENTS**

Lawyers charge a fee for preparing your purchase documents and may charge an additional fee for preparing mortgage documents. Lawyers also charge for any disbursements they incur on your behalf such as registration of your deed and mortgage. These out-of-pocket expenses are often \$1,000.00 - \$1,500.00 depending on the nature of your property. Your lawyer's fees and some disbursements are subject to HST.

## **7. UTILITIES**

You are responsible for setting up your own utility accounts and making any necessary arrangements for pre-authorized payments for property taxes.

## **8. ARRANGE HOME INSURANCE**

Your lawyer requires a binder letter from your insurance company confirming your home insurance before your lawyer can complete your purchase and mortgage. Arranging your home insurance early will ensure there are no delays in your transaction.

## **9. FINALIZE FINANCING EARLY**

Arrange with your mortgage broker or financial institution to meet and sign any mortgage documents as early as possible. Your lawyer will not receive instructions to prepare your mortgage documents until you have signed paperwork with your broker or financial institution.

## **10. UNDERSTAND YOUR MORTGAGE OPTIONS**

There are a wide range of financial products available in today's market and different lenders will offer different products. Ask questions to ensure that you understand the options available to you prior to signing a mortgage commitment.

Mortgage brokers or specialists are also able to tell buyers the maximum mortgage for which they will qualify. This is typically referred to as being "pre-approved".

## **11. YOU NEED TITLE INSURANCE**

As a first-time homebuyer you are likely financing your purchase through a major financial institution.

All financial institutions require title insurance to protect against loss in the event of a title defect.

Title insurance policies provide more comprehensive protection than a lawyer's opinion on title. Your lawyer will purchase a title insurance policy on your behalf for a one-time cost that is generally in the range of \$300.00 - \$450.00.

## **12. CONNECT ALL OF YOUR EXPERTS**

As homebuyer, you are at the center of communication for your purchase. Your experts, including your real estate agent, your mortgage broker or financial institution and your lawyer, can do a better job of advocating for you if you connect them early in the process. Don't assume that your team of professionals talk to each other unless you have given them specific authorization to do so. If needed, consider asking your professionals for referrals to complete your team.