

CLOSING REAL ESTATE TRANSACTIONS IN INDIANA

STUDY SHEET

Summary

This section provided you with a high-level view of the closing process in Indiana. You'll delve deeper into closings throughout your studies, but you should have a good grasp of what a closing is and how it works.

Top Takeaways

- In its simplest form, a closing is when a seller conveys clear title to a property in exchange for funds from a buyer. It's the consummation of the real estate transaction.
- The broker, the closing attorney, the buyer, and the seller all have responsibilities to fulfill prior to the closing.
- Transaction commissions are paid to the brokerages. Each broker will then distribute commissions to its licensee.
- Licensees should encourage buyers to obtain a home inspection.
- Title changes hands when the deed is transferred from the seller to the buyer.
- Recordation and physical possession of the property provide constructive notice to the public as to the rightful ownership of the property.
- A title insurance policy insures the policy holder against financial loss if the title to the property has defects in situations the policy covers.
- A title company will search public records to verify such information as ownership, divorce, judgments, secured transactions, encumbrances, and the legal property description.
- A title company issues a title commitment as its promise to issue a title policy on a property. This commitment outlines the policy terms, conditions, and exclusions.
- The seller's closing costs include payment of the broker's commission and any costs associated with providing clear, marketable title to the buyer.
- The buyer's closing costs include costs associated with the new mortgage loan.

Take a look back at your notes for these items:

- Review the closing responsibilities of each party to the transaction
- Review documents commonly seen at closings
- Review Title Problems and Resolutions