

Step 19 to Buying a Home: Get Your Down Payment Ready



Now that we're getting closer to your closing date, it's time to get your down payment ready! Remember that in addition to the down payment you need approximately 3% of the purchase price on top of the down payment available in cash for the closing costs. Your lender should have provided you with an estimated cost to close.

If any of these funds are going to be gifted to you, be sure to let your mortgage lender know right away so he or she can get approval from the underwriter for the funds.

It's best if the down payment and closing cost funds are transferred into one account. This account must be disclosed to your mortgage lender and you must let him or her know this is the account you're going to be using for the down payment as the funds have to be tracked.

One business day before your signing date, the closing office will contact you with an estimate of the amount of money needed to close as well as the wire transfer instructions. Unfortunately, the total amount usually is not available farther in advance as the title company needs to receive final figures from your lender (if utilizing a mortgage). Amounts under \$50,000 can be paid for with a cashier's check, however, amounts over \$50,000 must be wire transferred. You'll wire transfer these funds in one lump payment at least a DAY BEFORE CLOSING. It is crucial that these funds be wire transferred the day before closing at the latest as the Title company cannot accept it the day of closing.

While it would be nice to wire transfer the funds several days in advance, often the title company doesn't have the exact figures until the day before. Therefore, call your bank now and find out what you need to do to make a wire transfer. Most of the time you have to go into the bank personally to initiate the wire transfer. Also, find out what their cut off time is for wire transfers. Usually it's around 11am. That means you'll have to do the wire transfer by that time the day before closing in order for it to go into the title company's account on time. Once you've done the wire transfer, email me so I can make sure the title company received the funds.

At closing, any overage/extra money you paid will be refunded back to you at the very end of the closing via a check.

PLEASE NOTE: There have been a number of hackers and scammers lately trying to divert (ie. steal) closing funds to their personal accounts and away from the title companies. Generally, the wire transfer instructions will be emailed to you from the closing office. DO NOT FOLLOW WIRE TRANSFER INSTRUCTIONS SENT FROM ANYONE ELSE. ONLY FOLLOW WIRE TRANSFER INSTRUCTIONS SENT TO YOU BY THE CLOSING OFFICE. If you receive any email with changes to the wiring instructions....CALL the closing office to verify change. If you want to verify that the wire transfer instructions you received are legit, call the closing offer and they can verify them with you via phone.