



What to Expect When Buying a Home

By Breena Murray

When people buy their first home, they often have no idea what is involved in the process and what exactly happens from the time their Offer to Purchase on a home is accepted to the date they actually get to move in to their new home.

The basic rule is that before a lawyer will release the keys to the new owners, three things need to occur: all the necessary documents need to be signed, insurance needs to be in place, and the cash to mortgage (down payment) money needs to be with the lawyer.

Once your lawyer receives the accepted Offer to Purchase and the instructions from the bank about your mortgage, they will start preparing all the necessary documents and doing the necessary calculations. A few days before the possession date outline on the Offer to Purchase, the lawyer will meet with you to go over the documents. You will need to sign the Transfer of Land, which is the document that tells the Land Titles Office to put the Title for the land in your name. You will also need to sign a Mortgage, so that the bank can

register their interest in the property on the Title of the land, as well as other documents that are required by the bank in order to release your mortgage funds to your lawyer.

It is at this meeting that the lawyer will also be requesting a cheque for the cash to mortgage on the house, being the difference between the purchase price of the house and the mortgage proceeds received from the bank. Your cheque will also need to cover the fees and disbursements of the lawyer.

Finally, the lawyer will need confirmation from your insurance agent that the property is insured, and that the bank with which you have a mortgage is named as the “first loss payable”, so that if your house burns down, the bank will get the money first to pay out the mortgage.

Once these three items are in place, your lawyer will let the seller’s lawyer know and forward money to him or her. The seller’s lawyer will then let the realtor, or the seller if there are no realtors involved, know that they can

release the keys to you, the purchaser.

Once you receive the keys on the date of possession, the first thing you should do is a walkthrough of the property. If you have a realtor, it is best to do this with them. During this walkthrough, you need to be on the lookout for a number of things. First, make sure that everything that was supposed to be left in the house, according to your Offer to Purchase, is still there. Second, you need to ensure that there was no damaged caused to the property that was not there when you made the Offer to Purchase. Finally, you’ll want to make sure that everything is in good working order. This means checking all appliances, as well as the heating and air conditioning systems to make sure they work. Even if it is the middle of July, you’ll want to make sure your heaters work on your possession date. If anything is missing or damaged, you should let your lawyer know as soon as possible.

If everything is as it should be, you can then move into your new home.