

## Buyers - Preparing for Your Closing Day

As we prepare for your closing day, we want to ensure everything goes smoothly. Here's a checklist of important things to remember:

### ✔ Closing Funds

Any funds due at closing must be in the form of a wire transfer, bank check, or certified check made payable to Broker's Title & Closing, LLC. **Personal checks are not accepted.**

### ✔ Proof of Identity

Bring a valid photo ID (driver's license or passport). We'll need to make a copy at closing. If this is an issue, please let us know in advance.

### ✔ Homeowners Insurance

Your lender requires a Homeowners Insurance Binder and a paid receipt for the first year's premium. We cannot finalize figures or documents without these. Once you've arranged for payment, provide us with your insurance agent's contact information, and we'll take care of the rest.

### ✔ Title Insurance\*

Your closing costs will include Lender's and Owner's title insurance policies. The lender's policy is required, and the owner's policy is highly recommended to protect your investment. We have included a brochure with more details.

*\* Broker's Title & Closing, LLC does require the purchase of an owner's title insurance for all cash transactions*

### ✔ Real Estate Taxes

As the buyer, you are responsible for taxes from the closing date through the end of the tax period.

Taxes in New Hampshire are generally paid semi-annually in July and December. The tax period is a fiscal year and not a calendar year and runs from April 1st to March 31st of the next year. The July tax bill covers 4/1 to 9/30, and the December bill covers 10/1 to 3/31. Further, the July tax bill does not reflect the actual year's tax rate. The tax rate is determined in October and reflected in the December bill every year. The July tax bill is one-half of the previous year's taxes, and if your closing happens prior to the determination of the year's tax rate, there may be further proration between buyer and seller in December.

In Maine Taxes are generally paid semi-annually in September and March. The Tax period is a fiscal year and not a calendar year and runs from July 1st to June 30th of the next year. The tax rate is determined in late summer or early fall, between July and September.

The settlement statement (closing Disclosure or ALTA) will show the prorated tax amounts as a credit or debit to the buyer and you the seller.

### **Transfer Tax** (Transfer Stamps)

When buying or selling real estate in New Hampshire or Maine, you'll encounter a real estate transfer tax (also called transfer stamps). This state-imposed fee is required on all property conveyances and is split between the buyer and seller at closing.

In New Hampshire, the real estate transfer tax is \$15.00 per \$1,000 of the sales price. This cost is shared equally between the buyer and seller.

Example: A property selling for \$200,000 incurs a \$3,000 transfer tax, with \$1,500 paid by the buyer and \$1,500 paid by the seller.

In Maine, the transfer tax is \$4.40 per \$1,000 of the property's selling price, also split evenly between buyer and seller.

Example: A home sold for \$200,000 results in a \$880 transfer tax, with \$440 paid by the buyer and \$440 paid by the seller.

Transfer tax, as with all fees, will be shown on the final Settlement Statement and subtracted from your proceeds. We will handle all disbursements. You will not need to write personal checks.

### **Condominiums**

If you are purchasing a condo, we will need a Certificate of Insurance from the Condominium Association's insurance carrier. This document must include:

- Your lender's mortgagee clause
- Your name and the association as insured parties
- The unit you are purchasing

Additionally, we strongly recommend obtaining a "walls-in" insurance policy to cover anything not included in the Master Policy. Speak with an insurance agent to make sure you have the right coverage.

## **Maine Real Estate Withholding**

Maine law requires buyers to withhold 2.5% of the purchase price from nonresident sellers on real estate transactions of \$100,000 or more. Certain exemptions apply, such as if the seller provides a residency affidavit or obtains a certificate of exemption from Maine Revenue Services. More information can be found here:

<https://www.maine.gov/revenue/faq/real-estate-withholding#q1>

If you have any questions or need assistance, please don't hesitate to reach out, email: [info@brokerstitlenh.com](mailto:info@brokerstitlenh.com), Phone: 603-434-1414. We look forward to helping you have a seamless and successful closing!