



— RESIDENTIAL · GUIDE

Selling a home: a plain-language closing checklist

What the seller's side actually involves, from discharging the mortgage to handling adjustments and keys.

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Buyers get most of the attention in a home sale, but the seller has their own list of things that have to happen, and a few of them cause real headaches when they are left to the last minute. The seller's side is usually quieter than the buyer's, but "quieter" is not the same as "nothing to do." Here is what actually happens on your side between accepting an offer and handing over the keys.

Once your deal is firm

When the buyer has waived their conditions, your sale is firm. From that point you are committed to closing on the agreed date, so a few things should happen early:

- Send the signed agreement to your lawyer. Same advice we give buyers. The earlier we have it, the more time we have to deal with anything that needs dealing with.
- Find your mortgage details. Dig up your lender and mortgage information. This is the single most important early step, for the reason below.

The mortgage discharge: start this early

If you have a mortgage, it has to be paid off and discharged from title as part of closing. The money from the sale is used to pay out your lender, and the lender then removes its charge from the property's title.

Here is the catch that surprises sellers: lenders can be slow to process a discharge. Your lawyer requests a payout statement and discharge from your lender, and some lenders take their time. If you are selling one home and buying another, or you simply want the sale to close cleanly, you do not want the discharge to be the thing holding everything up. The fix is to get your lawyer started on it as soon as the deal is firm, not in the final week.

There is a timing wrinkle worth knowing about. Even when your lawyer requests the payout statement early, many lenders will not actually prepare it until a few days before closing, because the exact payout figure depends on interest and any penalty calculated close to the discharge date. That is normal, but it means the final number, including any prepayment penalty for breaking your mortgage early, can land late. To take the surprise out of it, contact your lender ahead of time, or use their

online prepayment penalty calculator if they have one, to get an estimate of the penalty (if any) before closing. On some mortgages that penalty can be substantial, so it is far better to know the ballpark early than to see it for the first time on your closing statement.

A related point: if you have a home equity line of credit, a second mortgage, or any other charge registered against the property, those have to be dealt with too. Tell your lawyer about everything registered against your home, including lines of credit you rarely use, so nothing is missed.

What your lawyer does on your side

- Reviews the agreement and prepares the closing documents, including the transfer of the property to the buyer.
- Obtains the mortgage payout and discharge from your lender, and any other charges.
- Responds to the buyer's requisitions. The buyer's lawyer will send a letter raising any title or other issues they want cleared before closing. Your lawyer answers these and resolves what needs resolving.
- Prepares the statement of adjustments. This is where prepaid or unpaid amounts get fairly split between you and the buyer as of the closing date. The most common one is property taxes: if you have prepaid taxes past the closing date, the buyer reimburses you for their share; if you are behind, it is adjusted the other way. If there is a tenant, the rent and any last month's rent deposit get adjusted too.
- Handles the money on closing. The sale proceeds come in, your mortgage and any other charges are paid off, costs and commissions are dealt with, and the balance comes to you.

Things you need to handle yourself

- Real estate commission. If you listed with an agent, the commission is paid on closing, usually out of the sale proceeds, and your lawyer accounts for it.
- Cancel and transfer your services. Arrange to cancel or transfer your utilities, insurance, and other services effective on the closing date. Keep your home insurance in place right up to closing, do not cancel it early.
- The condition of the home. You are generally expected to deliver the home in substantially the same condition it was in when the buyer agreed to buy, and to leave behind everything that was included in the deal (and remove everything that was not). Buyers do a final walkthrough, and a home left in poor condition or missing included items is a common source of last-minute disputes.
- Keys and access. In practice, keys are most often left for the buyer in a lockbox at the property rather than handed over in person, and the remaining items, such as garage remotes, extra keys, alarm codes, and mailbox keys, are left inside the home, usually on the kitchen counter. Confirm the arrangement with your real estate agent, and in particular confirm that the lockbox will stay on the property until after closing, so the buyer can get in once the deal has closed and the keys are released. Access is not released until closing is complete.

Closing day

In Ontario most sales close electronically. Your lawyer and the buyer's lawyer register the transfer and exchange the money through the electronic land registration system. Like buyers, sellers should not assume everything finishes first thing in the morning. Registration and funds can take until the afternoon. Once it is done and the money is accounted for, the keys are released to the buyer and the balance of your proceeds is delivered to you, by the method you have arranged with your lawyer.

After closing

Your lawyer provides a reporting letter summarizing the sale, confirming the mortgage and other charges were discharged, and accounting for the money. Keep it with your records.

The short checklist

- Send the signed agreement to your lawyer once firm.
- Get the mortgage discharge started immediately, and disclose every charge on title.
- Ask your lender early for an estimate of any prepayment penalty, since the final payout statement often does not arrive until a few days before closing.
- Keep your home insurance in place until closing.
- Arrange to cancel or transfer utilities and services as of the closing date.
- Leave the home in the agreed condition with all included items, and remove everything else.
- Sort out keys and access, and confirm with your agent that a lockbox will stay on the property until after closing.
- Expect closing to potentially take until the afternoon.

Bottom line

The seller's side is mostly about clearing the path: paying off and discharging your mortgage and any other charges, settling the adjustments, and delivering the home in the agreed condition with vacant possession or the tenancy as agreed. The one thing that genuinely goes wrong when ignored is the mortgage discharge, so start it early. Talk to us as soon as your sale is firm and we will run the rest.

This is general information about selling a home in Ontario, not legal advice for your sale. Every transaction has its own details. Talk to us about yours.

Questions about your own situation? Book a free consultation at lucianolegal.com/contact.html, call 647-479-4585, or email info@lucianolegal.com.

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