

# Closings

## 24 Classroom Hours

Approved by the Colorado Real Estate Commission June 6, 1996.

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**COURSE OBJECTIVE:** To protect the public by students exhibiting the basic skills necessary to properly close a real estate transaction, including responsibilities from the contract through and after the closing, plus accounting for all funds received and disbursed as well as a comprehensive review of the legal documents prepared by the broker.

	<u>MAJOR TOPICS TO BE COVERED:</u>	<u>HOURS</u>
I.	Broker's Responsibility Relating to Closing	1.0
II.	Introduction to a 6-Column Worksheet	2.0
III.	Closing to a Prepared Contract	4.0
IV.	Legal Documents	1.0
V.	Preparation of a Minimum of 8 Closing Problems	16.0
	TOTAL	24.0

**ALL STUDENTS MUST SUCCESSFULLY COMPLETE A WRITTEN EXAMINATION COVERING ALL MAJOR TOPIC AREAS OF THIS OUTLINE**

- I. Broker's responsibility relating to closing.
  - A. Broker and broker associate responsibility.
    - 1. Broker prepared closing.
    - 2. Title company prepared closing.
    - 3. Individual responsibility of licensee holding listing or buyer brokerage agreement.
  - B. Real Estate Commission statutes and rules.
  - C. Real Estate Settlement Procedures Act.
  - D. Withholding.
    - 1. Non-resident seller.
    - 2. Foreign Investor Real Property Tax Act.
  - E. Good Funds.
- II. Introduction to a 6-column worksheet.
- III. Closing to a prepared contract.
  - A. Interpreting the prepared contract.
    - 1. Close to contract or amend contract in writing.
    - 2. Non-contractual fees and costs.
  - B. Reading and understanding a sample title commitment.

- C. Accurately calculating closing costs, prorations, prepaid and cash due to/from buyers and sellers at closing.

IV. Legal documents.

- A. The title commitment as it relates to legal documents.
- B. Review of prepared legal and financial documents.
- C. Transaction files - retention of file documents.
- D. Other closing documents - escrow instructions, etc.

- V. Preparation of a minimum of eight (8) closing problems using a mix of cash, owner carry, assumptions (FHA, VA and conventional), new loans (FHA, VA and conventional), and a closing involving a multi-family property. Three problems shall be using samples of prepared contracts.