

## **PROPERTY INVESTIGATION CHECKLIST**

1. You should review title to the property to make sure there are no mortgages or encumbrances that would affect your ability to use or sell the property. You should obtain a commitment for title insurance, have the commitment reviewed by your attorney before closing, and purchase an owner's policy at closing.
2. You should personally inspect the property to determine whether there are any encroachments or boundary line questions affecting the property. You may wish to have the property professionally surveyed before closing.
3. If the property lies in or near a wetland, flood plain, or shoreline, it may be subject to federal, state, or local restrictions. Investigate these restrictions before proceeding.
4. Zoning laws and building and use restrictions may affect any plans you have for building, remodeling or use of the Property. Study them carefully before proceeding.
5. You should determine that the property does not contain any environmental contamination or hazardous substances. You may wish to engage a professional inspection for this determination, especially if you suspect the property has been used for industrial purposes, dumping, underground storage of fuel or other polluting uses or if the building contains asbestos or other hazardous materials. If the property contains environmental contamination, you may become personally liable for the clean-up cost, even if the contamination was placed there by a prior owner.
6. You should determine that the structure is sound and the mechanical components are in proper working order. Mechanical components would include the furnace, air conditioner, garage door opener, water heater, water softener, dishwasher, refrigerator, stove, washer, dryer, sump pump or other major items. You may wish to engage a professional inspector for this determination.
7. You should determine whether any repairs or improvements have been made within the last 120 days before the closing. If so, obtain proof that the bills for them have been paid in full, or mechanics liens may attach to the property.
8. You should personally inspect the property shortly before closing to determine that it is in good order and condition and that all personal property that is not part of the property being gifted, sold or leased has been removed.
9. If the property is currently being leased to other parties and you do not wish to have the leases continue, you should determine whether proper notice to vacate has been given to tenants. Otherwise, notify any tenants in writing of your acquisition of the property.

Consult with your attorney before closing on the required written notice to protect you against later damage deposit claims.

10. Immediately advise your insurance agent of the pending purchase and obtain adequate coverage before closing to protect your interest, as well as the interest of all mortgage lenders and other parties who will have an interest in the property following closing. Advise the insurance agent of the insurance obligations under any mortgages or lease agreements.
11. If property taxes and special assessments for the year of closing are not paid on or before closing, obtain current tax statements from the seller or from the County Treasurer and make sure such payments are made by May 15 and October 15 of the year of closing.
12. Immediately discuss with your municipality or county whether the property being purchased or leased will qualify for exemption from real property taxes. If so, file the application for tax exemption required by the municipality or county immediately upon closing. If you close before July 1 of your first year in possession of the property and the property is used for an exempt purpose, the property may be exempt from taxes for that assessment year. Property being leased would not be tax exempt unless the owner of the property is also a tax-exempt entity.
13. If you are leasing the property from another party, you should request a nondisturbance agreement from the holders of any mortgages on the property to assure that the lease agreement will be honored if the mortgage is ever foreclosed.
14. If the property is being split off from other property owned by the seller or lessor, it may be subject to subdivision regulations. Also, such property may continue for some time to be included as part of the larger tract for property tax purposes or may be subject to "green acres" tax liability. Ask your municipality about these matters.
15. If you will be building or expanding, you may have to pay sewer access charges, water access charges, or other impact fees. Ask your municipality about these.
16. If you will be building or expanding, you may wish to have the subsurface soil professionally examined before closing to determine whether special construction methods will be required.
17. Have meters read and utility service changed to your name. Make sure water and sewer charges are not delinquent as they may be liens against the property.
18. Obtain all keys, payment books, receipt books, and records.
19. Promptly record on the county land records all deeds, contracts for deed, assignments and satisfactions.

20. Retain in a safe place the abstract or certificate of title, affidavits, closing sheets, lease agreements, bills of sale, contracts, receipts, surveys, appraisals, and other papers received at the closing.
21. Keep accurate records of all closing expenses, capital improvements, personal property that may be included in the purchase, and expenses of ownership.

BE SURE TO TAKE CARE OF THE FOLLOWING MATTERS AFTER CLOSING:

1. File the application for tax exemption required by the local municipality or county immediately upon closing. Failure to do so may result in property taxes being levied against property that might otherwise qualify for tax exemption.
2. Send insurance certificates to the Missioner for Missional Management to evidence that all the required insurance is in force.
3. Send a copy of all signed closing documents to the Missioner for Missional Management and the Vice-Chancellor.
4. Give the donor of any gifted property a written receipt acknowledging receipt of the gift and sign the IRS form 8283 provided by the donor.

