

Sample Closing Timeline

LiteQoE · Fictional business, for illustration only.

Closing timeline — Sample HVAC services

EXPECTED LENGTH: 12-16 WEEKS

An SBA loan with a seller note sets the pace here: the lender's QoE, valuation, and credit approval usually take 6-8 weeks. Two open items from the screen, the unsupported \$38,000 add-back and the equipment loan, should be settled before the purchase agreement is final.

LOI signed and kickoff Week 1

Sign the LOI and confirm the exclusivity end date

Buyer, seller

Your 60-day window is the clock for everything below.

Done when: Signed LOI saved and dates on your calendar

Send the diligence request list to the broker

Buyer

The screen flagged missing 2025 monthly bank statements and AR aging.

Done when: Broker confirms a delivery date

Engage a deal attorney and a CPA

Buyer

Both need lead time; ask your attorney about entity setup now.

Done when: Engagement letters signed

Financial due diligence and CPA work Weeks 1-4

Tie 24 months of bank deposits to reported revenue

CPA

The screen read only 10 months of statements, so cash is not confirmed.

Done when: Variance under 3% or explained

Get proof for the \$38,000 owner vehicle add-back

Seller, CPA

Rejected on the screen for lack of support; it moves price by about \$106,000 at the asking multiple.

Done when: Titles and mileage logs received, or add-back dropped

Review AR aging and the top five customer contracts

Buyer

Top customer is 22% of revenue.

Done when: Contract terms and renewal dates documented

Financing application and lender QoE Weeks 2-8

Submit the SBA 7(a) application package

Buyer, lender

You chose SBA plus a seller note.

Done when: Lender confirms the file is complete

Prove your equity injection

Buyer

SBA lenders often ask for 10% down, sourced and seasoned.

Done when: Bank statements accepted by the lender

Support the lender-ordered QoE and business valuation

QoE firm, seller

This screen is not lender-ready; the lender orders its own.

Done when: QoE and valuation reports delivered

Agree seller note terms and any standby period

Buyer, seller, lender

SBA rules often put the seller note on standby.

Done when: Note terms in the term sheet

Operations, people, and lease Weeks 3-8

Ask the landlord for a lease assignment or new lease

Seller, landlord

The lender usually needs lease term to cover the loan.

Done when: Signed assignment or letter of intent from landlord

Confirm technician licenses transfer or stay

Buyer

The owner holds the state contractor license.

Done when: Licensing path agreed in writing

Get payoff letter for the equipment loan

Seller

Listed as a \$64,000 debt-like item on the screen.

Done when: Payoff letter in hand

Purchase agreement and redlines

Weeks 6-11

Draft the asset purchase agreement

Attorney

Start once diligence findings are mostly in.

Done when: First draft to seller's attorney

Redline reps, warranties, and the working capital peg

Attorney, buyer

Ask your attorney how to cover the open add-back and AR issues.

Done when: Both sides sign off on final draft

Review disclosure schedules line by line

Buyer, attorney

Schedules are where surprises hide.

Done when: Schedules final and attached

Approval and closing prep

Weeks 10-14

Receive final loan approval and commitment letter

Lender

Nothing closes without it.

Done when: Commitment letter signed

Bind insurance and open business bank accounts

Buyer, insurance agent

Lenders require coverage at closing.

Done when: Certificates sent to the lender

Plan the owner transition and employee announcement

Buyer, seller

Owner runs dispatch and key accounts today.

Done when: Written 90-day transition plan

Closing and day one Weeks 12-16

Do the final walkthrough and inventory count

Buyer, seller

Confirms assets match the agreement.

Done when: Count signed by both sides

Approve the funds flow memo and sign closing documents

Attorney, lender, buyer

Check every payoff on the memo, including the equipment loan.

Done when: Funds wired and keys handed over

Watch closely on this deal

- Bank statements for 2024 are still missing; lender QoE will need them.
 - Top customer at 22% of revenue — ask for a meeting before closing.
 - Owner holds the contractor license; plan the transfer early.
 - The \$38,000 vehicle add-back may not survive the lender's QoE.
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Planning guide built from a screening analysis. Not legal, tax, or lending advice. Not a Quality of Earnings. Real dates depend on your lender, lawyer, CPA, and the seller. Confirm every step with them.

Know before you buy.