

What are closing costs?

Closing costs, or settlement costs, are expenses typically incurred by the buyer over and above the purchase price of the property. Closing costs normally include title insurance, loan points, escrow or closing day charges, property taxes, and document fees

Who pays the closing costs?

The buyer typically pays the closing costs in a real estate transaction, although this point is subject to private negotiation.

How much money should I set aside for closing costs?

Closing costs typically average between two and five percent of a property's purchase price. You can get a better idea of how much you should set aside for closing costs, however, by obtaining a good faith estimate of settlement costs from your mortgage lender.

What is a good faith estimate of settlement costs and how do I get one?

When you apply for a mortgage loan, your lender is required to give you a written list of the estimated settlement costs, or closing costs, associated with the mortgage transaction. This list is known as a good faith estimate of settlement costs. The closing costs reported in the good faith estimate will include the lender's charges along with the local closing agent's fees. The good faith estimate will also include the projected costs of property taxes, title insurance, and homeowner's insurance, among other things.

What types of things are included in a good faith estimate of settlement costs?

Here's a list of some of the fees you'll find listed in your good faith estimate:

- Credit report fee
- Property appraisal fee
- Inspection fee
- Title search and title insurance fees
- Document recording and survey fees
- Transfer taxes
- Property taxes
- Loan application fee
- Loan points and loan origination fee
- Attorney's fees (yours and your lender's)
- Escrow account balances
- Document preparation fees



COSTS ON THE SALE OF A PROPERTY*

State Conveyance Tax	0.75% of Sales Price up to \$800K 1.25% of Sales Price above \$800K
Local Conveyance Tax	\$1.10 per thousand
Realtor's Fee	6% (varies)
Attorney's Fee	\$1200+
Recording Fee– Release	\$10 (1 page) - \$15 (2 pages)
Real Estate Taxes	Unpaid Amount
Mortgage Payoff	Unpaid Balance

COSTS ON THE PURCHASE OF A PROPERTY*

Lender Fees:	\$300-600
Application, Appraisal	
Attorney's Fee	\$1200+/-
Title Search	\$100-150+/-
Title Insurance	\$325 per \$100,000
Recording Fee	\$10 (1 page) - \$15 (2 pages)
Tax Escrow (usually 6 months)	Determined by lender
Tax Adjustment	Buyer usually reimburses seller for remaining months in a 6 month period
Interest Adjustment	Varies with Closing date. Prorated to the date of 1st mortgage payment
Other Adjustments:	
Utilities (oil, gas & water)	Varies
Common Charges (condo)	Varies with Complex
Association Fees (Beach Rights)	Varies with Association
Insurance	\$1,000+ depending on property

COSTS ON THE VARIOUS INSPECTIONS*

General Building Inspection	\$500+/-
Water Test	\$35+/-
Lead Test	\$300+/-
Radon	\$100+/- placement & pick-up
Radon Mitigation System	\$1,200+/-
Septic Dye Test	Included in most inspections
Septic Cleaning & Inspection	\$300+/-
Asbestos Check	\$350+/- per test
Termite	\$250+/-

*Disclaimer: These fees are estimated cost only and are subject to change. Please contact your attorney for fee verification