

# Closing Costs and Who Pays What?

Closing costs are what the Buyer and Seller will pay as part of the escrow transaction. Some fees are negotiable between the seller and buyer as to

**“Who Pays What.”**



Below is an example of some typical closing costs which may vary from county to county.\*

<p><b>Paid By Both or Either Party</b></p>	<ul style="list-style-type: none"> <li>• ATTORNEY FEES, COURIER/DELIVERY FEES, DOCUMENT PREPARATION – For deed(s) and other legal documents required to consummate the transaction</li> <li>• ESCROW FEE – Often split between buyer and seller</li> <li>• HOMEOWNER’S ASSOCIATION (HOA) DUES AND TRANSFER FEES</li> <li>• NOTARY FEES – To witness documentation</li> <li>• RECORDING FEES – To file legal documents with County Recorder</li> <li>• PROPERTY TAXES</li> <li>• OWNER’S TITLE INSURANCE PREMIUM</li> <li>• LENDER’S TITLE INSURANCE PREMIUM</li> </ul>
<p><b>Buyer’s Typical Costs</b></p>	<ul style="list-style-type: none"> <li>• APPRAISAL – One-time fee for new loan</li> <li>• CREDIT REPORT – For loan application</li> <li>• HOMEOWNER’S INSURANCE – Paid by buyer for fire/hazard insurance</li> <li>• LOAN FEES – Origination and processing fees charged by lender</li> <li>• PMI – Some lenders require Private Mortgage Insurance</li> <li>• PREPAID INTEREST – Prorated depending on time of month the loan closes</li> </ul>
<p><b>Seller’s Typical Costs</b></p>	<ul style="list-style-type: none"> <li>• REAL ESTATE COMMISSION</li> <li>• DISCLOSURE REPORTS – Natural Hazard report</li> <li>• HOME WARRANTY, EXISTING ENCUMBRANCES</li> <li>• PROPERTY INSPECTIONS, PEST INSPECTION/CORRECTION – Termite report</li> <li>• TRANSFER TAX – City/County conveyance tax</li> </ul>
<p><b>VA Loan Typical Costs</b></p>	<p>The following list provides examples of items that cannot be charged to the veteran as “itemized fees and charges.” Instead, the lender must cover any cost of these items out of its flat fee.</p> <ul style="list-style-type: none"> <li>• LENDER’S APPRAISALS</li> <li>• LENDER’S INSPECTIONS, except in construction loan cases</li> <li>• LOAN CLOSING OR SETTLEMENT FEES (which includes notary fees)</li> <li>• DOCUMENT PREPARATION FEES</li> <li>• PREPARING LOAN PAPERS or CONVEYANCE FEES</li> <li>• ATTORNEY’S SERVICES other than for title work</li> <li>• PHOTOGRAPHS</li> <li>• INTEREST RATE LOCK-IN FEES</li> <li>• POSTAGE AND OTHER MAILING CHARGES, stationery, telephone calls, and other overhead</li> <li>• AMORTIZATION SCHEDULES, PASS BOOKS, and MEMBERSHIP or ENTRANCE FEES</li> <li>• ESCROW FEES OR CHARGES</li> </ul> <p>Some special provisions apply to construction, alteration, improvement and repair loans.</p> <p><b>NOTE:</b> The listing of these typical charges does not mean the Settlement Agent cannot charge these fees. If the lender charges a “flat fee” those charges must be paid for by the lender out of the flat fee. The fees can be paid for by a seller if agreed to in the Purchase and Sale Agreement.</p>

\*This list is an example only of typical closing costs.

