

# Closing Costs



This list will give you an idea of what items are typically included in closing costs (not the specific amounts, as fees can vary). The buyer and seller may negotiate “Who Pays What”, but once the contract is signed, instructions cannot be changed unless mutually agreed upon by all parties in writing.

## Real Estate Commission

If the property is listed or sold by an agent, there will be commission(s) to calculate.

## Taxes

The seller is required to pay the property taxes through the last day of ownership.

## Homeowner Insurance

The buyer will purchase a fire and hazard insurance policy. Frequently the lender requires the first year’s insurance premium to be paid at close of escrow.

## Assessments and Liens

Assessments or liens against individuals and/or the property must be paid off before the close of escrow. The title company will normally show much of this information in the Preliminary Report or Commitment and the escrow officer will work with the appropriate parties to clear up any problems so that the escrow may close.

## Escrow Fees and Title Insurance

Depending upon the customs of the area, the seller or the buyer can pay the title insurance fee that is referred to as the owner’s (or homeowner’s) policy. The owner’s policy covers the new owner’s interest and “title” to the new property. The buyer typically pays for the “lender policy” that will cover the new lender’s interest in the “title” to the property. “Who pays” the escrow fee is frequently dictated by county or regional custom, but is generally split between the buyer and the seller except on certain types of government loans.

## Inspections and Other Fees

- Attorney’s fees
- Loan fees
- Notary fees
- Natural hazard disclosure report
- Pest inspection
- Special courier or delivery fees
- Document preparation fees
- Deed recording charges
- Home warranty
- Tax service fees
- Pest correction costs