

A BUYERS' GUIDE TO

CLOSING COSTS



Origination Fee – Payment to lender to evaluate your credit and underwrite and process loan.

Discount Points – Paid to lender at closing to reduce interest rate over life of mortgage.

PMI or Mortgage Insurance – Required if down payment is less than 20%. Protects lender if you default.

Appraisal Fee – Paid to appraiser to confirm home's fair market value.

Title Search – Covers cost to confirm seller owns property, and it is free from liens.

Title Insurance – Protects lender and (optionally) you if title claim surfaces later.

Termite Inspection Fee – Inspection required to certify home is free of termite damage.

Survey Fee – Charge to verify property boundaries.

Flood Certification Fee – Covers cost to determine if home is in federally designated flood zone. If it is, lender will require you to purchase flood insurance. Some lenders also charge a separate flood monitoring fee to check for flood map updates.

Closing Cost Details	
Loan Costs	
A. Origination Charges	\$1,800
3.5 % of Loan Amount (Points)	\$485
Application Fee	\$200
Underwriting Fee	\$1,097
B. Services You Cannot Skip Pay	
Appraisal Fee	\$485
Credit Report Fee	\$30
Flood Determination Fee	\$30
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110
C. Services You Can Shop For	
Pest Inspection Fee	\$115
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$160
Title – Title Search	\$1,264
D. TOTAL LOAN COSTS (A + B + C)	\$5,872
Other Costs	
E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	
F. Prepaids	\$847
Mortgage Insurance Premium (2 months)	\$400
Mortgage Insurance Premium (2 months)	
Prepaid Interest (\$17.44 per day for 15 days @ 5.875%)	\$262
Property Taxes (2 months)	
G. Initial Escrow Payment at Closing	\$415
Mortgage Insurance (\$108.83 per month for 2 mos.)	\$200
Mortgage Insurance (per month for 2 mos.)	
Property Taxes (\$105.38 per month for 2 mos.)	\$211
H. Other	\$1,817
Title – Owner's Title Policy (optional)	\$1,817
I. TOTAL OTHER COSTS (E + F + G + H)	\$2,882
J. TOTAL CLOSING COSTS	\$8,054
(D + I)	\$8,054
Lender Credits	
Calculating Cash to Close	
Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/ Funds from Borrower	\$18,000
Deposit	\$18,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054

Prepaid Interest – Covers mortgage interest due between date of closing and first mortgage payment.

Prorated Property Tax – Covers property taxes from date of closing to end of tax year.

Homeowners' Insurance – Typically, you'll pay full first-year cost upfront at closing.

Homeowners' Association Transfer Fee – Paid on properties governed by associations to transfer ownership documents to you.

Initial Escrow – Lender may require first two months of next year's homeowners' insurance, flood insurance and property taxes to build up reserve.

Closing or Settlement Fee – Paid to title company, attorney or escrow company that conducts closing.

Recording Fee – Paid to state to record transfer of property from one owner to another.

Transfer Tax – Paid to state, based on the amount of the mortgage.