

CLOSING COSTS

Definitions of What the Costs Are

COST	CHARGED BY	DESCRIPTION
ESCROW FEES		
Escrow Fee	Escrow; to buyer and seller	Covers liability assumed as well as standard processing costs.
Demand Fee	Escrow to seller	Charge to request a statement and process involved in getting a payoff figure to escrow on the outstanding amount of the current loan. One demand fee per loan.
Process HOA docs and Transfer Fee	Escrow; buyer and seller	Fee for processing required to assign membership for HOA and copying all governing documents.
Document Fee	Escrow	Covers the expense for drawing legal documents for official records.
Loan Tie in Fee	Escrow	Covers the cost of all processing required to meet new lender requirements.
Federal Express	Federal Express	For document packages to out of county lenders.
TITLE FEES		
Owner's Title Policy	Title	Fee to issue an owner's title policy. Calculated using the sales price. May be reduced if home was purchased or refinanced in the last 5 years—usually paid by seller.
Lender's Title Policy for Buyers Loan	Title	Title policy issued to lender to cover the amount of the loan. Based on the loan amount. Negative amortization loans may require a slightly higher amount of insurance—usually paid by buyer.
Sub-Escrow Fee	Title; split between buyer and seller	Fee to administer the payoff of loans or property taxes of the seller and collection of funds from the new lender.
Document Transfer Tax	County (some cities charge an additional transfer tax)	Fee charged on all properties that transfer title—based on sales price.
Record Release/Reconveyance	County	Charge to record the release/reconveyance.
Federal Express/Airborne	Federal Express/Airborne	Charge to deliver all time sensitive documents/monies.
Wire Handling Fee	Banking Institution	Charge to wire funds to and from escrow, seller, lenders, etc.
Electronic Recording (shipping and handling)	County	Charge to electronically record the documents.
Record Grant Deed	County	Charge to record the Grant Deed.
Record Trust Deed	County	Charge to record the Trust Deeds.
Messenger	Messenger Service	Charge to special messenger documents during the course of escrow. Fee varies with distance.
Lender's Endorsement	Title	Charge for endorsements required by lender to cover "outside the normal" risk circumstances.



EQUITY TITLE

COMPANY

On the web at www.EquityTitle.com

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LENDER FEES		
Origination Fee	Lender	Charge for lending money as a point or percentage of the loan amount.
Documentation Preparation	Lender	Paid to Lender for preparation of final loan documents.
Tax Service	Tax Service	Fee charged to buyer to have lender notified in case of non-payment of taxes.
Wire	Banking Institution	Charge for the wiring of funds to title for closing.
Flood Certificate	Lender	Fee for investigation to determine if the subject property is located in a flood hazard zone.
Underwriting	Lender	Fee to direct lender for the process of approving.
Tax Impounds	Lender	Collected to create an impound reserve account for the lender to pay property taxes twice a year.
Insurance Impounds	Lender	1 year and 2 months Hazard Insurance collected for impound reserve account.
Appraisal	Fee Appraiser	Paid directly to Fee Appraiser for appraisal of property.
Credit Report	Lender	Paid to Credit Bureau for report containing 3 repositories—TRW, TU and Equifax.
Processing	Lender	Paid to mortgage broker for processing loan package from application to closing.
DISBURSEMENTS		
HOA Transfer Fee	HOA Management Group	To transfer ownership and handle new accounting set up.
HOA Dues	HOA Management Group	Paid through month of closing.
Fire Insurance	Insurance Agency	1 year prepaid premium for Homeowners Insurance.
Notary	Notary	Charge to seller for notarizing signature on grant deed or other documents. Buyers need notary for signing loan documents.
PAYOFFS		
Recording Fee	Existing Lender	Charge for having reconveyance recorded.
Statement/Forwarding Fee	Existing Lender	Charge for issuing a payoff statement.
CREDITS AND PRORATIONS		
HOA Dues	Seller to Buyer	Calculated from date of COE through month-end.
County Property Taxes	Seller to Buyer	Calculated from date of closing through end of period paid for, example: COE = 5/30. Calculate as 5/31—6/30 times the cost of taxes per day.