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KNOWING WHAT COSTS ARE ASSOCIATED WITH BUYING A HOME

There are a variety of fees and costs associated with buying a home. Below is an informational handout from The Federal Reserve Board explaining fees and other costs. Be sure to discuss the costs with your particular lender to understand your position.

Your lender will provide a “Good Faith Estimate” of the costs to you. Some will be paid at closing and some can be rolled into the financed amount on the home. Your lender can tell you specifically which fees are paid up front and which will become part of the financed amount.

IF YOU HAVE ANY QUESTIONS ABOUT CLOSING FEES AND COSTS, CONSULT YOUR LENDER; Your real estate agent can give some general information about common fees and costs, but your lender can give more accurate and specific information to you. **BE SURE TO ASK FOR AN ESTIMATE ON YOUR “COST AT CLOSING”**... an estimated dollar amount that you will be expected to pay when you close on your new home at the title company, which will include your down payment, prepaid items to lender, and other fees to the lender and title company.

- **Some common costs that you should be aware of before you start the offer process are;**

OPTION FEE; (Paid by buyer when contract is executed: \$100 or more depending on price of home) This is a negotiable fee per the sales contract. For a small fee, the buyer is provided a certain time period (usually 10 days) after the contract is signed by seller and buyer (“Executed Contract”) where the buyer has the unrestricted right to cancel the contract. This time period is used by buyer to conduct any inspections. Time is of the essence. Should renegotiations fail, the buyer must cancel the contract within proper time-line set by the contractual option period. The option fee is non-refundable. If the sale is completed, the amount is applied on behalf of the buyer toward the purchase of the home. If the sale is cancelled by the buyer, the buyer forfeits the option money and the seller keeps the option money as payment for providing the buyer with their unrestricted right to cancel.

ESCROW FEE; (Paid by buyer when contract is executed: \$1000 or about 1% of price of home) This is a negotiable fee per the contract. The Escrow Fee (or “earnest Money”) is a “good faith” payment by the buyer which is deposited with the title company to demonstrate the buyer’s commitment to purchasing the home. The fee is kept by the title company in escrow from the time the contract is executed until closing. If the sale of the property takes place, the escrow fee is applied to the sale on behalf of the buyer. If the buyer or seller terminate to contract for a legally acceptable reason (for example, the buyer terminates the contract during the option period) the money is returned to the buyer. If either party defaults on the contract for some reason not allowed in the contract the escrow money is awarded to the non-defaulting party. There may also be other fees, costs, and relief to the non-defaulting party as the law allows.

HOME INSPECTION; (Paid by buyer: \$250 to \$500, possibly more for large homes or homes with additional structures such as guest houses, pool houses, and barns). This is paid directly to the licensed home inspector chosen by the buyer, and is non-refundable. The home inspector will provide a written report, and should be available to the buyer for any questions, regarding the general condition of the home. If any defects are reported by the inspector, the buyer has the right to renegotiate for repairs or monetary compensation (usually a sales price reduction). It is important

to get an inspection as soon as possible after executing the contract, so any subsequent re-negotiation can be completed prior to the expiration of the option period.

- If the buyer requires any additional or specialized inspections the cost will be paid directly by the buyer and is also non-refundable. Some common additional inspections are;
 - o Insect / Pest inspections – For some loan programs the lender will require inspections to determine if there is any existing damage due to termite or other wood destroying insects.
 - o Roof Inspection / Structural inspection
 - o Foundation Inspection
 - o AC / Heating system Inspection
 - o Pool / Spa equipment inspection
- The cost for all inspections varies. ***IT IS HIGHLY RECOMMENDED THAT A BUYER ALWAYS GET A GENERAL HOME INSPECTION BY A LICENSED INSPECTOR AT TIME OF EXECUTED CONTRACT IN ORDER TO PROTECT THEMSELVES FROM BUYING A HOME WITH A DISCOVERABLE DEFECT. IF THE BUYER WAIVES THE HOME INSPECTION THEY DO SO AT THEIR OWN RISK.***

SURVEY FEE; (Negotiable who pays, \$300 or more depending on the size of lot and home and any complicating factors such as multiple structures or difficult terrain) A property survey is a legal depiction of the location and arrangement of the lot and structures associated with the contracted sale. It will show the legal address, boundary lines, any easements or underground utility passage, and the exterior footprint of structures in relation to the lot boundaries. Normally the seller provides an existing survey to the title company that is acceptable to title and the buyer's lender. If, however, the survey is not provided by the seller, or the provided copy is not acceptable to title or lender another survey will have to be produced. The party responsible for the cost of producing a new survey is determined by what was negotiated in Section 6C of the sales contract. Your real estate agent will discuss this when preparing your offer on a home. Traditionally it is agreed that the seller will pay for a new survey if they can't produce an acceptable existing survey. Sometimes it is stated up front in a listing that a survey does not exist and the buyer will be responsible. The buyer should consider the cost (or lack of cost) of survey when making an offer, or accepting a counter offer.

APPRAISAL FEE; (Paid by buyer. Usually paid out of pocket after the inspection has been completed and a decision to continue with the purchase has been made. Sometimes can be paid at closing as part of lender's fees, but you should check with your lender to be sure. \$300 to \$500) An appraisal is an impartial opinion of value of a home. If financing is involved in the purchase of a home, most banks require an appraisal to make sure the home is worth at least what the bank will be lending the buyer. Even some buyers who are paying cash for a home get an appraisal just to make sure they are paying a fair market price for the home.

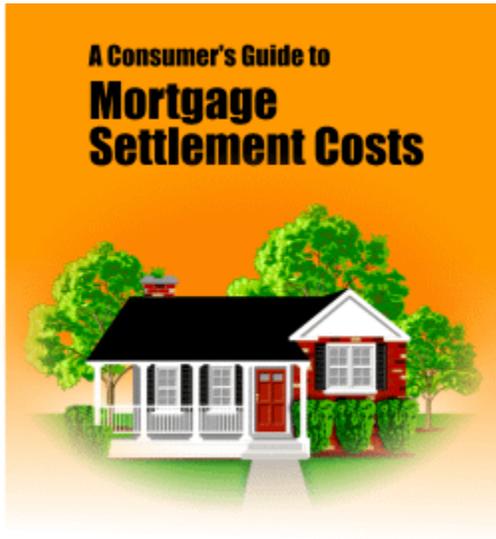
RECAP & TIMELINE – OUT OF POCKET AND “UP FRONT” COSTS TO BUYER

- WHEN CONTRACT IS EXECUTED (approx. \$1500)
 - Option Fee (approx. \$100)
 - Earnest Money (approx. \$1000 / or 1% of sales price)
 - General Home Inspection (approx. \$250 - \$500)
 - Specialized Inspections (costs vary)

- PRIOR TO CLOSING / 10 Days from executed contract to closing day
 - Appraisal Fee – (approx. \$300 - \$500) Consult with your lender; can be part of lender’s fees paid at closing or paid “up front” by buyer.
 - Survey Fee – (approx. \$300 or more, depends on size of lot and home) Negotiable per contract who pays. Survey must be provided prior to closing.

- AT TIME OF CLOSING / Get a Good Faith Estimate from lender
 - DOWN PAYMENT; Usually calculated as a percentage of the sales price. For example; 3.5% down payment required by FHA 203b loan is \$3,500 on a \$100,000 home.
 - PREPAID INTEREST AND INSURANCE FOR LENDER
 - OTHER CLOSING FEES FOR BANK
 - CLOSING FEES FOR TITLE COMPANY

- NOTE; There is no charge to the buyer for real estate commissions on a completed transaction. Real estate agent commissions are paid by the seller from their proceeds of the sale at time of closing as agreed by MLS contract and posting.



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[Settlement Costs Worksheet](#)

The mortgage settlement process--sometimes called mortgage closing--can be confusing. A settlement may involve several interested parties and a variety of documents and fees. This guide helps you understand the steps involved in the settlement process. Although the focus here is on settlements for home purchases, much of the guidance will also apply if you refinance a mortgage.

Negotiate the terms of your purchase

Customs and practices during settlement often vary regionally, with buyers and sellers free to negotiate which party pays certain fees. In slow-moving real estate markets, for example, the seller may agree to pay certain settlement costs including points or fees usually assumed by the buyer. In fast-moving markets, the buyer may have to agree to pay more costs to close the deal as an incentive to the seller of a property in great demand. Whatever you negotiate should be in writing and will become the basis of the sales contract. However, be careful: if some buyer's costs are shifted to the seller, the price you pay for the property may increase if the seller wants to recoup those costs. You can reduce some costs by shopping around for settlement services. The more you know about the settlement process and related costs, the better your chances are for saving money at settlement time.

Because settlement practices vary significantly based on your locale, it is difficult to provide reliable estimates for costs that fit every settlement situation you may encounter. However, one rule of thumb for buyers is to figure that settlement costs will be about 3% of the price of your home. In some relatively high-tax areas of the country, however, 5% to 6% may be more common.

Some settlement costs, such as homeowner's insurance, private mortgage insurance, or points, can be more expensive if your credit rating is low, too. Knowing your credit score, therefore, can help you understand how lenders will evaluate your applications and how that score may impact the cost of your mortgage loan and help you to anticipate your settlement costs. Your lender is required to give you a copy of your credit score as part of the settlement process. Make sure you get a copy of your score.

Understand the types of settlement costs

Most people associate settlement costs with mortgage loan charges. These fees and charges vary, so it pays to shop around for the best combination of mortgage terms and settlement costs. Mortgage-related costs that may apply to your loan include the following items.

Application fee

Imposed by your lender or broker, this charge covers the initial costs of processing your loan request and checking your credit report.

Estimated cost: \$65 to \$640, including the cost of the credit report for each applicant Median cost: \$365

Loan origination fee

The origination fee (also called underwriting fee, administrative fee, or processing fee) is charged by the lender for evaluating and preparing your mortgage loan. This fee can cover the lender's attorney's fees, document preparation costs, notary fees, and similar charges.

Estimated cost: \$2,130 to \$3,105 with a 5% down payment; \$1,984 to \$2,865 with a 10% down payment

Median cost: \$2,734 with a 5% down payment; \$2,537 with a 10% down payment

Points

Points are a one-time charge that may be negotiated with the lender, usually to reduce the interest rate you pay over the life of your loan. One point equals 1% of the loan amount. For example, one point on a \$100,000 loan would be \$1,000. In some cases--especially in refinancing--points can be financed by adding them to the amount that you borrow. However, if you pay the points at settlement, they are deductible on your income taxes in the year they are paid (different deduction rules apply when you refinance or purchase a second home). In your purchase offer, you may want to negotiate with the seller to have the seller pay all or a portion of the points.

Estimated cost: 0% to 3% of the loan amount

Appraisal fee

Lenders want to be sure that the purchased property is worth at least as much as the loan amount. An appraisal fee pays for a determination of the value of the home and lot you want to purchase or refinance. Some lenders and brokers include the appraisal fee in the application fee; you can ask the lender for a copy of the appraisal. If you are refinancing and have a recent appraisal of the property, some lenders may waive the requirement for a new appraisal.

Estimated cost: \$263 to \$444

Median cost: \$292

Lender-required home inspection fees

Lenders may require a termite inspection and an analysis of the structural condition of the property by an engineer or consultant. In rural areas, lenders may require a septic system test (if applicable) and a water test to make sure the well and water system will maintain an adequate supply of water for the house (this is usually a test for water quantity and not quality; your local health department may require a water quality test as well, but may do so outside the settlement process and with a separate payment). Keep in mind that such inspections are for the benefit of the lender; you may want to request your own inspection to make sure the property is in good/acceptable condition.

Estimated cost: \$300 to \$500

Prepaid interest

Your first regular mortgage payment is usually due about six to eight weeks after you settle (for example, if you settle in August, your first regular payment will be due on October 1; the October payment covers the cost of borrowing the money for the month of September). Interest costs, however, start as soon as you settle. The lender will calculate how much interest you owe for the part of the month in which you settle (for example, if you settle on August 16, you would owe interest for 16 days--August 16 through 31).

Estimated cost: Depends on the loan amount, interest rate, and number of days since settlement (for example, a \$120,000 loan at 6% for 16 days, about \$220; a \$142,500 loan at 6% for 16 days, about \$375).

Private mortgage insurance (PMI)

If your down payment is less than 20% of the value of the house, the lender will usually require mortgage insurance. The insurance policy covers the lender's losses if you do not make the loan payments. Typically, you will pay a PMI monthly along with each month's mortgage payment. Your PMI can be canceled at your request, in writing, when you reach 20% equity in your home (based on your original purchase price) if your mortgage payments are current and you have a good payment history. By federal law your PMI payments will automatically stop when you acquire 22% equity in your home (based on the original appraised value of the house) as long as your mortgage payments are current.

Estimated cost: \$50 to \$100 per month

Some lenders will pay for LPMI--or lender's private mortgage insurance--and, in turn, charge a higher interest rate to you. Unlike the PMI that you might pay, with LPMI there is no automatic cancellation of the insurance charge once you acquire 22% equity. To eliminate LPMI, you must refinance the loan, which in turn means carefully considering market interest rates and settlement costs at the time to see if refinancing would be advantageous to you, rather than keeping your current mortgage and its attendant costs.

FHA, VA, and RHS fees

The Federal Housing Administration (FHA) offers insured mortgages and the Veterans Administration (VA) and the Rural Housing Service (RHS) offer mortgage guarantees. If you are getting a mortgage insured by the FHA or guaranteed by the VA or the RHS, you will have to pay FHA mortgage insurance premiums or VA or RHS guarantee fees. As with PMI, FHA insurance premium payments will stop when you acquire 22% equity in your home. FHA fees are about 1.75% of the loan amount.¹ VA guarantee fees range from 1.25% to 3.3% of the loan amount, depending on the size of your down payment (the higher your down payment, the lower the fee percentage).² RHS fees are 2.00% of the loan amount.³

Homeowner's insurance

Your lender will require that you arrange for homeowner's insurance coverage (sometimes called hazard insurance) at settlement. This insurance protects against physical damage to the house by fire, wind, vandalism, and other causes, and ensures that the lender's investment in your purchase will be secured even if the house is destroyed. If you are buying a condominium, hazard insurance may be part of your monthly condominium fee; you may also want to secure insurance coverage for your home furnishings and valuables.

Estimated cost: \$300 to \$1,000 (Depending on the value of the home and the amount of coverage; you can expect a cost of about \$3.50 per \$1,000 of the home purchase price.)

Median cost: \$744

Flood determination fee

If your home is in a special flood hazard area where flood insurance is mandated, lenders cannot offer you a mortgage loan unless you buy flood insurance. Regardless, your lender may charge a fee to find out whether the home is in a flood hazard area. Flood insurance protects the lender if flooding damages or destroys your home.

Estimated cost: \$10 to \$16 for the search (This is not the cost for the flood insurance; flood insurance, if required, would be in addition to your homeowner's insurance and may cost from \$500 to \$5,925 depending on location and property value and loan balance.⁴)

Median cost: \$12

Escrow (or reserve) funds

Some lenders require that you set aside money in an escrow (or reserve) account to pay for property taxes, homeowner's insurance, and flood insurance (if applicable). Lenders use escrow funds to ensure that these items/expenses are paid on time and to protect their interest in your home. With an escrow account, money is held by the lender or its agent, which then pays the taxes and insurance bills when they are due. At settlement, you may need to provide funds for this account, depending on when payments will be due. For example, if you buy your home in August and property taxes are due the following January, you will need to deposit funds into your escrow account at settlement so that you can cover tax payments when they are due in January.

Property Survey costs

Lenders require a property survey to confirm the location of buildings and improvements on the land you are purchasing. Some lenders require a complete (and more costly) survey to ensure that the house and other structures are legally where you and the seller say they are.

Estimated cost: \$84 to \$600

Median cost: \$154

Other miscellaneous settlement costs

Depending upon the location and type of property purchased--and the extra settlement services you or your lender request--you may also have to pay some of the following fees and assessments.

- **Assumption fee.** If you are assuming (or taking over) an existing mortgage, the lender may charge a fee.

Estimated cost: Depends on the lender, but will range from several hundred dollars to 1% of the amount of the loan you are assuming.

- **Prorated expenses between the seller and the buyer.** In your purchase contract, you may agree to split some costs with the seller to cover your respective periods of ownership during the overarching calendar year or tax period, such as prorated property taxes. Some of these expenses may involve large amounts: for example, annual condominium fees, homeowners' association fees, water bills, and other lump-sum service charges.

Estimated cost: Depends on the agreement between the seller and the buyer.

- **Inspection costs/fees.** As a buyer, if you make your purchase offer contingent on the results of a home inspection--such as testing for structural damage, water quality, and radon gas emissions--you will have to pay for these inspections.

Estimated cost: Costs vary regionally.

- **Escrow account funds.** In the purchase contract, you can request that the seller set up an escrow account to cover any costs for repairs, radon mitigation, house painting, or other items. For example, if you do not test all the appliances (for instance, if you buy in the summer, you may not test the furnace), you may request an escrow account to cover repairs if they are needed in the future. The seller may agree to split the costs with you, in which case you would need these funds at settlement. Sellers sometimes offer home warranties in lieu of these arrangements and as an enticement to buyers. These warranties typically cover repairs or the replacement of plumbing and heating, major appliances, and other home systems not covered by other home insurance policies.

Estimated cost: Depends on cost of repairs and agreement between seller and buyer.

- **Fees paid to find a lender.** As a borrower and buyer, you may work with a mortgage broker or other third party to secure a mortgage loan. For example, you may want to work with a broker to find a loan with nonstandard terms or conditions. Brokers arrange transactions rather than lend money directly; in other words, they find a lender for you. Brokers will generally contact several lenders regarding your application, but they are not obligated to find the best deal for you unless they have contracted with you to act as your agent.

Estimated cost: Depends on agreement with the broker and often is a percentage of the loan amount.

Learn about charges to establish and transfer ownership

Title search

The goal of a title search is to assure you and your lender that the seller is the legal owner of the property and that there are no outstanding claims or liens against the property that you are buying. The title search may be performed by a lawyer, an escrow or title company, or other specialist.

Title searches can be time- and labor-intensive. Public real estate records can be spread among several local government offices, including surveyors, county courts, tax assessors, and recorders of deeds. Liens, records of deaths, divorces, court judgments, and contests over wills--all of which can affect ownership rights--must also be examined.

If real estate records are computerized, the title search can be completed fairly quickly. In some cases, however, the title search may involve visiting courthouses and examining other public records and files, which is more time-consuming.

Estimated cost: Costs vary regionally.

Title insurance

Most lenders require a title insurance policy to protect the lender against an error in the results of the title search. If a problem arises, the insurance covers the lender's investment in your mortgage. The cost of the policy (a one-time premium) is usually based on the loan amount and is often paid by the buyer. However, you may negotiate with the seller to pay all or part of the premium.

The title insurance required by the lender protects only the lender. To protect yourself against title problems, you may want to buy an "owner's" title insurance policy. Normally the additional premium cost is based on the cost of the lender's policy, but it can vary based on your locale.

Usually, title insurance is provided by the chosen title company. In Texas the "Lender's Title Policy" is traditionally paid by the buyer, and the "Owner's Title Policy" is paid by the seller. The closing title company is normally chosen by the seller, but can be negotiable. Sometimes if the buyer requests a specific closing title company they may be asked to pay for all title insurance costs.

Estimated cost: The cost of title services and title insurance varies by state. For example, a lender's policy on a \$100,000 loan can range from \$175 in one state to \$900 in another. In some states, the price can even vary by county. Ask your lender. In Texas "Owner" Policy rates are regulated and should not vary.

Settlement companies and others settlement agents

Settlements are conducted by title insurance companies. In most cases, the settlement agent provides a service to the lender, and you may be required to pay for these services. You can also hire your own attorney to represent you at all stages of the transaction, including settlement.

Settlement is handled by a title or escrow firm, which collects all the funding, paperwork, and signatures and makes the necessary disbursements. This firm delivers the check to the seller and the house keys to the buyer.

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Consider state and local government fees and taxes

In some parts of the country, transfer and recording fees are low. In other parts of the country, costs of transfer fees, recording fees, and property taxes collected by local and state governments may be as much as 3% of the loan amount. Some of these fees, such as the recording fee and transfer fee, are one-time fees. Although there is no way to avoid paying these fees and taxes, you may be able to negotiate with the seller to assume some of these costs. But remember, you must include these terms in the purchase offer for the property.

Funds to cover property taxes may go into an escrow account. The amount you will need depends on when property taxes are due and the timing of the settlement. The lender should be able to give you an approximation of these costs at the time you apply for the mortgage.

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Understand "all-in-one" pricing of settlement costs

Some lenders have bundled most of their settlement costs into a single price. Generally, bundled arrangements combine the following fees:

- application
- origination
- underwriting and processing
- points
- pest inspection
- appraisal
- credit reports
- lender's attorney
- flood certification
- title search and title insurance
- recording, and
- fees for other tax services

This "all-in-one" price, however, does not include all of the fees charged at settlement. You will also need funds for the following:

- prepaid interest (based on the day of the month you settle)
- mortgage and transfer taxes (determined by your state or local taxing agency)
- private mortgage insurance (if needed)
- homeowner's (hazard) insurance
- flood insurance (if needed), and
- reserve (or escrow) funds for property taxes and homeowner's insurance

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Ask for estimates of settlement costs

At various points in the loan application process, you are entitled to estimates of the costs and fees associated with arranging your mortgage and completing the settlement process.

"Good faith estimate" (GFE)

With such a long list of potential charges at settlement, it is important to know which ones will apply to your purchase. The Real Estate Settlement Procedures Act (RESPA) requires your mortgage lender to give you a "good faith estimate" of all your expected closing costs within three business days of the submission of your loan application, whether you are purchasing or refinancing the home. Although called a good faith estimate, it is important to note that your actual expenses at closing may be somewhat different. The standardized GFE form lists which costs will change prior to settlement and the maximum amount by which they are allowed to change. If you are purchasing the home, a booklet provided by your broker or mortgage lender, *Buying Your Home: Settlement Costs and Helpful Information*⁵, explains the role of the good faith estimate in the settlement process.

Truth in Lending information

For home purchases, the lender is required under the Truth in Lending Act to provide a statement containing "good faith estimates" of the costs of the loan within three business days after receiving your application. This estimate will include your total finance charge and the annual percentage rate (APR). The APR expresses the cost of your loan as an annual rate. This rate is likely to be higher than the stated contract interest rate on your mortgage because it takes into account discount points, mortgage insurance, and certain other fees that can add to the cost of your loan. When refinancing your mortgage, you will receive truth-in-lending disclosures before you settle. Until you receive those disclosures, the creditor and other parties cannot charge you fees related to your loan application, except for a fee for obtaining your credit history.

"HUD-1/HUD-1A" statement

When you purchase a home or refinance your mortgage, RESPA also requires the lender to give you a copy of your HUD-1 or HUD-1A Settlement Statement the day before you go to settlement, if you request it. This final statement of settlement costs will show all the fees and charges you will be expected to pay at settlement. The HUD-1 also states the initial terms of the loan, including the monthly amount due.

The revised HUD-1 is designed for easy comparison with your good faith estimate. Most costs in the "800" to "1300" series of the HUD-1 form are labeled with the corresponding section of the GFE for reference. Included in the HUD-1 are comparison charts for the estimated costs provided on the GFE and actual costs paid at closing. These will be completed by the settlement agent for you before closing with information provided by your lender.

Fees paid outside of settlement/closing

Some fees may be listed on the HUD-1/HUD-1A and marked as "Paid Outside of Closing" (or POC). You will pay some of these fees, such as for credit reports and appraisals, before settlement. Other fees, such as your direct payments to a mortgage broker, you will pay at settlement. Payments by other parties, for example, from the lender to the mortgage broker, also may be marked as POC.

Sample Settlement Costs

Because costs may vary from one area to another and from one lender to another, the following example is an estimate only. This example is based on a \$200,000 home with a 5% or a 20% down payment. Excluding reserves for property taxes and down payment, settlement costs for the 5% down payment loan vary between \$6,235 and \$19,930 (median cost \$13,030); settlement costs for the 20% down payment loan vary between \$5,800 and \$18,440 (median cost \$11,585). Your costs may be higher or lower than the examples below.

Item	Typical range	Estimate for \$200,000 house (in dollars)	
		5% down payment	20% down payment
Down Payment	--	10,000	40,000
Mortgage amount	--	190,000	160,000
Items payable in connection with the loan ("800" series on HUD-1 form)			
Application fee	--	65 to 640 Median: 365	65 to 640 Median: 365
Loan origination fee (may also include underwriting fees, administrative fees, lender's attorney fees, notary fees, and so on)		2,130 to 3,105 Median: 2,734	1,984 to 2,865 Median: 2,537
Points	0% to 3%	0 to 5,700	0 to 4,800
Appraisal fee	--	263 to 444 Median: 292	263 to 444 Median: 292
Lender's inspection fee	--	350 to 500	350 to 500
Assumption fee (if applicable)	\$300 to \$1,000	--	--
Broker fee (if applicable)	<u>1</u>	<u>1</u>	<u>1</u>
Tax service		54 to 420 Median: 63	54 to 420 Median: 63
Flood determination (flood insurance, if needed, is additional)		10 to 16 Median: 12	10 to 16 Median: 12

Items payable in advance ("900" series on HUD-1 form)

Daily interest	<u>2</u>	470	395
Homeowner's insurance (hazard insurance)	\$300 to \$1,000 Median: \$744	700 ³	700 ³

Reserves (escrow) deposited with lender ("1000" series on HUD-1 form)

Homeowner's insurance	--	160 to 915	160 to 915
PMI	--	100 to 200	--
Property taxes	<u>4</u>	--	--

Title charges ("1100" series on HUD-1 form)

Title search and lender's title insurance	--	<u>5</u>	<u>5</u>
Owner's title insurance	--	--	--
Settlement fees	--	285 to 560 Median: 400	285 to 560 Median: 400

Government recording and transfer fees ("1200" series on HUD-1 form)

Recording fees for deed, mortgage, city/county taxes⁴, and state taxes⁶		150 - 6,150 Median: 587	150 - 6,150 Median: 550
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Additional charges ("1300" series on HUD-1 form)

Survey	--	84 to 600 Median: 154	84 to 600 Median: 154
Pest inspection	--	0 to 68 Median: 50	0 to 68 Median: 50

Other amounts due from borrower ("100" series on HUD-1 form)

Personal property; assessments; prorated condominium fees; homeowners' association fees; prorated taxes; fuel, oil, and propane; and so forth	<u>7</u>	<u>7</u>	<u>7</u>
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Note:

1. May be a dollar amount or a percentage. [Return to table](#)
2. Depends on interest rate, the day of the month that settlement takes place, and the amount borrowed. The example assumes that there are 16 days left in the month and that the interest rate on the loan amount is 6%. [Return to table](#)
3. These are the fees if using \$3.50 per \$1,000 of purchase price as an estimate. [Return to table](#)
4. Varies greatly and depends on local tax rates. [Return to table](#)
5. Costs may vary regionally. [Return to table](#)
6. Visit www.taxadmin.org/fta/link to find your state's tax department. [Return to table](#)