

ESTIMATING REAL ESTATE CLOSING COSTS

Below are worksheets you can use to prepare an estimate of the costs entailed in the closing of a home. It is suggested that you consult your attorney for any closer estimates of the costs for your particular situation. A short time before closing, your attorney should be able to provide you with much more precise figures for your closing costs. In this example the purchase is based on a \$500,000 home.

FOR BUYERS

LEGAL FEE

Generally \$500 - \$1500 depending on the attorney and the transaction (includes title search) \$ _____

TITLE INSURANCE

Varies on cost of home. Approx. \$3.7per \$1000. \$ _____

RECORDING FEES

Required by local government clerk, about \$50 - 100. \$ _____

HOMEOWNER'S INSURANCE

(and **FLOOD INSURANCE** if applicable). Typical 1 family house \$600 per year. \$ _____

PRIVATE MORTGAGE INSURANCE (PMI)

Usually required if mortgage is more than 80% of the purchase price. Average premium is 2.5% of mortgage: 1/2% payable at closing. \$ _____

PREPAID INTEREST

Paid to lender: Covers interest day of closing to end of first month. \$ _____

ESCROW FEES

Paid to lender, covering approximately
3 months real estate taxes
3 months fire/flood insurance
3 months PMI premium (where applicable) Can go 6 months. \$ _____

POINTS

Paid to lender, usually 0 - 2 (1 "point" =1% of mortgage) \$ _____

OTHER UP-FRONT EXPENSES REQUIRED OF BUYER..

APPLICATION FEE set by lender \$250-\$425. Usually includes appraisal and credit reports \$ _____

POSSIBLE ADDITIONAL MISC FEES

Tax service fee \$50-\$100 \$ _____
Flood inspection fee \$25-\$50 \$ _____
Underwriting fee \$150-\$300 \$ _____

BUILDING INSPECTION, TERMITES, ETC.

\$ _____

FUEL ADJUSTMENT

For any fuel left behind by seller \$ _____

WATER/SEWER ADJUSTMENTS

Same as other tax adjustments \$ _____

ESTIMATED TOTAL (OF 2 COLUMNS) \$ _____