

# CLOSING COST DEFINITIONS

For general information only. All fees subject to negotiation

ESCROW FEES	WHO PAYS	
Escrow Fee	Escrow: to buyer & Seller	Covers liability assumed as well as standard processing costs.
Demand Fee	Escrow: to seller	Charge to request a statement & process involved in getting a payoff figure to escrow on the outstanding amount of the current loan. One demand fee per loan.
	Escrow: to Buyer & Seller	Fee for processing required to assign membership for HOA and copying governing documents.
Document Fee	Escrow: to Buyer	Covers the cost of all processing required to meet new lender requirements.
Loan Tie In Fee	Escrow: to buyer	Covers the cost of all processing required to meet new lender requirements.
Federal Express	Federal Express: to Buyer	For document packages to out of County Lenders.
TITLE FEES		
Owner's Title Policy	Title: to Seller	Fee for the Owner's Policy. Calculated using the sales price. May be reduced if home was purchased or refinanced in the last 5 years. Insures that the title is as agreed to at closing.
Lender's Title Policy	Title: to Buyer	Title policy issued to lender to cover the amount of the loan. Based on the loan amount unless it is a negative amortization loan.
Sub-Escrow Fee	Title: to Buyer & Seller	Fee to administer the payoff of loans and/or property taxes of the seller and collection of funds from new lender
Document Transfer Tax	County, City: to Seller	Fee charged on all properties that transfer title-based on sales price.
Record Release/Reconveyance	County: to Seller	Charge to record the release/reconveyance
Federal Express	Federal Express: to Buyer & Seller	Charge to deliver all time sensitive documents.
Title/Wire Fee	Banking Institution: to Seller	Charge to wire funds to Escrow, Seller, Lender, etc.
Electronic Recording (Shipping & Handling)	County: to Buyer	Charge to electronically record documents/monies
Record Grant Deed	County: to Buyer	Charge to record the Grant Deed.
Record Trust Deed	County: to Buyer	Charge to record the Trust Deed.
Messenger	Messenger Service: to Buyer & Seller	Charge to special messenger documents during the course of escrow, fee varies with distance.
Lender's Endorsement	Title: to Buyer	Charge for endorsements required by lender to cover "outside the normal" risk circumstances.

## LENDERS FEES

Origination Fee	Lender: to Buyer	charge for lending money at 1% of the loan amount.
Documentation Preparation	Lender: to Buyer	Paid to Lender for preparation of loan documents.
Tax Service	Tax Service: to Buyer	Fee charged to Buyer to set-up property taxes with the state.
Wire	Banking Institution: to Buyer	Charge for the wiring of funds to title for closing.
Flood Certification	Lender: to Buyer	Fee for investigation to determine if the subject property is located in a flood hazard zone.
Underwriting	Lender: to Buyer	Fee to direct lender for process of approving.
Tax Impounds	Lender: to Buyer	Collected to create an impound reserve account for the lender to pay property taxes twice a year.
Insurance Impounds	Lender: to Buyer	1 year + 2 months Hazard Insurance collected for impound reserve account.
Appraisal	Fee Appraiser: to Buyer	Paid directly to Fee Appraiser for appraisal of property.
Credit Report	Lender: to Buyer	Paid to Credit Bureau for report containing 3 repositories TRW, TU and Equifax.
Processing	Lender: to Buyer	Paid to mortgage broker for processing loan package from application to closing.

## DISBURSEMENTS

HOA Transfer Fee	HOA Management Group: to Buyer	To Transfer ownership and handle new accounting set-up.
HOA Dues	HOA Management Group: to Seller	Paid through month of closing.
Fire Insurance	Insurance Agency: to Buyer	1 year pre-paid premium for Homeowner's Insurance.
Notary	Notary: to Buyer	Charge to Seller for signing of Grant Deed or Certification Of Trust. Buyer needs notary for signing loan documents.

## PAYOFFS

Recording Fee	Existing Lender: to Borrower	Charge for reconveyance recorded.
Statement/Forwarding Fee	Existing Lender: to Borrower	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 payoff through end of period paid, for example: COE = 5/30, Calculate as 5/31-6/30 times the cost of taxes per day.

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