

A BUYERS' GUIDE TO

CLOSING COSTS



FloridaRealtors[®]
The Voice for Real Estate[®] in Florida

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	\$1,002
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

B. Services You Cannot Shop For

Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

C. Services You Can Shop For

Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

D. TOTAL LOAN COSTS (A + B + C)

	\$5,672
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Other Costs

E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

F. Prepays

Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	\$262
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	

G. Initial Escrow Payment at Closing

Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Mortgage Insurance per month for mo.	
Property Taxes \$105.30 per month for 2 mo.	\$211

H. Other

Title – Owner's Title Policy (optional)	\$1,017
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I. TOTAL OTHER COSTS (E + F + G + H)

	\$2,382
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J. TOTAL CLOSING COSTS

	\$8,054
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D + I

	\$8,054
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Lender Credits

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Calculating Cash to Close

Total Closing Costs (J)	\$8,054
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Closing Costs Financed (Paid from your Loan Amount)	\$0
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Down Payment/Funds from Borrower	\$18,000
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Deposit	\$10,000
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Funds for Borrower	\$0
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Seller Credits	\$0
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Adjustments and Other Credits	\$0
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Estimated Cash to Close	\$16,054
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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.

Sources: Bankrate.com, consumerfinance.gov