

Standard Breakdown of Closing Costs

Buyer's Closing Costs:

1. **Loan-related Costs:** These include fees associated with obtaining a mortgage, such as loan origination fees, discount points (if applicable), and any mortgage insurance premiums.
2. **Appraisal Fee:** The buyer typically pays for the home appraisal, which is required by the lender to assess the property's value.
3. **Credit Report Fee:** Lenders charge a fee to pull the buyer's credit report as part of the mortgage application process.
4. **Prepaid Interest:** Buyers are often required to pay the interest that accrues on the mortgage loan from the closing date until the end of the month.
5. **Title Insurance:** The buyer typically pays for their lender's title insurance policy, which protects the lender against any title defects.
6. **Escrow Fees:** These fees cover the cost of the escrow agent's services in facilitating the closing process and holding funds in escrow until all conditions are met.
7. **Recording Fees:** Charged by the local government to record the deed and other documents related to the property transfer.

Seller's Closing Costs:

1. **Real Estate Agent Commissions:** Typically the largest expense for sellers, covering the fees for both the listing agent and the buyer's agent.
2. **Outstanding Property Taxes:** Sellers are responsible for paying any property taxes owed up to the closing date.

3. **Title Insurance Premium:** Sellers usually pay for the owner's title insurance policy, which protects their interests in the property.
4. **Title Search Fee:** The cost of searching public records to verify the seller's ownership of the property and identify any existing liens or encumbrances.
5. **Transfer Taxes:** Some localities impose transfer taxes or stamp duties on real estate transactions, which are typically paid by the seller.
6. **Attorney Fees:** Sellers may incur legal fees for hiring an attorney to review contracts, negotiate terms, and facilitate the closing process.

It's important for both buyers and sellers to carefully review their respective closing costs and negotiate them as part of the sales contract. Additionally, buyers and sellers should consult with real estate professionals and/or attorneys to ensure they understand all the costs associated with the transaction.