

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		Other Costs	
A. Origination Charges		E. Taxes and Other Government Fees	
25 % of Loan Amount (Points)	\$1,800	Recording Fees and Other Taxes	\$85
Application Fee	\$100	Transfer Taxes	\$85
Underwriting Fee	\$1,000	F. Prepaids	\$867
B. Services You Cannot Shop For		Homeowner's Insurance Premium (4 months)	\$635
Appraisal Fee	\$495	Mortgage Insurance Premium (1 month)	\$635
Credit Report Fee	\$40	Prepaid Interest (317.44 per day for 15 days @ 3.875%)	\$262
Flood Determination Fee	\$20	Property Taxes (1 month)	\$262
Flood Monitoring Fee	\$32	G. Initial Escrow Payment at Closing	\$413
Flood Monitoring Fee	\$32	Homeowner's Insurance - \$100.81 per month for 2 mos.	\$202
Flood Monitoring Fee	\$32	Mortgage Insurance - \$100.80 per month for 1 mo.	\$101
Fee Monitoring Fee	\$32	Property Taxes - \$100.80 per month for 2 mos.	\$211
Fee Monitoring Fee	\$32	H. Other	\$1,017
Fee Monitoring Fee	\$32	Title - Owner's Title Policy (optional)	\$1,017
D. TOTAL LOAN COSTS (A + B + C)	\$5,672	I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
		J. TOTAL CLOSING COSTS	\$8,054
		(I + J)	\$8,054
		Lender Credit	
		Calculating Cash to Close	
		Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Held from your Loan Amount)	\$0
		Down Payment (L Cash from Borrower)	\$18,000
		Deposit	\$10,000
		Funds for Deposits	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		Estimated Cash to Close	\$13,054

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