



UNDERSTANDING COMMON CLOSING FEES

Brokers Commission: The amount paid for services performed during the sale or purchase of real property to the Broker and is generally based on the sales price of the subject property. A portion of the commission is usually paid to the associated real estate sales person.

Document Preparation Fee: Fee usually charged by the escrow company for performing the execution of various closing documents.

Escrow Fee: The fee charged for all services performed by the escrow company in the facilitation of the purchase, refinance or sale transaction.

The Home Warranty Fee: The cost associated with the residential service contract with a home warranty company that may cover costs associated with the repair and/or replacement of major home systems and appliances.

Interest Payoff: The payoff of a loan includes the payment of any accumulated interest owed to the date the loan is paid in full. The interest payoff amount will include interest from the date of the last monthly payment to the date the loan is paid in full.

Reconveyance Fee: The fee for filing real property reconveyance documentation with the county recorders office.

Document Transfer Tax: Tax collected by a state county or city when documents are recorded in association with the transfer of real property.

Owners Policy: A policy issued by the title company of title insurance, which ensures a named owner against loss by unexpected reason of liens, encumbrances, defects. The ensuring company also generally agrees to defend covered claims made against title.

Payoff Demand Fee: A fee that may be charged by a lender for the preparation and issuance of a payoff quote provided to specify the amount needed to pay off an existing mortgage loan.

Pest Inspection Fee: The fee associated with an inspection of the property by a registered structural pest control company to determine threat or damage by any wood destroying pests.

Pest Repair Fees: The cost associated with any repairs identified in the pest inspection report.

Miscellaneous Costs and Fees: Additional fees may be listed in a miscellaneous category incurred throughout the entire escrow closing process such as recording fees, courier/delivery fees and notary fees.