

A BUYERS' GUIDE TO

CLOSING COSTS



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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 \$1,802		E. Taxes and Other Government Fees \$85	
.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
Application Fee	\$300	Transfer Taxes	
Underwriting Fee	\$1,097		
B. Services You Cannot Shop For \$672		F. Prepays \$867	
Appraisal Fee	\$405	Homeowner's Insurance Premium (6 months)	\$605
Credit Report Fee	\$30	Mortgage Insurance Premium (months)	\$262
Flood Determination Fee	\$30	Prepaid Interest (\$17.44 per day for 5 days @ 3.875%)	
Flood Monitoring Fee	\$32	Property Taxes (months)	
Tax Monitoring Fee	\$75		
Tax Status Research Fee	\$110		
C. Services You Can Shop For \$3,198		G. Initial Escrow Payment at Closing \$413	
Pest Inspection Fee	\$135	Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
Survey Fee	\$65	Mortgage Insurance per month for 2 mo.	
Title - Insurance Binder	\$700	Property Taxes \$103.33 per month for 2 mo.	\$211
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		H. Other \$1,017	
		Title - Owner's Title Policy (optional)	\$1,017
		I. TOTAL OTHER COSTS (E + F + G + H) \$2,382	
		J. TOTAL CLOSING COSTS \$8,054	
		D + I	\$8,054
		Lender Credits	
		Calculating Cash to Close	
		Total Closing Costs (J)	\$8,054
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$18,000
		Deposit	-\$10,000
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	\$0
		Estimated Cash to Close	\$16,054

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