



# Customary Closing Costs

It is common for a variety of costs associated with the transaction (above and beyond the price of the property itself) to be incurred by either the buyer or the seller. These costs are typically paid at the closing and are known as closing costs. Below is a Guide to Customary Closing Costs for a Buyer and a Seller.

## Buyer Normally Pays For:

- One-half of the Escrow Fee (per the terms of the contract)
- Lender's ALTA Extended Title Insurance Premium
- Document preparation (if applicable)
- Pro-rated portion of Real Estate Tax and/or Homeowner's Dues
- Recording charges for all documents in buyer's name (Deed of Trust, Statutory Warranty Deed)
- Homeowners/Hazard Insurance premium for first year
- Home Warranty if paid by buyer (per the terms of the contract)
- Inspection Fees: roofing, property inspection, geological, termite, etc. (per the terms of the contract)
- All new loan charges except those required by lender for seller to pay as determined by loan type: FHA, VA, etc. (per the terms of the contract)

## Seller Normally Pays For:

- One-half of Escrow Fee (per the terms of the contract)
- Work orders if required by lender or agreed between parties (per the terms of the contract)
- Owner's Title Insurance Premium
- Real Estate Commission (per the terms of the contract)
- Encumbrances showing on Title such as Deed of Trust, Judgements, Tax Liens, Assessments
- Any unpaid Homeowner's Dues/Real Estate Taxes
- Home Warranty (per the terms of the contract)
- Any Bonds or Assessments
- Any loan fees required by buyer's lender determined by type of loan: FHA, VA etc. (per the terms of the contract)
- Recording charges to clear all Documents of Record against seller
- Excise Tax is calculated on a graduated scale beginning at 1.60% of the sales price and increases as the sales price does

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