

Settlement – Who Pays What?

During the negotiation stage of the transaction, a mutually agreed-upon date for closing is determined. “Closing” is when you and the buyer sign all the paperwork and pay your share of the settlement fees, and the documents are recorded. Settlement obligations vary widely due to specific contract language, local laws and customs. Prior to closing, the closing agent (usually an escrow or title company or attorney) will complete a detailed settlement statement for both buyer and seller. The Katie K Team can help you understand which of the following typical settlement fees apply to you.

The Seller Receives

- Utility deposits held by gas, electric, cable, telephone and other companies
- Prorated portion of pre-paid property taxes
- Prorated mortgage interest from payments made during the current month
- Fuel rebate for oil or propane remaining in storage tank
- Net proceeds after seller’s share of expenses is paid

The Seller Pays

- Brokerage commission (the sum or percentage of the sale price previously agreed upon by the seller and real estate agent)
- One-half of escrow or legal fees paid to the attorney or escrow company for preparing the closing.
- Document preparation fees
- Recording and notary fees
- Title search and title insurance (paid by either the seller or the buyer)
- Local transfer taxes, if any
- State taxes, if any
- Repairs or inspections seller has agreed to pay for

