



Customary Allocation of Closing Costs & Expenses

Loan Transaction: The Borrower normally pays all closing costs and loan costs. In the event of an FHA or VA loan, there will be some costs that the Borrower is not allowed to pay. Those costs may be either waived by the lender and/or mortgage broker or paid by the lender and/or mortgage broker (and disclosed accordingly on the HUD Settlement Statement). Escrow and Title Insurance fees and charges cannot be waived.

Sale Transaction: Payment of closing costs, loan costs and other costs incurred in connection with a real estate transaction is negotiated between the Parties. However, when a purchase agreement states that costs are to be paid "according to custom", the following guidelines may be followed. When the purchase agreement is not clear as to how costs are to be paid, both sides of the transaction should be asked to provide a mutually agreed upon written instruction as to the payment of costs. A Supplemental Escrow Instruction should be prepared detailing the allocation of any costs paid "according to custom", and as shown on the closing statement(s).

DESCRIPTION	SELLER	BUYER
Escrow Fee	1/2	1/2
Escrow Fees with VA Buyer/VA Loan	X	
Loan Tie-In Fee (Loan Concurrent with Sale)	1/2	1/2
Direct Transaction Fee (an escrow charge)	1/2	1/2
Funds Hold-Back Fees (an escrow charge)	1/2	1/2
Recording Fee (commercial transactions = actual cost paid as agreed)	1/2	1/2
Owner's Title Insurance	X	
Endorsements to Owner's Insurance		X
Lender's Title Insurance		X
Endorsements to Lender's Insurance		X
Overnight Delivery or Courier Fees	as incurred	as incurred
Wire-Out Fee	as incurred	as incurred
Receipt of E-mailed Loan Documents		X
Payoff Tracking Fee	X	
New Loan Costs (FHA & VA regulations mandate certain costs that must be paid by the Seller)	as negotiated	as negotiated
Assumption of Existing Loan Costs	as negotiated	as negotiated
Account Servicing Fees	1/2	1/2
Tax Service Fee (Seller carry-back)		X
Manufactured Housing - Escrow Charge	1/2	1/2
Manufactured Housing - Ownership & Lien Search Fees	X	
Manufactured Housing - Clearing Title Fees	X	
Manufactured Housing - MVD Transfer of Affixing Fees		X
1031 Exchange Accommodator - relinquished property	X	
1031 Exchange Fees - replacement property (if any)		X
Home Warranty	as negotiated	as negotiated
Wood Infestation Report	as negotiated	as negotiated
Septic or Alternative Wastewater Treatment Facility Inspection & Certification	as negotiated	as negotiated
Well Transfer Fees	as negotiated	as negotiated
Inspections, certifications, repairs	as negotiated	as negotiated
Any other miscellaneous costs incurred	as negotiated	as negotiated

The above is provided for informational purposes only and may not be representative of all costs that may be incurred in any particular transaction. Payment of the costs incurred in connection with any real estate transaction is negotiated between the parties, with the exception of certain FHA and VA loan costs, when applicable. There are certain FHA and VA loan costs that a buyer/borrower is not allowed to pay.