Calculating Funds to Close

* Closing costs and prepaid items
  + Loan costs: what the lender charges to process and approve the loan, including loan origination charges , credit check, appraisal fee
  + Attorney/Closing Agent: Settlement fee, title exam, deed prep, recording fee, owner’s and lender’s title insurance, municipal lien certificate
  + Home inspection costs
  + Prepaid & escrow set up: usually the first 12 months of insurance and most recent quarterly tax bill, plus about 2-3 months of extra taxes/insurance to set up the escrow account
* Other costs:
  + Taxes and government fees: tax for the transfer of the property (in MA usually paid by seller)
  + Real estate commission: the seller usually pays your agent’s commission
* Seller Credit – Many loan programs allow the sellers to cover closing costs & prepaid items. Consult your loan officer to determine the maximum allowable credit