

Common Closing Costs for Sellers

A seller's closing costs usually exceed the typical 2% to 7% of the sales price of the for a buyers. Many sellers utilize full-service realtors to sell their home effectively. Below are a few typical closing costs for a seller:

- Broker's commission
- Recorded release of mortgage
- Title insurance
- Courier fee to pay off loan
- Transfer taxes
- Credit to buyer for unpaid real estate taxes
- Association transfer fees
- Attorney fees
- Home warranty (negotiable)
- Any pending special assessments to association
- Prorations

A Note About Prorations: Because such costs are usually paid on either a monthly or yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way for the sellers to pay you back or for you to pay them for bills they may have paid in advance. For example, the gas company usually sends a bill each month for the gas used during the previous month. But assume you buy the home on the 6th of the month. You would owe the gas company for only the days from the 6th to the end for the month. The seller would owe for the first five days. The bill would be prorated for the number of days in the month, and then each person would be responsible for the days of his or her ownership.