

Neighborhood Stabilization Homeownership Assistance Program  
Fact Sheet on Real Estate Closing Costs  
June 19, 2009  
Lender Information Session

---

Real Estate closing costs are fees that must be paid at a real estate closing. Prior to the closing, the principal lender will provide an itemized list of closing costs associated with the loan. Costs will be listed on the Estimated HUD-1 Settlement Statement and will indicate if they will be home buyer or seller costs.

Typical Closing Costs:

Closing costs can be paid by the home buyer or seller. The home buyer's city of Phoenix down payment and closing cost assistance loan can be used to pay for typical closing costs. The city of Phoenix loan cannot be used by the home buyer to pay for a Loan Discount Fee (line 802 on the HUD-1). Typical closing costs include:

**Buyers:**

- Fees for obtaining a mortgage;
- Inspection fees
- Homeowner's insurance (must be prepaid for one year at closing);
- Transfer taxes (all or part);
- Title insurance and escrow fees;
- Home Warranty three-policy

**Sellers:**

- Loan payoff fees;
- Real estate commission;
- Termite repairs;
- Cash payments in lieu of repairs to the property;
- Transfer taxes (all or part);

**Summary:**

- Closing / Settlement costs are found on the HUD-1 Settlement Statement – lines 700 – 1300. The total settlement charges can be found on line 1400.
- Any remaining portion of the \$15,000 city of Phoenix home buyer loan may be used to reduce the principal loan balance. It may not be used to buy down the principal loan interest rate.
- The charges will be reviewed by the home buyer with the assistance of Community Housing Resources of Arizona (CHRA).
- Closing cost questions will be brought to the attention of the lender by the home buyer with the assistance of CHRA.
- When/if agreement is reached on all costs, the closing can be scheduled.

