



# WHO PAYS FOR WHAT?

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Here are the list of expenses for the purchase of real estate in Texas and who is generally required to pay them. Many of these items can be negotiated by either party at the time of the offer; however, some of the expenses are required by the lender for the seller to pay.

## BUYERS GENERALLY PAYS FOR:

- Escrow fees
- Document preparation (if applicable)
- Recording charges for all documents related to the transfer of title to the buyer
- Prorated share of taxes (from the date of acquisition)
- Title insurance premium: Lender's Policy
- Interest on the new loan from the date of funding to 30 days prior to the first payment date
- Inspection fees
- Homeowner's transfer fee (if applicable)
- All new loan charges and fees (except those the lender requires the seller to pay), including:
  - Appraisal
  - Credit report
  - Tax service fee
  - Loan origination/discount fee
  - Reserves for taxes and insurance
  - Flood certification
  - Mortgage insurance premium
- Fire insurance premium for the first year

## SELLER GENERALLY PAYS FOR:

- Real estate agent's commissions
  - Escrow fees
  - Payoff of all loans in the seller's name (unless the existing loan balance is being assumed by the buyer), including:
    - Interest accrued to the lender that is being paid off
    - Statement fees, release fees and any prepayment penalties
  - Home warranty (according to contract terms)
  - Any judgments, tax liens, etc. against the seller
  - Prorated share of taxes for any unpaid taxes at the transfer of title and/or any delinquent taxes
  - Any unpaid homeowners association dues
  - Recording charges to clear all documents of record against the seller
  - Any outstanding assessments
  - Title insurance premium: Owner's Policy
  - Seller credit for closing costs (according to contract terms)
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