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Definitions of Seller's Estimated Charges

Commission - An amount, usually as a percentage, paid to an agent (real estate broker) as compensation for his services. The amount to a real estate broker is generally a percentage of the sale price or total rental.¹

Discount Points - Points lender charges to increase the investor's yield. May be paid by either buyer and/or seller as negotiated per contract. Points fluctuate with mortgage.²

Document Preparation Fee - A charge by an attorney for preparing legal documents for a transaction.³

Escrow Fee - A fee charged by the title company to service the transaction. The amount varies with company, and is usually split between buyer and seller.³

Flood Certificate - Required by lender to obtain information designating status of subject property regarding flood plain.²

Inspection Fee - The fee that a licensed property inspector charges for determining the current physical condition of the property.⁴

Messenger Fee - Re-imbusement to escrow holder for actual messenger costs incurred.⁵

Owner's Title Policy - Insures buyer against loss due to any defect of the title not excepted to or excluded from the policy.²

Payoff - Amount needed to pay off existing mortgage lien on the property being sold.²

Recording Fee - The amount paid to the recorder's office in order to make a document a matter of public record.¹

Repairs - Any repairs required by lender and/or warranted by inspections and to be paid at closing.⁶

Tax Certificates - Certificates issued by taxing authorities showing the current year's taxes, the last year the taxes were paid, and any delinquencies to be collected at closing.³

Tax Proration - Property tax adjustments between buyer and seller based on closing date.²

Tax Service Fee - Fee required by lender for collection and disbursement of tax escrow by a servicing company.²

Termite Inspection Fee - Required by lender showing property free of active termites. May be negotiated requirement on cash contract.²

Underwriting Fee - Charge imposed by lender for the services of their underwriter.⁵

1. Alamo Title Insurance. "Escrow Terms & Phrases." Accessed June 2, 2011.
<https://www.alamotitle.com/escrowterms.asp>
2. Alamo Title Company. "Buyers and Sellers Estimated Charges." Accessed June 2, 2011.
<http://www.alamotitle-austin.com/library/20/BuyersAndSellersEstimatedCharges.pdf>
3. Habitat Hunters. "Real Estate Glossary." Accessed June 2, 2011.
<http://www.habitathunters.com/buying/buyerglossary.php>
4. Web Finance, Inc. Accessed June 2, 2011.
http://www.investorwords.com/14405/inspection_fee.html
5. Allen Erdy Escrow. "Understanding Your Closing Statement." Accessed June 2, 2011.
<http://www.allanerdyescrow.com/understanding.html>
6. Austin Title. "Closing & Escrow Definitions." Accessed June 2, 2011.
<http://austintitle.com/d5/files/clickandprint/ClosingAndEscrowDefinitions.pdf>