

# Selling Expenses

**Here are some typical examples of selling expenses.**

## **Loan Payoff**

**Call your Mortgage Company**

Remember that any type of lien attached to the home will have to be paid prior to or at closing. If you have an equity line, second mortgage or even a heating system that you financed, you may have a deed of trust or lien attached to your home. Please ask questions if you are uncertain. Keep all documents in order to prove what you have done.

## **Attorney Fees**

**\$80-\$100**

You will need an attorney to prepare a deed and lien waiver for you to get signed and notarized. I will handle getting this document to you prior to closing.

## **Commission to CBWM      6% of Sales Price**

Out of this percentage our firm offers a buyer's agent 3% of the sales price to bring a buyer to purchase your home. The commission is calculated on the final sales price of the home, not the list price.

## **Repairs Requested by Buyer**

**Varies**

The buyer will conduct a home inspection of your home at their expense. When the offer was placed on your home, the buyer expected that all systems within the home were functioning as intended. The inspector will note the items that are not functioning properly in the home. The buyer will then request any items that are not functioning as intended to be repaired. You will make a decision of what items you are willing to fix. If you do not fix all items that are requested, the buyer will have the option of accepting the home "as is" or terminating the contract, in which case all earnest monies

shall be refunded. You should have a good understanding of the general condition of your home prior to accepting a final offer price in order to anticipate the cost of potential repairs. Budget for repairs...all homes will need some repairs.

## **HOA Dues**

## **Prorated**

Home Owner's Association dues will be prorated from the first of the year to the date of closing for the seller and from the day of closing until the December 31<sup>st</sup> for the buyer.

## **Excise Tax**

## **\$1 per 500 of Sales Price**

This is a county sales tax for selling property. You would calculate this expense by taking the sales price of your home and divide by 500. Take that number and multiply by \$1.00 (round up) and you will have your excise tax. i.e.: Sales Price is \$220,000. Take  $220,000/500$  and you will get 440.  $440 \times \$1.00$  is \$440.00 in excise tax.

## **Property Tax**

## **Prorated**

The attorney's office will determine if you have paid the taxes for this year. You will be responsible for paying the property taxes from January 1<sup>st</sup> of this year to the date of closing. The buyer will pay the property taxes from the date of closing until December 31<sup>st</sup>. This prorated amount will be reflected on the settlement statement. If you have already paid the taxes for the year then you will receive a credit on the settlement statement for the number of days from closing until December 31<sup>st</sup>.

## **Miscellaneous Fees**

## **\$75-\$100**

Attorneys will charge fees to overnight your payoff to your lender or possibly outgoing wire fees to send your proceeds to another attorney or your bank.

## **Other Expenses That May Occur      **Varies****

Seller Paid Closing Costs: With an offer you may be requested to pay some of the buyer's closing expenses. You will know this at the time the offer is presented and you will calculate this into the bottom line of an offer. This cost is typically anywhere from \$1,000 to \$5,000.

Seller Inspections: You may choose to do a pre-inspection on a home to better understand any issues you may have to repair prior to selling the home. An inspection typically costs \$250 to \$450 depending on the size of the home. You may also need to get a second opinion on a repair item; this expense would vary depending on the item.

Removal of encroachments: If you or any previous owner has installed a fence, shed or anything else that reaches across the property line, you may need to remove this encroachment prior to closing. This expense will vary significantly depending on the problem.

FHA/VA Loans: These loans may require sellers pay certain costs associated with the transaction. This will be discussed prior to your acceptance of an offer and you will be able to calculate them into your bottom line.

Home Warranty: If you offer a home warranty and it is included in the offer, you will be responsible for paying this charge at closing. It will be on the settlement statement and will be taken out of the proceeds.

Special Assessments: If your property has an assessment from the city, county or home owner's association, this expense will be required by the buyer to be paid.

Cancellation of Deed Trust: Attorneys will charge a fee to cancel the deed of trust at the register of deeds.