

STEP  
**5**

## *closing and funding*

Once you receive the Closing Disclosure (CD), the lender will send final figures to the title company, which will prepare the settlement statement (closing statement). This document summarizes all fees and charges associated with the home purchase. The title company and lender will verify that their figures match, ensuring accuracy.

After final verification, the settlement statement is sent to your agent for review. Your agent will check for errors based on the purchase contract terms before forwarding it to you for final review. This statement will confirm any funds you need to bring to closing.

### *Understanding Closing Costs*

Be prepared for various fees and expenses at the closing table. Here's a breakdown of common closing costs and who may be responsible for them:

- **Down Payment** – Paid by the buyer at closing.
- **Lender Fees** – Includes loan origination, processing, administration, and underwriting costs.
- **Discount Points** – Optional upfront payment to lower your interest rate.
- **Home Inspection** – Typically paid to the inspector at the time of service.
- **Appraisal Fee** – Covers the cost of assessing the home's value.
- **Credit Report Fee** – Charged by the lender to check your credit history.
- **Flood Certification** – Determines if the home is in a flood zone.
- **Mortgage Insurance Premium** – Required if your down payment is below 20%.
- **Escrow for Homeowner's Insurance** – If included in your mortgage payment.
- **Property Tax Escrow** – If your lender requires taxes to be paid through escrow.
- **Deed Recording Fee** – Covers the cost of legally recording your home purchase.
- **Title Insurance** – Protects against ownership disputes (includes owner, lender, and extended policies).
- **Title Fees** – Includes recording, wiring, courier, and settlement fees.
- **Land Survey** – Confirms property boundaries (if required).
- **Notary Fees** – Covers notarization of key documents.
- **Home Warranty** – Optional coverage for repairs on major home systems.
- **Prorated Costs** – Covers your share of utilities, property taxes, and HOA dues.
- **HOA Transfer Fees** – Fees associated with transferring HOA membership.