



# Who Pays For What

## in Texas

Below you will find the customary distribution of expenses for the purchase of real estate in Texas. Keep in mind that many of these items can be negotiated by either party at the time of the offer, excluding some expenses the lender requires the seller to pay.

### Buyer Typically 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)
- ▶ 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
- ▶ 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)
- ▶ Fire insurance premium for the first year

### Seller Typically Pays For:

- ▶ Real estate agent commission(s)
- ▶ Escrow fees
- ▶ Payment 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
  - 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 taxes unpaid at the time of transfer of title)
- ▶ Any unpaid homeowner association dues
- ▶ Recording charges to clear all documents of record against the seller
- ▶ Any outstanding assessments
- ▶ Any and all delinquent taxes
- ▶ Title insurance premium: owner's policy