

EXPLANATION OF ESTIMATED SELLER'S CLOSING COSTS

Below are brief definitions of terminology that may be related to your real estate transaction.

BROKER'S COMPENSATION

An amount paid to a real estate broker or real estate professional for services performed regarding the sale or purchase of real property.

ESCROW FEE/SETTLEMENT FEE

A fee charged for escrow services performed during the purchase, refinance or sale of real property.

HOA RESALE PACKAGE: (IF APPLICABLE)

An HOA resale package is a collection of documents that buyers receive when purchasing a home in a Homeowners Association (HOA) community. The package includes documents that show the HOA's financial and legal status, the seller's standing, and the buyer's potential responsibilities.

HOME WARRANTY (IF APPLICABLE)

A residential service contract for costs associated with the repair and/or replacement of major home systems and appliances that occurs due to normal wear and deterioration. Major home systems and appliances may include such items as heating and cooling or plumbing and electricity. Specific service coverages, limitations and exclusions are based on the terms and conditions set forth by the service contract.

WARRANTY DEED

A Warranty Deed transfers real estate property title from one person or entity (grantor) to another person or entity (grantee).

OWNER'S TITLE POLICY (IF APPLICABLE)

An owner's title policy is an indemnity agreement between owners and the title company to protect against financial loss due to title issues that existed before they purchased the property. It's a one-time cost that covers legal fees and court costs.

RECORDING FEE (IF APPLICABLE)

Fees charged by the county clerk's office to record any documents needed for closing, including those that convey title. A seller will only pay a recording fee if a Release, Power of Attorney, Heirship, Affidavits, or any other additional document that may be needed to complete the transaction.

TAX CERTIFICATE FEE

Seller fee charged to a third party tax service company for verification of unpaid taxes.

TAX PRORATIONS:

In Texas, the property taxes are due at the end of the year and the taxing authorities will only accept payment from one entity. Therefore, when you sell or buy a home the property taxes will be prorated at closing so that each party pays their portion of the year's taxes. In October, taxes are paid in full, sellers may see a credit from the buyer instead of a split proration.

For more information, please contact your local Old Republic Title representative, or visit our website at **oldrepublictitle.com**.

