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## Knowing Your Closing Costs

At James G. Dibbini & Associates, P.C., we believe it is important for buyers and sellers to be informed about the costs for which they will be responsible at closing when they buy or sell real estate.

As part of our “no-surprises at closing policy” we have compiled the following schedule of estimated closing costs. We review the estimated costs of all transactions with our buyers or sellers when they sign contracts so they will not be surprised at closing. Please feel free to call or email us with any questions you might have about these estimated costs:

<b>SELLER'S CLOSING COSTS</b>	<b>PURCHASER'S CLOSING COSTS</b>
<p><u>Transfer Taxes:</u>            NY State – 0.4% of the sales price            Local – some municipalities impose local transfer tax in addition to NY state tax:</p> <ul style="list-style-type: none"> <li>• <i>Mt. Vernon</i> – 1% of sales price</li> <li>• <i>Yonkers</i> – 1.5% of sales price</li> <li>• <i>NY City</i> – 1% of the sales price (if price is less than \$500,000; or 1.425% of the sales price (if price is \$500,000 or more)</li> <li>• <i>Warwick and Peconic Bay</i></li> </ul> <p><u>Please note:</u> Local transfer taxes do not apply to cooperative apartment sales</p>	<p><u>Lender Fees:</u> (if applicable)            Fees vary depending on the lender            Typically lenders deduct the following (and possibly other fees) from your mortgage proceeds:</p> <ul style="list-style-type: none"> <li>-Underwriting fee – approx \$400</li> <li>-Processing fee – approx \$400</li> <li>-Application fee – approx \$400</li> <li>-Points/Mortgage Broker fee</li> <li>-Lender's attorney fee - \$550-\$900</li> <li>-Short term interest – varies</li> </ul> <p><u>Please note:</u> You should review your lender's good faith estimate and consult your mortgage broker and attorney regarding specific bank fees</p>
<p><u>Property Condition Disclosure:</u> (if applicable)            \$500 credit to the Purchaser(s)</p> <p><u>Please note:</u> The Property Condition Disclosure Credit does not apply for cooperative sales</p>	<p><u>Taxes:</u> (if applicable)</p> <ol style="list-style-type: none"> <li>1) Mansion Tax – 1% of purchase price if over \$1,000,000</li> <li>2) Mortgage Recording Tax – 1.05% of the loan amount (except in Yonkers which imposes a tax of 1.55% of the loan amount)</li> </ol> <p><u>Please note:</u> Mortgage recording tax does not apply for cooperative apartment purchases</p>

**Disclaimer:** The information provided is not intended to be legal advice, but merely conveys general information related to legal issues commonly encountered. The sample closing costs provided are estimates. Actual closing costs vary based on the facts of your transaction and depending on specific requirements of your lender, title company, and other parties in the transaction. Furthermore, cooperative apartment purchases and sales have additional fees imposed by the cooperative corporation and management company. You should consult this office to discuss the specifics of your transaction.

**NEWSLETTER**

**- SEPTEMBER 2009 -**

VOLUME 2009 NUMBER 9

MEMBER OF NEW YORK STATE BAR ASSOCIATION, WESTCHESTER COUNTY BAR ASSOCIATION AND YONKERS LAWYERS' ASSOCIATION

<b>SELLER'S CLOSING COSTS (Con't...)</b>		<b>PURCHASER'S CLOSING COSTS (Con't...)</b>
<u>Loan Payoff Fees:</u> (if applicable) <ul style="list-style-type: none"> <li>• Pick-up/payoff fee - \$150-\$250</li> <li>• Recording Satisfaction – \$100-\$300</li> </ul>		<u>Homeowner's Insurance:</u> (if applicable) Varies depending on required coverage and purchase price - \$700 - \$3,000
<u>Legal Fees:</u> <ul style="list-style-type: none"> <li>• Varies</li> </ul>		<u>Legal Fees:</u> Varies
<u>Real Estate Broker Fee(s):</u> (if applicable) Usually 4%- 6% of the sales price		<u>Title Insurance Fees:</u> (if applicable) 1) Title fees vary, but typically include: <ul style="list-style-type: none"> <li>• Owner &amp; Lender title policies - (see chart below)</li> <li>• Title and municipal search fees - \$300-\$450</li> <li>• Recording fees – approx \$250</li> <li>• Any real estate taxes due within 60 days of closing</li> </ul> <p><u>Note:</u> Purchasers of cooperatives do not need title insurance, but should get personal property insurance. They also pay for a lien search (rather than a title search) which is approx. \$400.00.</p>
<u>Miscellaneous Fees:</u> (if applicable) <ul style="list-style-type: none"> <li>• Final Water Bill – usually \$50 - \$300</li> <li>• Tax Withholding – if seller is a foreign person or corporation, or seller is not a NY resident, additional amounts are due</li> </ul>		<u>Miscellaneous Fees:</u> (if applicable) <ul style="list-style-type: none"> <li>• Reimbursement of Seller's Fuel Oil Reading – usually \$50 - \$1000</li> <li>• Survey or survey inspection – A new survey is \$750 - \$1,500, a survey inspection, if possible, is \$200 - \$400</li> </ul>
<b><u>Title Insurance Premiums (Paid by Purchaser)</u></b>		
Purchase Price	Combined Owner and Lender Title Policy Amount (assumes 80% financing)	If there is no financing, only Owner's Title Policy is required
\$250,000	\$1,518.00	\$1,213.00
\$500,000	\$2,664.00	\$2,140.00
\$750,000	\$3,718.00	\$2,986.00
\$1,000,000	\$5,439.00	\$4,508.00

**In summary, generally:**

**Purchasers spend 2-3% of the purchase price in closing costs, and Sellers typically spend about 5-8% of the sales price in closing costs if the sale was brought about by a real estate broker and 1-2% if no real estate broker was involved.**

**Please feel free to contact our office to discuss the specifics of your transaction for a more precise estimate.**

