



WHAT WILL IT COST TO CLOSE ON SALE/PURCHASE OF MY HOUSE?

Here at James G. Dibbini & Associates, P.C., we believe it is important for both purchasers and sellers to know and understand the costs associated with the sale or acquisition of property in the State of New York, and more specifically, in Westchester County, New York City and its surrounding Burroughs. As such, our firm maintains a “No Surprise at Closing” Policy, which we have been executing for more than twenty-four (24) years.

Under this “No Surprise at Closing” Policy, our attorneys make a concentrated effort to be as transparent as possible in order to fully disclose any potential costs that sellers or purchasers may face prior to, or at the time of closing. These include but are not limited to, seller transfer tax, in which a seller of real property is obligated to pay the City of Yonkers 1.5% of the sale price, and a purchaser’s mortgage recording tax, where a purchaser is required to pay the State of New York 1.05% of the overall loan amount. We also address any further potential costs that may arise under particular circumstances such as mansion tax, property surveys, taxes due within sixty (60) days of closing, and escrow service fees.

In an effort to further educate prospective parties to a real estate transaction, and to help potential purchasers and sellers with their decision to make or accept an offer for sale, our office has taken the time to summarize the estimated closing costs and has put together the below information.

Now, more than ever, it is vital to know, not only the [process involved in a sale or purchase](#), but also what monetary obligations you may be responsible for so that you can enter into a transaction with confidence and full understanding of the intricacies involved. Please feel free to [contact our office](#) with any questions that you might have regarding these estimated closing costs.

SELLERS CLOSING COSTS

Transfer Taxes:

NY State – 0.4% of the Sale Price

Local – some municipalities impose a separate and distinct local transfer tax in addition to the New York State transfer tax listed above:

- *Mt. Vernon* – 1% of the sale price with the first \$100,000.00 of the sale price being exempt.
- *Yonkers* – 1.5% of the sale price
- *NY City* – 1% of the sale price (if the price is less than \$500,000.00); or 1.425% of the Sale Price (if the price is \$500,000.00 or more).

Note: Local transfer taxes do not apply to cooperative apartments in Westchester County.

For Cooperatives:

- Flip Tax – Varies depending on coop
- Transfer Agent Fee - \$650-\$900

Move Out Deposit (refundable) - \$500-\$1,500

Property Condition Disclosure Credit (if applicable):

\$500.00 NYS Statutory Credit in lieu of completing the property condition disclosure form.

Note: The Property Condition Disclosure Credit does not apply to the following:

- Cooperative Apartments
- Condominium Apartments
- Sales by Trusts or Estates
- Sales by LLC's or Corporations

Loan Payoff Fees (if applicable):

- Pick Up/Payoff Fee - \$200-\$300
- Recording Satisfaction \$250-\$500
- Payoff

For Cooperative Apartments

- UCC3 Termination - \$75.00-\$150.00

Legal Fees:

- Varies on the complexity of the transaction.

Real Estate Broker Fee(s), if applicable:

- Usually 4-6% of the sales price

Miscellaneous Fees:

- Final Water Bill – must be paid at closing if water is supplied by the municipality.
- Tax Withholding – if seller is a foreign person or a corporation that is not a NYS resident, additional amounts are due. In the event the proper forms are not completed, Title companies are prone to hold 10% of the sales price in escrow pending tax obligation confirmation.

PURCHASERS CLOSING COSTS

Lender Fees, if applicable:

Underwriting and processing fees vary depending on the lender BUT banks typically deduct the following (and possibly other fees) from your Mortgage amount:

- Underwriting Fees - \$650 - \$1,295
- Processing Fees - \$750 - \$1,295
- Mortgage Broker – Borrowers who choose to work with brokers for convenience will have a choice as to whether they want the broker fee to be paid by bank or paid by

borrower:

By Bank – up to 2.75% of loan amount – This may impact the rate that can be offered to borrower

- By Borrower – negotiated on a case by case basis
- Lender Attorney - \$995 - \$1,295
- Short Term Interest – Varies depending on day of month you close
- Tax Impounds – Escrow holdback for those borrower who choose to escrow with the bank for property taxes and insurance.

Note: You should review your lender's good faith estimate and consult with your mortgage broker and attorney regarding specific bank fees.

Taxes, If applicable:

- Mansion Tax – 1% of the purchase price if price is OVER \$1,000,000.00. ONLY APPLIES TO RESIDENTIAL PURCHASES.
- Mortgage Recording Tax – 1.05% of the loan amount except in Yonkers which imposes a tax of 1.55% of the loan amount.

Note: Mortgage recording tax does not apply to the financings of a cooperative apartment. Instead, the borrower will pay a UCC-1 filing fee - \$100-\$175.

Legal Fees:

- Varies on the complexity of the transaction.

Homeowners Insurance:

- Varies depending on required coverage, purchase price and type of purchase (residential or coop): The fees can range anywhere from \$900 - \$3,500+.

Title Insurance Fees, if applicable:

- Owners and lender title policies (see below)
- Title and municipal searches - \$400-\$500
- Recording fee - \$300-\$500
- Any real estate taxes due within sixty (60) days of closing (required by lender if financing)
- Endorsements (if financing) - \$50-\$150

Note: Title insurance is not applicable to coops but a purchaser must obtain a lien search - \$300-\$350

Title Insurance Premiums (which is paid by the purchaser) vary based on purchase prices. For example, if the purchase price is \$750,000, the title insurance premium would be approximately \$3,700.

On average, purchaser's spend between 4-6% of the purchase price depending on all of the factors discussed above while the seller will spend between 5-8% of the sale price on their own closing costs. If the seller is not represented by a realtor, their closing costs are reduced to approximately 1.5-2% of the sales price.

Above and beyond the down payment a purchaser has committed to their purchase and depending on the overall purchase price, there should be an additional \$25,000.00 to \$40,000.00 in reserve funds to allocate toward closing costs. As an alternative to the purchaser paying for all of the closing costs, the purchaser's agent or purchaser

themselves, if unrepresented, can try and negotiate a seller's concession. A seller's concession is a tool used to help alleviate the burden of closing costs on the purchaser and what this does is increase the sales price above and beyond what the seller is looking to get by up to 6%, pursuant to FHC guidelines. The overage in sales price is then credited back to the buyer and used, at closing, by the purchase to cover the majority of their closing costs.

Finally, clients should consider consulting with a certified public accountant or their tax adviser to determine what, if any, their capital gains exposure and tax liability may be resulting from the sale of their property.

Email James today at jdibbini@dibbinilaw.com to review the specifics of your transaction for a more precise estimate or to represent you on your next purchase or sale.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 50 years of experience providing legal services in the areas of:

- [Landlord & Tenant Law](#)
- [DHCR Representation](#)
- [Business Formations](#)
- [Commercial & Residential Real Estate Closings](#)
- [General Business Law](#)
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570 Yonkers Avenue - Yonkers, NY 10704 - P: (914) 965-1011 - F: (914) 965-0019

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