

## Real Estate Closings: Know Your Terms

Term	Definition
<b>Assessments</b>	These are the monthly payments made to a Homeowners' or Condominium Association – they are made by the owner of a particular property (the Seller before the Closing date, and the Buyer thereafter). Property cannot be transferred until the Homeowners' or Condominium Owners' Association
<b>Earnest Money</b>	Good faith deposit by Buyer: generally 1% of Purchase Price at signing of Contract followed by an additional deposit within a certain number of days bringing the total to 5% of Purchase Price
<b>Home Owner's Insurance</b>	Needed to assure lender that their collateral will be replaced or paid for in the event of insurable event
<b>Mortgage Broker's Commission</b>	The amount paid to the Buyer's mortgage broker, if Buyer used one, upon closing their loan.
<b>Mortgage Closing Costs</b>	Paid to Mortgage Lender at Closing to cover items such as prepaid interest, underwriting fee, initial tax escrow, etc.
<b>Mortgage Loan</b>	Loan that enables Buyer to acquire Property
<b>Purchase Price</b>	Agreed value for Property and any personalty and fixtures transferred along with it
<b>Title Indemnity Account</b>	Segregated account created by Title Company and funded by Buyer or Seller in the event any task(s), condition(s) or subject(s) remain open as of the Closing -- goal is to put aside sufficient money to address those concerns in the future so that the transaction can close as scheduled.
<b>Title Insurance</b>	Issued by Title Company to ensure that Buyer will be the absolute owner of the Property without any other interests getting in the way
<b>Transfer Taxes</b>	Fees assessed by governmental bodies such as Municipality, County and State upon the transfer of any interest in real estate