

# “How Much Are Closing Costs In Florida?”

By: Theodore M. Simon, Esq. (8/3/16)

Q: What are “Closing Services” and who pays for them?

A: They are generally referred to as the services provided by the “Settlement Agent,” and the question “Who Pays?” should be clearly identified in the contract of sale. Closing/settlement services will customarily be paid for and separately charged as the “closing fee” by the party paying for the title insurance and includes:

- Document preparation for the purchase/sale transaction
- Conducting the closing
- Disbursement of funds including payoffs

Q: What are the typical closing costs for the Buyer?

A: Buyer’s closing costs are negotiated and set forth in the Purchase and Sale Agreement (the “Contract”) entered into by the parties. The typical closing costs to be paid by the buyers are as follows:

## **Cash Transactions:**

- Recording fees for deed
- Buyer’s inspections
- Buyer’s attorney fees

## **Financed Transactions:**

In addition to the costs listed above, closing costs will also include:

- Florida tax and county recording fees for the mortgage
- Survey, if required
- Lender’s title policy and endorsements
- Miscellaneous lender fees

Q: What are the typical closing costs for the Seller?

A: Seller’s closing costs are negotiated and set forth in the contract, but usually include:

- Title search (compiling information from official or public records regarding ownership, restrictions, conditions and liens)
- Florida transfer taxes
- HOA/Condominium Association statement;
- Fees associated with clearing title
- Seller’s attorney fees
- Seller’s real estate agency sales commission

Q: What is Title Insurance and Who Pays for It in Florida?

A: Title Insurance protects you from claims that state you are not the rightful owner of the property. All lenders require title insurance and all cash buyers should purchase title insurance even though they are not required to purchase title insurance by law. As to who pays for title insurance, it generally depends on what county the property is located in; however, custom can be overridden by what you negotiate in your Contract. Customarily, the buyer pays for title insurance in Miami-Dade and Broward Counties. In other counties, like Palm Beach County, Monroe County, and Orange County, it is common for the seller to pay for title insurance.

Included in the title insurance fee are:

- Examining UCC filings
- Examining the title search records
- Clearing underwriting obstacles, which may involve more than normal effort, and which additional fees may be charged
- Preparing and issuing the title commitment and title insurance policy

**NOTE:** Sellers (including developers) are prohibited from requiring a buyer to use a particular title company, either directly or indirectly, as a condition of the sale. Buyers may sue a seller who violates this provision for an amount equal to three (3) times all charges made for the title insurance.