

# Closing & Escrow Definitions **Austin Title**

<b>Amortization Schedule</b>	Schedule showing principal and interest payments throughout the life of the loan.
<b>Appraisal Fee</b>	Fee for lender-required appraisal to establish property value.
<b>Administrative Fee</b>	Fee charged to process the loan for approval.
<b>Assumption Fee</b>	Fee assessed by lender to the buyer to assume seller's existing loan.
<b>Attorney's Fee</b>	Charges by independent attorney for preparation of legal documents and acts of representation
<b>Attorney's Fee (Release)</b>	Charge for preparation of the release of lien document when seller is paying off existing loan.
<b>Commission</b>	Fee generally paid by seller to real estate agents for sale of property.
<b>Credit Report</b>	Fee assessed by lender for required credit information from credit bureaus.
<b>Discount Points</b>	Points lender charges to increase the investor's yield. May be paid by either buyer and/or seller as negotiated per contract. Points fluctuate with mortgage.
<b>Escrow Balance</b>	Buyer's purchase of seller's existing reserve account, i.e. taxes and insurance.
<b>Flood Certificate</b>	Required by lender to obtain information designating status of subject property regarding floodplains.
<b>Home Warranty Fee</b>	One-year home systems and appliance warranty.
<b>Homeowner's Assoc. Fee</b>	Maintenance fee assessed property owners within a condo or townhouse complex, a planned unit development or a single-family residence subdivision.
<b>Insurance</b>	Premium paid year in advance for buyers hazard or homeowner's policy.
<b>Lender Inspection Fee</b>	As required by lender to determine condition of the property.
<b>Lender Required Reserve</b>	Money required by lender, collected at closing, going into its escrow account. Insurance, premiums, taxes, etc... are paid from escrow account for borrower.
<b>Messenger Fee</b>	Covers delivery charges incurred.
<b>Mobile Home Processing Fee</b>	Charge by title company to process paper work with TDHCA.
<b>Mortgagee's Title Policy</b>	Required by lender to insure that lender has a valid lien; does not protect buyer. It is also usually required for second mortgages and seller financed transaction.
<b>Origination Fee</b>	Fee buyer pays to lender to originate a new loan. Normally one percent of loan amount.
<b>Owner's Title Policy</b>	Insures buyer against loss due to any defect of the title not expected to or excluded from the policy.
<b>Pay Off</b>	Amount needed to pay off existing mortgage lien on the property being sold.
<b>Processing Fee</b>	Charge to process loan for application submittal to underwriting.
<b>Recording Fee</b>	Charge by county clerk to record documents in the public records. Charges based on per page recorded.
<b>Repairs</b>	Any repairs required by lender and/or warranted by inspections and to be paid at closing.
<b>Settlement or Closing Fee</b>	Charge by title company to service transaction and to escrow money and documents.
<b>Survey</b>	Land survey required by lender: lot size, easements, encroachments, locations of improvements, etc. May be a negotiated requirement on a cash contract.
<b>Tax Certificates</b>	Issued by taxing authorities to show amount of current year's taxes and the last date that taxes were paid.
<b>Tax Proration</b>	Seller pays buyer from January 1 through day of closing.
<b>Tax Service Fee</b>	Fee required by lender for collection and disbursement of tax escrow by a serving company.
<b>Termite Inspection Fee</b>	Required by lender showing free of active termites. May be negotiated requirement on cash contract.
<b>Underwriting Fee</b>	Fee lender charges for underwriting the loans on behalf of the investor.
<b>VA Funding Fee</b>	An administrative fee charges by the Veterans Administration.
<b>Wire/Funding Fee</b>	Lender's charge for sending "good funds" to title company.