# Closing Costs Overview

Closing costs can be different from law firm to law firm. Some firms call the excise tax a closing cost, while others may not. Another attorney would say past due property taxes are a closing cost while the next guy doesn’t. With this being said, it’s very hard to compare closing costs from one place to another.

Long story short: it's impossible for a lawyer to tell you exactly how much the closing could cost, until they have done 80% of the closing. That is why attorneys send over a fee schedule so that you can compare. Everything else, property taxes, recording fees etc. should be the same (or close) between law firms.

**Fee Schedules**

Many Attorneys purposely make their fee sheets difficult to understand, so it's hard to compare pricing between firms. I know of one attorney that says he charges a flat $750 to do a closing. He neglects to mention that wire transfers are $90 each, and that a title search is a separate $350 fee not listed on the sheet.

Another attorney might look cheap on paper, but charges $350/hour for any work that they consider outside the scope of a basic closing. You might even be charged $100 to ask them to calculate your closing costs. They make up the extra money this way.

**Title Insurance**

Title insurance is regulated by the state of NC. Every policy should be very similar in price, if it's similar in scope and coverage. One thing to note: It can make a significant difference as to whether your title company has searched for the previous policy and 'tacked onto' that policy, or if they've used a 30 year search to issue the policy.

If the previous owner of the house had title insurance from his purchase, two years ago: you can 'tack onto' that policy and buy a new policy from that point forward. Some law firms refuse to do this and have agreement with title companies to give them full 30 year searches so everyone can make a few bucks more. Some attorneys also own their own title company, which allows them to make extra money. At our firm, we spend a week or so looking for a prior policy (they are often hard to find), so we can provide you lowest monetary cost.

If you're looking for an attorney, it might be worth asking if they own their own title company, or if they're willing to use prior policies. As a general guideline, title insurance is usually around $100 for an $80k or so property and about $500 for a $300k property. Please note this is an estimate.

**Buyer and Seller Costs**

There is also the distinction between 'Buyer' closing costs and 'Seller' closing costs. Attorneys in NC often prepare both sides, and earn both sides of this coin. However, fees from different Attorneys vary wildly between the Buyer side and the Seller side.

Even so, there are a number of other costs that you may encounter, which are not attorneys fees associated with the closing, but still fall under closing costs. Examples of this are recording fees and title transfers for HOAs.

Another big cost can be property taxes, as they are usually made current at the time of closing. If the current year’s bill isn’t out yet, we give the seller a debit for the amount of the bill that they owe. We reduce the money they get at closing by that amount. This could be called a closing cost and can surprise a lot of sellers.

**Transactional Funding**

While most firms do not provide transactional funding (short term or same day funding), we can at a low rate of interest. This is something you may want to speak with us about if you are looking to schedule a double closing. In most instances we can have a set rate of 1-2% which will be evaluated based on the closing.

**Why We Are Different**

The cost of closing for our firm is around $750 for a cash closing and $975 for a financed closing. We are one of the cheapest firms in town (if not the cheapest). We do our own title searches, so we don't have to hire abstractors. This can be a large cost savings to you. It's one of our biggest competitive advantages. On top of that, we'll ignore the even more complicated world of title defects. Rarely have we charged anyone additional money by the hour. Some closings are easier than others and they balance out, eventually.

In the long-run, choosing someone to get it done efficiently may save you more money than having selected the Attorney that is $100 cheaper, but ends up being the root of a closing delay, that costs you substantially more.

We'll help however we can! Check out our Google reviews, our clients will agree.