



First American
Title Insurance Company



Escrow Tip

Brought to you by your Northwest Escrow Team

SUBJECT: Seller Paid Closing Costs – Things to think about

When the Seller is paying **closing costs** on behalf of a Buyer, a couple of things need to be kept in mind. The parties need to remember when **increasing** the sales price to cover the Buyer's closing costs; any unused increased amount **does not** go back to the Buyer at closing.

For example: sales price is \$75,000.00 and the closing costs added are \$3,500.00. When all is said and done the costs only come to \$3,000.00. The Buyer **does not** receive the difference of \$500.00.

Think about what the commission will be based on an **increased** purchase price to accommodate the Seller paid closing costs? This should also be addressed at the **same time** as the Counter Offer or Addendum. Will it be based on the original sales price or the **increased** amount?

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