



REITITLE

KEYS TO THE INVESTOR SETTLEMENT STATEMENT

These notes are designed to highlight how the settlement statement relates to investor deals

- 1. Purchase Price:** This will be same for both buyer and seller. For wholesalers, your assignment fee becomes a “line item” charge to the buyer, NOT an increase in the purchase price, and it only appears on buyer’s settlement statement.
- 2. Deposits:** This will show earnest money IF it was deposited with us. Many investors don’t submit earnest money in advance of closing. Make sure to confirm this!
- 3. Assumed or Subject to Loans:** For seller financing deals where mortgages are staying in place, you will see those here. Please confirm these are correct. Note: We will need a copy of the most recent mortgage statement!
- 4. Property Taxes:** Flippers will often pay property taxes through closing, even if it’s late! Otherwise, understand prorations, and that property owner pays all property taxes in November. Note: Hard money lenders do not escrow for taxes or insurance!
- 5. Closing Costs:** Closing costs are 1) title insurance premiums (owners and lenders) & 2) settlement fees. Prorated taxes, utilities, assessments and recording fees are additional. Note: These come out of seller proceeds even when you promise that “buyer will pay all closing costs!” Make sure to understand the difference.
- 6. Loan & Loan Costs:** This will show your hard money loan funds. Some hard money lenders will collect fees or point upfront so you’ll also see fees here.
- 7. Home Owner’s Insurance:** If you’re paying this through closing, it will be here. Many investors will pay their agent directly. Note: Most hard money lenders need to confirm you have this insurance (EOI) as a condition of funding. Don’t forget to do this!