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SELLER TITLE FEES EXPLAINED

Owner's Title Insurance Policy protects the home buyer in case of an ownership claim on the property. Illinois contracts generally require the seller to order a title search and title insurance for the buyer.

Cost is based on the sale price and only varies slightly between title companies.

Policy Update fee is a normal part of the process of updating title after closing prior to issuing the title policy.

\$200

Title Processing fee is a charge from the title company to cover the administrative costs of closing. Title companies generally cover escrow fees (handling of and disbursement of funds), survey and notary fees, deed prep fees and other fees associated with title search.

\$200

IL Agent Registration fee Each title insurance company shall remit, for all of its title insurance agents subject to this Act for filing an annual registration of its agents.

\$3.00

Wire Processing fee These are legitimate charges when they represent the actual cost incurred by the title company in sending and receiving wire transfers.

\$50

Closing Protection Letter The issuer of the CPL agrees to indemnify recipients of the CPL if the closing agent/underwriter mishandles money or essential documents.

\$50

Survey shows visible evidence of boundaries, improvements, rights of way, easements, use and measurements of all parcel lines and must be dated not more than six (6) months prior to the date of Closing. In some cases, if the seller has a survey that is older than 6 months, a request can be sent to the buyer asking if they will accept the survey in possession.

\$550

The closing or escrow fee pays for the title company that manages the closing process. Typically, the buyer pays the closing fee, except in a cash or seller financed transaction when it is split between the buyer and seller.

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Illinois Recording and Transfer Taxes

State - .50 / \$1000 of sale price

County - .25 / \$500 of sale price

Municipal – each municipality is different

Real Estate Property Taxes in Illinois are paid in arrears. Depending on the close date we can have two tax years to deal with. The taxes due are the responsibility of the seller up to the date of closing and the buyer will receive a credit at closing.

In the suburbs, the tax proration is 105% and in Chicago where there is an anticipated larger than normal tax increase is prorated at 110%.

Example:

Last year's total taxes \$5,000 1st and 2nd installments not paid and not due yet.

\$5000 - credit to buyer and prorated with if anything owed in current year per day

Last year's taxes 1st installment paid and 2nd installment not paid and not due yet.

\$2,500 - credit to buyer and prorated with if anything owed in current year per day

Last years taxes 1st and 2nd installments paid already only pro rate the daily due for current year.

How to calculate

Close date of May 17th.

1st installment of last year's taxes paid (if due and not paid check is sent to county)

Tax Proration at 105%

$\$5,000 / 365 \text{ days} = \$13.698 \text{ per day (use last years taxes)}$

Jan 1 – May 17 = 137 days

$\$13.698 \times 137 \text{ days} = \$1,876.62$

$\$1,876.62 + \$2500 = 4376.62$

$4376.62 \times 105\% = \$4595.45$

\$4,470.45 due at closing from seller and credit to buyer