

Estimate of Cost to Buyer

NARRATIVE

Mr. Harris, on January 23, makes an offer to purchase Agent Thompson's listing on 38 Meadow Lane. The offer is for \$82,000. Mr. Harris plans to obtain a 90 percent conventional loan at 6 1/2 percent interest over a term of 30 years. According to the offer, the seller is to pay the discount points (2 percent of the loan amount) and the purchaser is to pay closing cost (3 percent of the loan amount), PMI (2 percent of the loan amount), and intangibles tax in cash at closing. Taxes on the property are \$780 per year and homeowner's insurance is \$280 per year. The lender will require Mr. Harris to establish an escrow account for property taxes and hazard insurance. He gives Agent Thompson a \$3,000 earnest money check. Assume the contract will close on March 5.

INSTRUCTIONS

Using the blank Estimate of Cost to Buyer provided, complete this form using the information from the narrative.

ESTIMATE OF COST TO BUYER



2009 Printing

Buyer: _____ Date Prepared: _____
 Address: _____ Projected Closing Date: _____
 Purchase Price: \$ _____ Loan Amount: \$ _____
 Loan Type: _____ Interest Rate: _____ (%) Term (Years): _____

Financing Costs:

1. Down Payment	\$ _____
2. Closing Costs	+ \$ _____
3. Loan Discount (Points)	+ \$ _____

Escrow Establishment Charges:

4. Taxes (____ months @ \$_____/month)	+ \$ _____
5. Homeowner's Insurance (2 Months)	+ \$ _____
6. Mortgage Insurance (2 Months)	+ \$ _____
7. Prepaid Interest (____ days @ \$_____/day)	\$ _____

Miscellaneous Charges:

8. Homeowner's Insurance (First Year's Premium)	+ \$ _____
9. Loan Transfer Fee	+ \$ _____
10. Purchase of Seller's Escrow Account	+ \$ _____
11. Proration of Property Taxes (County and City)	+ \$ _____
12. Georgia Transfer Tax	+ \$ _____
13. Other: _____	+ \$ _____

Credits:

14. Pro-ration of Property Taxes (County and City)	- \$ _____
15. Earnest Money Deposit	- \$ _____
16. Other: _____	- \$ _____
17. TOTAL ESTIMATE OF COST TO BUYER	\$ _____

Estimated Monthly Payment:

A. Principal and Interest	+ \$ _____
B. Homeowner's Insurance	+ \$ _____
C. Mortgage Insurance	+ \$ _____
D. Property Taxes	+ \$ _____
E. Other: _____	+ \$ _____
F. Other: _____	+ \$ _____
G. Total	\$ _____

Projected Due Date of First Payment:

The above information is based on data available as of this date. Additional monthly payments and accrued interest may reduce the loan payoff. Fees such as warehouse fees, tax service, lender inspection, photos, document preparation, handling fees, courier fees, etc. may also appear on the closing statement. No representation is made as to the accuracy or completeness of this form. This is an estimate only.

Student Affidavit for Online Courses

Georgia Real Estate Principles
(Course Name)

Estimate of Cost of Buyer
(Homework Assignment)

I certify that I have personally completed this assignment and that my work is based on my own personal efforts, unassisted by any unauthorized individual or resource. I understand that receiving unauthorized assistance or tampering with results will invalidate my course credit and may be a cause of action under the real estate laws and regulations of my state.

(Student Name - Please print as it appears on your license)

(License Number)

(Student Signature)

(Date)