DBK Realty LLC

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BUYER & SELLER RESOURCE · MISSOURI & ILLINOIS

# Closing Costs Explained

## *…what you'll pay, and why*

Every real estate closing comes with a stack of fees. Here's what each one is, who usually pays it, and how buying or selling in Missouri differs from Illinois.

**2–5%**
of the price is a common range for a buyer's closing costs

**3**
business days before closing you'll get your Closing Disclosure

**$0**
state transfer tax in Missouri. Illinois charges one, usually paid by the seller



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FOR BUYERS

# What buyers pay at closing

Your lender lists these on your Loan Estimate within three business days of applying, so you can compare lenders side by side.

## Loan costs

| COST | WHAT IT IS | USUALLY PAID BY |
|---|---|---|
| **Origination / lender fees** | The lender's charge for processing and underwriting your loan. | Buyer |
| **Discount points** | Optional fees paid up front to lower your interest rate. | Buyer |
| **Appraisal** | An independent estimate of the home's value that your lender requires. | Buyer |
| **Credit report & flood certification** | Small third-party fees to check your credit and the property's flood zone. | Buyer |

## Title, settlement & government fees

| COST | WHAT IT IS | USUALLY PAID BY |
|---|---|---|
| **Settlement / closing fee** | The title company's fee for handling the closing and the money. | Negotiable |
| **Lender's title insurance** | Protects your lender against ownership problems. Required with a loan. | Buyer |
| **Owner's title insurance** | Protects you. Who pays is set by local custom and your contract. | Negotiable |
| **Recording fees** | County fees to record your deed and mortgage. | Buyer |
| **Attorney fee (Illinois)** | Illinois buyers commonly hire a real estate attorney to review the contract and attend closing. | Buyer |

## Prepaid items & escrow

| COST | WHAT IT IS | USUALLY PAID BY |
|---|---|---|
| **Homeowners insurance** | Usually the first full year's premium, paid at or before closing. | Buyer |
| **Prepaid interest** | Interest from your closing date to the end of that month. | Buyer |
| **Escrow deposit** | A few months of property taxes and insurance to start your escrow account. | Buyer |
| **HOA fees** | Any upfront dues, transfer or capital contribution fees, if the home has an HOA. | Negotiable |

FOR SELLERS

# What sellers pay at closing

Most seller costs come out of the sale proceeds, so you don't bring cash to closing unless you owe more than the home sells for.

| COST | WHAT IT IS | USUALLY PAID BY |
|---|---|---|
| **Mortgage payoff** | The balance of your loan (and any home equity line), plus interest to the payoff date. | Seller |
| **Real estate commissions** | Your agent's fee and any amount you agree to pay toward the buyer's agent. All negotiable. | Negotiable |
| **Property tax proration** | Your share of the year's taxes up to closing, credited to the buyer. | Seller |
| **Transfer tax (Illinois)** | A state tax of $1 per $1,000 of price, plus county and sometimes city tax. Missouri has none. | Seller |
| **Title & settlement** | Your share of the closing fee and, by local custom, often the owner's title policy. | Negotiable |
| **Occupancy inspection & repairs** | Many St. Louis-area cities require an inspection, fee and any repairs before closing. | Seller |
| **Seller concessions** | Any money you agree to put toward the buyer's closing costs. | Seller |
| **Final utility & HOA bills** | Final water, sewer and trash bills, and any HOA dues or transfer fees owed. | Seller |

## Missouri vs. Illinois at a glance

| | MISSOURI | ILLINOIS |
|---|---|---|
| **Transfer tax** | None | State $1 per $1,000 plus county (usually $0.50 per $1,000), and some cities add their own. Customarily paid by the seller |
| **Who runs the closing** | Usually a title company | A title company, with attorneys for buyer and seller commonly involved |
| **Property taxes** | Paid once a year for the current year, due Dec. 31. Prorated at closing | Paid a year behind, in installments. Sellers usually credit buyers for unpaid taxes |

SAVE MONEY

# How to lower your closing costs

### Compare Loan Estimates
Lender fees and rates vary. Get Loan Estimates from two or three lenders on the same day and compare them line by line.

### Ask the seller to help
Seller concessions, money the seller puts toward your costs, are common, especially when a home has been on the market a while.

### Look into assistance programs
MHDC in Missouri and IHDA in Illinois offer closing cost and down payment help through participating lenders.

### Ask about lender credits
A slightly higher rate can come with a lender credit that covers some costs. It can make sense if you won't keep the loan long.

### Pick your closing date wisely
Closing late in the month means less prepaid interest at closing, though your first payment comes sooner.

### Shop third-party services
Your Loan Estimate shows which services, like a pest inspection or some title services, you're allowed to shop for.

## Limits on seller help

Loan programs cap how much a seller can contribute toward your costs:

| LOAN TYPE | TYPICAL SELLER CONTRIBUTION LIMIT |
|---|---|
| **Conventional** | 3% with less than 10% down · 6% with 10–25% down · 9% with more than 25% down |
| **FHA** | 6% of the price |
| **VA** | Reasonable closing costs, plus up to 4% in additional concessions |
| **USDA** | 6% of the price |

**Wire fraud warning:** never trust wiring instructions you get by email. Call your title company at a number you already know before sending any money.

BEFORE CLOSING

# Estimate your cash to close

## My estimated cash to close

| | |
|---|---|
| Down payment | $ |
| Lender & loan costs | $ |
| Title, settlement & recording | $ |
| Prepaid insurance, interest & escrow | $ |
| Other (HOA, attorney, inspections at closing) | $ |
| Less: earnest money already deposited | $ |
| Less: seller concessions & lender credits | $ |
| **Estimated cash to close** | **$** |

QUESTIONS ABOUT YOUR NUMBERS?

## We'll walk through every line.

Before you make an offer or accept one, DBK Realty can help you estimate your costs, and we'll go over your Closing Disclosure with you before you sign. Buying or selling, on either side of the river.


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**Important:** This guide is general information compiled in November 2026. Closing costs, taxes, fees, customs and loan program limits vary by lender, county, municipality and contract, and change over time. Your Loan Estimate and Closing Disclosure show your actual costs. DBK Realty is a real estate brokerage, not a lender, title company, attorney or tax advisor, and this is not financial, tax or legal advice. If you are currently working with another real estate agent, this is not a solicitation of that relationship.



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