

INDIANA CLOSING CALCULATIONS

STUDY SHEET

Summary

Your clients will benefit from your knowledge of either what they'll pay or what they'll receive at closing. Buyers may need help understanding the various costs associated with purchasing a home. Sellers may need an explanation of what impacts their net proceeds from the sale.

Take a look back at your notes for these items:

- Review how prorations are computed in your resource titled, 'The Math of Closing: Proration Rules and Methods.'
- Be sure you're familiar with typical buyer and seller closing costs.
- Review the information on a seller's net sheet and a buyer's closing costs.

Top Takeaways

- The closing statement—provided at or near the closing—details debits and credits to the buyer and seller.
- In a financed transaction, the buyer's closing costs will usually be much higher than the seller's closing costs because of the down payment and other costs associated with the mortgage loan.
- While closing costs vary depending on a number of factors, you can establish a range of costs for clients who close transactions in your region.
- Various geographic regions adhere to customs regarding who pays for what at closing, though closing costs are always negotiable between the buyer and seller.
- Indiana doesn't impose any kind of transfer or mortgage tax on the sale or transfer of real estate.
- Prepaid and accrued expenses will be prorated between the buyer and seller based on the number of days in the year that party each owns the property.
- Licensees are required to know how and when taxes and real estate interact, but they should not give specific tax advice.
- For a document to be eligible for recording in Indiana, it must be signed and acknowledged by a notary public.