

# An Introduction to the Seller's Settlement Statement

## HUD - 1 Basics

- **Page one** is a summary of the transaction.
- **Page two** itemizes transaction fees paid by you and are listed in four main sections:
  - Real Estate commissions and fees (section 700)
  - Title and closing costs (section 1100)
  - Government and additional fees (sections 1200 & 1300)
- Remember that your mortgage payoff amount will always be greater than the principal balance shown on your monthly mortgage statement.
- Also keep in mind that all liens of any nature that are secured by your property will be paid by the closing agent using the proceeds of the sale. All remaining proceeds must be paid to you directly.
- Property Tax bills in most Texas Counties are mailed annually, usually in October.

Provided by:



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## PATTEN LAW FIRM

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A CLOSING OFFICE FOR TEXAS AMERICAN TITLE COMPANY

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U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

## SETTLEMENT STATEMENT

The first page of the HUD-1 settlement statement gives the seller a quick summary of the overall transaction.

1-0265

1.  F. UNINS. 2.  MHA 3.  CONV. UNINS. 4.  VA 5.  CONV. INS.  
 6. SETTLEMENT NUMBER: 7. LOAN NUMBER:  
 8. MORTGAGE INS CASE NUMBER:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

1.0 3/98 (TESTPURCH.PFD/TESTPURCH/404)

D. NAME AND ADDRESS OF BORROWER: Mr. Buyer and Mrs. Buyer  
 E. NAME AND ADDRESS OF SELLER: Mr. Seller and Mrs. Seller  
 F. NAME AND ADDRESS OF LENDER:

Generally this section will include only the sale price of the home. However, sometimes the seller will be entitled to a credit for prepaid homeowners association dues, assessments and maintenance fees. This is the starting point for determining the seller's net proceeds.

G. SETTLEMENT AGENT: 34-1926916  
 H. SETTLEMENT DATE: September 22, 2005  
 Disburse: 09/23/05

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract Sales Price		401. Contract Sales Price	100,000.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (Line 1400)		403.	
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller in advance		Adjustments For Items Paid By Seller in advance	
106. City/Town Taxes to		406. City/Town Taxes to	
		407. County Taxes to	
		408. Assessments to	
		409.	
		410.	
		411.	
		412.	
120. GROSS AMOUNT DUE FROM BORROWER		420. GROSS AMOUNT DUE TO SELLER	100,000.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201.		501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)		502. Settlement Charges to Seller (Line 1400)	8,673.63
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff First Mortgage	63,712.00
205.		505. Payoff Second Mortgage	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
		Adjustments For Items Unpaid By Seller	
		510. City/Town Taxes to	
		511. County Taxes 01/01/05 to 09/23/05	871.23
		512. Assessments to	
		513.	
		514.	
		515.	
		516.	
		517. Water/Sewer	200.00
		518.	
		519.	
		520. TOTAL REDUCTION AMOUNT DUE SELLER	73,456.85
		600. CASH AT SETTLEMENT TO/FROM SELLER:	
302. Less Amount Paid By/For Borrower (Line 220)	( )	601. Gross Amount Due To Seller (Line 420)	100,000.00
303. CASH ( X FROM ) ( TO ) BORROWER		602. Less Reductions Due Seller (Line 520)	( 73,456.85)
		603. CASH ( X TO ) ( FROM ) SELLER	26,543.15

Total amount due to the seller before any deductions.

Total of the closing costs that are itemized on page 2, including any Realtor commissions.

Listing of the deductions from the sellers proceeds, including:

- Closing costs (detailed on page 2 of the settlement statement)
- Amounts needed to pay off any mortgages or liens
- Property tax proration due to buyer for upcoming real estate tax bills
- Any other credits granted by the seller

Net amount of money the seller receives from the sale of the property. Industry guidelines require that the net proceeds be paid directly to the seller and only the seller.

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein. I HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE BY OR FOR THE SELLER OR BY ME IN THIS TRANSACTION. I FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

Seller  
Mr. Seller  
Mrs. Seller



**L. SETTLEMENT CHARGES**

						PAID FROM BORROWER'S FUNDS AT SETTLEMENT		PAID FROM SELLER'S FUNDS AT SETTLEMENT		
<b>700. TOTAL COMMISSION Based on Price</b>	\$	100,000.00	@	7.0000 %					7,000.00	
<i>Division of Commission (line 700) as Follows:</i>										
701.	\$	3,500.00	to	Realtor #1						
702.	\$	3,500.00	to	Realtor #2						
703.	Commission Paid at Settlement								7,000.00	
704.										
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>										
801.	Loan Origination Fee	%	to							
802.	Loan Discount	%	to							
803.										
804.										
805.										
806.										
807.										
808.										
809.										
810.										
811.										
812.										
813.										
814.										
815.										
816.										
817.										
818.										
819.										
820.										
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>										
901.	Interest From	to	@	\$	/day	(	days	)	%	
902.	MIP TotIns. for LifeOfLoan	for	months	to						
903.	Hazard Insurance Premium for	years	to							
904.										
905.										
<b>1000. RESERVES DEPOSITED WITH LENDER</b>										
1001.	Hazard Insurance	@	\$	per						
1002.	Mortgage Insurance	@	\$	per						
1003.	City/Town Taxes	@	\$	per						
1004.	County Taxes	@	\$	per						
1005.	Assessments	@	\$	per						
1006.		@	\$	per						
1007.		@	\$	per						
1008.		@	\$	per						
<b>1100. TITLE CHARGES</b>										
1101.	Settlement or Closing Fee	to	Title Company						350.00	
1102.	Abstract or Title Search	to								
1103.	Title Examination	to	Title Company						350.00	
1104.	Title Insurance Binder	to								
1105.	Document Preparation	to								
1106.	Notary Fees	to								
1107.	Attorney's Fees	Attorney							75.00	
<i>(includes above item numbers: )</i>										
1108.	Title Insurance	to	Title Company						330.63	
<i>(includes above item numbers: )</i>										
1109.	Lender's Coverage	\$		100.00						
1110.	Owner's Coverage	\$	100,000.00	661.25	Re-Issue					
1111.										
1112.										
1113.										
1114.	Hold Signature	to	Title Company						30.00	
1115.	Conditional Filing & Transfer	to	Title Company						50.00	
1116.	Delivery & Handling	to	Title Company						60.00	
1117.										
1118.										
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>										
1201.	Recording Fees: Deed	\$		Mortgage	\$		Releases	\$	28.00	
1202.	City/County Tax/Stamps: Deed	\$	400.00	Mortgage	\$		Conveyance Fee		400.00	
1203.	State Tax/Stamps: Revenue Stamps	\$		Mortgage	\$					
1204.										
1205.										
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>										
1301.	Survey									
1302.	Pest Inspection									
1303.										
1304.										
1305.										
<b>1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)</b>									<b>8,673.63</b>	

Real estate agent commissions and fees

Sections 800,900 and 1,000 are all the funds collected from the buyer in connection with his loan. As a seller, you don't have to worry about loan costs (unless it's a V.A. or F.H.A. loan).

Title Insurance & Closing Fees

Government mandated fees. The seller usually pays certain recording fees (release of lien).

Includes seller paid home warranty, delinquent property taxes or other items seller is required or has agreed to pay.

Total seller settlement charges