

How much can a seller pay toward closing costs?



Closing costs are the processing fees that are paid at the closing of a real estate transaction. Seller contribution amounts and usage depends on the type of loan.

Loan type	Occupancy	Down payment	Can be used towards	Max seller contribution
Conventional	Primary & Secondary	Up to 10%	Closing costs, prepaid items & discount points	3%
		10% - 25%	Closing costs, prepaid items & discount points	6%
		25% or more	Closing costs, prepaid items & discount points	9%
Conventional	Investment	No impact on limit	Closing costs, prepaid items & discount points	2%
FHA	Primary	No impact on limit	Closing costs, prepaid items & discount points	6%
VA <small>Real Estate Agent fees and commissions are not allowed to be paid by the buyer on VA loans. They are classified as closing costs and may be paid by an interested party (such as the seller or seller's agent) with no contribution limit.</small>	Primary	No impact on limit	Closing costs & market appropriate discount points	Unlimited
			Prepays, VA funding fee, temporary rate buydowns, excess discount points, debt payoff and personal property	4%
USDA	Primary	No requirement	Closing costs, prepaid items & discount points	6%

The above information is for educational purposes only.

Questions? Let's talk.



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