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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