



**TAX CLASSIFICATION OF PURCHASER'S
SETTLEMENT STATEMENT EXPENSES
An Overview**

Type of Property

COSTS OF OBTAINING TITLE:

INVESTMENT

PERSONAL RESIDENCE

Real Estate Broker's Commission
Finder's Fees
Attorney's Fees
Title Search
Title Policy Changes
Title Recording Fees
Transfer (Stamp) Taxes

Basis
Basis
Basis
Basis
Basis
Basis
Deduct

Basis
Basis
Basis
Basis
Basis
Basis
Basis

COSTS INCIDENT TO PURCHASE:

Real Estate Taxes
Hazard Insurance
Condominium Fees
Utilities

Basis/Deduct
Deduct
Deduct
Deduct

Basis/Deduct
Nondeductible
Nondeductible
Nondeductible

COSTS INCIDENT TO LOAN:

Legal Fees
Appraisal Fees
Mortgage Broker's Commission
Survey
Pest Inspection
Credit Reports
Commitment Fees
Loan Fees
Insurance Premiums

Amortize
Amortize
Amortize
Amortize
Amortize
Amortize
Amortize
Amortize
Deduct

Basis
Basis
Basis/Deduct
Basis
Basis
Basis
Basis
Deduct/Basis Mortgage
Nondeductible

COSTS REPRESENTING PREPAYMENTS OF INTEREST:

Prepaid Interest
Commercial Loan Points
VHA and FHA Points

Ded. Int. Method
Ded. Int. Method
Deduct

Ded. Int. Method
Deduct
Basis