



MATH PRACTICE EXAM 2

Name: _____



REAL ESTATE SCHOOL

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- **All calculations utilize the 30 Day Month/360 Day Year Method**
 - **All costs per period have been rounded to 2 decimal places (\$3.66 per day) for each time period (Day, Month etc)**
 - **You will need to download a copy of the blank Closing Worksheet to complete this test**
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1. Sam and Betty want to net \$175,000 from the sale of their house to purchase a retirement home. The agent has estimated closing expenses they will pay at \$2,435, along with a loan payoff of \$53,192. Sam and Betty will pay the agent a 6% commission. What should be the selling price of Sam and Betty's house?

- A. \$188,081
- B. \$188,762
- C. \$244,465
- D. \$245,348

2. The terms of a lease call for the tenant to pay \$1,650 per month and 4 1/2% of gross sales exceeding \$750,000 per year. Assuming the tenant paid \$29,925 in rent during the past year, what were the total gross sales for the year?

- A. \$750,456
- B. \$760,125
- C. \$760,602
- D. \$975,000

3. Ellen has an annual salary of \$49,800 and wants to purchase a home with a total housing expense of no more than \$1,000 per month. What is the maximum recurring debt that Ellen will be allowed to qualify under the 28/36% qualifying ratios?

- A. \$138
 - B. \$162
 - C. \$494
 - D. \$632
-

4. Using the Sales Comparison approach to value, an appraiser is estimating the value of a single family home. The appraiser has confirmed that a comparable property sold for \$192,450 and estimates that similar properties have increased 2.65% since the date of sale of the comparable property. After gathering information on features of the comparable property, the appraiser made adjustments for additional factors: (1) Location: the subject is better by \$2,100; (2) Size: the comparable is better by \$4,800; (3) Site: the comparable is better by \$1,700; (4) Condition: the subject is better by \$2,500. What is the indicated value of the subject property?

- A. \$189,250
- B. \$190,550
- C. \$190,650
- D. \$195,650

5. A developer wants to purchase a tract of land that contains 25.08 acres. He plans to divide the land into lots measuring 90' x 150'. He will need to allocate 10% of this total land for streets. How many lots can he obtain from the tract?

- A. 72.00
- B. 72.83
- C. 89.00
- D. 89.92

6. Bill and Beth bought a condominium for \$237,900 by paying 10% down. The loan factor is \$6.32 per \$1,000 borrowed for a 30 year fixed loan with a 6 1/2% interest rate. What is the outstanding loan balance after the 2nd payment?

- A. \$213,722
- B. \$213,727
- C. \$237,469
- D. \$237,474

7. An investor is considering the purchase of an office building. The gross income for the building for the past year was \$42,500 per month. The owner averaged \$6,250 per month for operating expenses. If the investor applies a 12% capitalization rate, what will be the price he is willing to pay for the office building?

- A. \$3,625,000
 - B. \$4,175,000
 - C. \$4,250,000
 - D. \$5,931,818
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8. A Couple purchased a home for \$140,000 by obtaining a mortgage loan of \$120,000. Five years later the home has increased in value by 15% and their mortgage debt has been reduced to \$110,000. What is the % of increase in their equity?

- A. 115%
- B. 126%
- C. 136%
- D. 155%

9. Teresa paid \$1,477 to her mortgage company for this month's PITI of which \$501.25 was allocated for interest and \$190.50 was allocated for taxes and insurance. Her annual interest rate is 7%. What is Teresa's current outstanding loan balance after this payment? (rounded)

- A. \$44,310
- B. \$85,929
- C. \$87,818
- D. \$167,271

10. April Agent has a listing presentation scheduled for a prospective seller. She is busy preparing a Comparative Market Analysis. What is the range of value rounded to the nearest \$100 that April will report to the prospective seller from the following data? The subject property has 2,725 sq. ft., 2 1/2 baths, and a 2-car garage. Comparable #1 has 2,815 sq. ft., 3 baths, a 1-car garage, and sold 4 months ago for \$282,450. Comparable #2 has 2,605 sq. ft., 2 baths, no garage, and sold 2 months ago for \$260,250. Comparable #3 has 2,790 sq. ft., 1 1/2 baths, no garage, and sold 5 months ago for \$276,990. For her CMA, April used the following adjustment values. The construction cost is \$95 per square foot, a 1/2 bath is \$1,800, a full bath is \$3,000, a 1-car garage is \$7,500, a 2-car garage is \$13,000, and the appreciation rate is 3.4% per year.

- A. \$281,400 - \$290,700
- B. \$281,500 - \$290,800
- C. \$280,800 - \$290,700
- D. \$280,900 - \$290,800

11. Alan and Sarah are closing on the sale their current residence on the 18th of July. After their July 1st mortgage payment the outstanding loan balance is \$192,718. With an interest rate of 7 1/8%, what would be the amount of accrued interest due to their lender at closing?

- A. \$458
 - B. \$496
 - C. \$687
 - D. \$699
-

12. Five years ago Walter bought his 1st home for \$172,500. A local lending institution financed the purchase with a 90% LTV, 30 year note at 6 1/2%. At the time of closing Walter paid \$1,029 in closing costs and \$3,105 in discount points. Since purchasing the home, Walter has paid \$2,745 in assessments for a sidewalk, \$19,700 for a sunroom addition, \$278 for a water heater repair, \$3,750 for a new heat pump, and \$325 for a roof repair. Before placing the house on the market, Walter painted the exterior and interior of the home for \$12,475. Walter recently placed his house on the market for \$259,990. He sold the property for \$251,500. At closing he paid \$15,090 in commission, \$1,175 in seller closing costs, and \$151,625 for the 1st mortgage loan payoff. What are the capital gains for this sale?

- A. \$31,803
- B. \$32,406
- C. \$35,365
- D. \$35,511

13. Elliot purchased a home for \$235,000 by paying 5% down. A lender wrote a fixed 20 year note at 6.25%. The PITI is \$1,990.17, of which \$358.37 is for taxes and insurance. How much interest will Elliot pay over the life of the loan?

- A. \$156,632
- B. \$168,382
- C. \$254,391
- D. \$364,198

14. Polly Property Manager entered into a management agreement with Irvin the Investor for his 96 unit apartment complex. The agreement set the commission rate at 8% on gross rents collected. The complex has 64, 2 bedroom units, and 32, 3 bedroom units. The 2 bedroom units lease for \$625 per month and the 3 bedroom units lease for \$720 per month. The property manager collected rents for the current month based on the following occupancy of the units. There were 7, 2 bedroom units vacant, 2 units uncollected, 1 unit newly leased for 12 days, with the balance of the units paying full rent. There were 5, 3 bedroom units vacant, 4 units newly leased, 1 unit with 5 days, 2 units with 15 days, and 1 with 20 days, with the balance of the units paying full rent. What was the management fee for the current month based on the gross rents received?

- A. \$4,426
 - B. \$4,251
 - C. \$4,150
 - D. \$4,075
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15. Tom recently purchased a tract of land for \$1,712,450. This tract contains 46.25 acres and has 1,400 feet of road frontage. Tom now wants to buy the adjoining tract of land that has the same depth but only 925 feet of road frontage. Assuming Tom is willing to pay the same price per square foot that he paid for the original tract, how much would he pay for this second tract?

Round the depth to the nearest whole number.

- A. \$1,131,414
- B. \$1,131,442
- C. \$1,331,075
- D. Not enough information given.

16. Larry and Linda have contracted to sell their home on the 27th of August for \$214,000. The purchaser has applied for a 90% LTV mortgage with a 6.5% fixed interest rate for 30 years. The lender will collect a 1 point Loan Origination Fee, 1 1/2 discount points, and pre-paid interim interest at closing. The purchaser paid a \$3,000 earnest money deposit at the time of the offer and will incur miscellaneous closing expenses of \$2,184. The seller paid the current tax bill for the year in the amount of \$1,862. The attorney will prorate the taxes on the Closing Worksheet. Other entries on the Closing Worksheet are as follows; 1st Mortgage Loan Payoff to include Accrued Interest, \$97,392, Commission at 6%, Document Preparation Fee of \$90, Quitclaim Deed Preparation Fee at \$55, Property Tax Escrow of \$310, Hazard Insurance Escrow of \$100, Excise Tax at the current rate, Recording Fees of \$40 for the Deed, \$85 for the Deed of Trust, \$25 for the Quitclaim Deed, \$20 for the Mortgage Satisfaction Fee, \$35 for Express Mail for the Loan Payoff, and \$25 for Express Mail for the Mortgage Package. How much will the purchaser need to bring to closing in Certified Funds in order to close their new home purchase?

- A. \$27,534
 - B. \$26,734
 - C. \$26,098
 - D. \$16,066
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Use the following information to complete the Closing Worksheet, and then answer questions 17 – 20 based on your completed Closing Worksheet. When performing prorating calculations, you should use the 360-day year and treat each month as if it has 30 days. For items prorated between buyer and seller, you should consider the SELLER responsible for the day of closing. When performing interim calculations you should NOT round off your figures. However, entries on any line of the Closing Worksheet should be rounded to the nearest cent. **NO INCORRECT ANSWER CAN BE OBTAINED SOLELY AS A RESULT OF AN ERROR IN ROUNDING OFF.**

Closing Date: November 9

- Sales Price: \$320,000
 - Earnest Money Deposit: \$5,000
 - Financing - \$288,000 new conventional loan for 30 years at 6 1/2% interest and one discount point and one point for loan origination fee
 - Bank to collect interim interest for November
 - Second Mortgage – Buyer to obtain a purchase money second mortgage for \$10,000. Terms of the loan will not require any pre-paid interim interest
 - Seller's loan payoff as of November 1 payment - \$161,425 at 6% interest. Loan payoff to be calculated with all accrued interest and paid off at closing
 - Appraisal fee (paid at loan application) - \$300
 - Credit report (paid at loan application) - \$60
 - Real property taxes – Annual property taxes are \$2,160. Taxes for the year have not yet been paid and will be paid to the tax office at year-end
 - Homeowners insurance advance premium - \$648
 - Private Mortgage insurance – \$1,152
 - Loan escrow deposits required by lender – five (5) months of real property taxes, two (2) months of homeowner's insurance premium, and two (2) months of private mortgage insurance premiums based on an annual renewal premium of \$1,008.00.
 - Attorney fees - \$550
 - Survey - \$250
 - Flood plain certification fee - \$20
 - Pest inspection report - \$75
 - Deed preparation - \$80
 - Title insurance premium - \$640
 - Recording fees–Mortgage Cancellation \$15, Deed \$20, Deed of Trust \$25, Purchase Money Mortgage \$25
 - Revenue Stamps – use state rate
 - Commission 6%
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17. The bottom line of Part A of the Closing Worksheet should indicate that the total settlement charges to be paid from the BORROWER'S funds at closing, rounded to the nearest whole dollar, are

- A. \$10,377
- B. \$11,504
- C. \$11,529
- D. \$12,273

18. The bottom line of Part A of the Closing Worksheet should indicate that the total settlement charges to be paid from the SELLER'S funds at closing, rounded to the nearest whole dollar, are

- A. \$19,215
- B. \$19,935
- C. \$19,955
- D. \$22,815

19. On the "cash at settlement" in Part B of the Closing Worksheet should indicate that the CASH DUE FROM BORROWER at settlement, rounded to the nearest whole dollar is

- A. \$25,523
- B. \$26,650
- C. \$26,675
- D. \$27,419

20. The "cash at settlement" in Part B of the Closing Worksheet should indicate that the CASH TO SELLER at settlement, rounded to the nearest whole dollar is

- A. \$127,644
 - B. \$126,544
 - C. \$126,924
 - D. \$124,064
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ANSWERS

- | | | | |
|------|-------|-------|-------|
| 1. D | 6. A | 11. C | 16. B |
| 2. D | 7. A | 12. D | 17. C |
| 3. C | 8. D | 13. B | 18. B |
| 4. D | 9. B | 14. C | 19. C |
| 5. A | 10. A | 15. A | 20. B |

SOLUTIONS

1. $\$175,000 + \$2,435 + \$53,192 = \$230,627$

Sales Price = total expenses + total commission.

The total expenses are 94% of Sales Price

$$\$230,627 \div 94 = \$245,348 = \text{Sales Price}$$

2. $\$1,650/\text{month} \times 12 = \$19,800 \text{ min. rent/year}$

$$\$29,925 - \$19,800 = \$10,125 \text{ rent exceeding min./year}$$

$$\$10,125 \div .045 = \$225,000 \text{ sales exceeding } \$750,000$$

$$\$750,000 + \$225,000 = \$975,000 \text{ total gross sales/year}$$

3. $\$49,800 \div 12 = \$4,150 \text{ income/month}$

$$\$4,150 \times .36 = \$1,494 \text{ max housing exp \& debt}$$

$$\$1,494 - \$1,000 = \$494 \text{ max recurring debt/month}$$

4. $\$192,450 \times .0265 = \$5,100 \text{ amount of increase since sale}$

$$\$192,450 + \$5,100 + \$2,100 - \$4,800 - \$1,700 + \$2,500 = \$195,650 \text{ Indicated Value}$$

5. $43,560 \text{ sq. ft./acre} \times 25.08 \text{ acres} = 1,092,484.8 \text{ total sq. ft/tract}$

$$1,092,484.8 \text{ sq. ft.} \times .10 = 109,248.48 \text{ sq. ft. allocated for streets}$$

$$1,092,484.8 \text{ sq. ft.} - 109,248.48 \text{ sq. ft.} = 983,236.4 \text{ land for lots}$$

$$90' \times 150' = 13,500 \text{ sq. ft. per lot}$$

$$983,236.4 \text{ sq. ft.} \div 13,500 \text{ sq. ft.} = 72.83 \text{ (72 lots)}$$

Note: Do not round up. There is not enough land for 73 lots

6. $\$237,900 \times .90 = \$214,110 = \text{Loan Amount}$
 $\$214,110 \div \$1,000 = 214.11 \text{ \# of units of } \$1,000$
 $\$6.32 \times 214.11 = \$1,353.18 = \text{P\&I per month}$
 Loan Amount after the 1st Payment:
 $\$214,110 \times .065 = \$13,917.15 = \text{Interest per year}$
 $\$13,917.15 \div 12 = \$1,159.76 = \text{Interest/ 1st month}$
 $\$1,353.18 - \$1,159.76 = \$193.42 = \text{Principal included in 1st payment}$
 $\$214,110 - \$193.42 = \$213,916.58 = \text{Outstanding Loan Balance after the 1st payment}$
 Loan Amount after the 2nd Payment:
 $\$213,916.58 \times .065 = \$13,904.58 = \text{Interest/yr}$
 $\$13,904.58 \div 12 = \$1,158.71 = \text{Interest/2nd mo.}$
 $\$1,353.18 - \$1,158.71 = \$194.47 = \text{Principal included in 2nd payment}$
 $\$213,916.58 - \$194.47 = \$213,722.11 \text{ Outstanding Loan Balance after the 2nd payment}$

7. $\$42,500 - \$6,250 = \$36,250 = \text{Net Income/mo.}$
 $\$36,250 \times 12 = \$435,000 = \text{Net Income/year}$
 $\$435,000 \div 12 = \$36,250 = \text{Value of building}$

8. $\$140,000 - \$120,000 = \$20,000 = \text{Original Equity}$
 $\$140,000 \times 115\% (1.15) = \$161,000 = \text{Current Value}$
 $\$161,000 - \$110,000 = \$51,000 = \text{Current Equity}$
 $\$51,000 - \$20,000 = \$31,000 = \text{Increase in Equity}$
 $\$31,000 \div \$20,000 = (1.55)\% \text{ 155\%} = \% \text{ Increase in Equity}$

9. $\$501.25 \times 12 = \$6,015 = \text{Interest/year}$
 $\$6,015 \div .07 = \$85,929 = \text{Loan Balance}$

10. Subject	Comp #1 \$282,450	Comp #2 \$260,250	Comp #3 \$276,990
2,725 sq ft	2,815 (-8,550)	2,605 (+11,400)	2,790 (-6,175)
2 1/2 bath	3 ba (-1,200)	2 ba (+1,800)	1 1/2 ba (+3,000)
2 car garage	1 car (+5,500)	no garage (+13,000)	no garage (+13,000)
Appreciation	4 mos. (+3,201)	2 mos. (+1,475)	5 mos. (+3,924)
Net Adjustment	-1,049	+27,675	+13,749
indicated value	\$281,401	\$287,925	\$290,739

Range of Value, (Rounded to nearest \$100): \$281,400 - \$290,700

11. $\$192,718 \times .07125 = \$13,731.16 = \text{Interest/year}$
 $\$13,731.16 \div 12 = \$38.14 = \text{Interest/day}$
 $\$38.14 \text{ Int./Day} \times 18 \text{ Days} = \$686.52 = \text{Total Accrued Interest}$

12. $\$172,500 + \$1,029 + \$2,745 + \$19,700 + \$3,750 = \$199,724 = \text{Adjusted Basis}$
 $\$251,500 - \$15,090 - \$1,175 = \$235,235 = \text{Amount Realized}$
 $\$235,235 - \$199,724 = \$35,511 = \text{Capital Gains}$

*Note: Discount points are deducted in the year paid

** Repairs and painting are not capital improvements

13. $\text{PITI} - \text{TI} = \text{PI}$
 $\$1,990.17 - \$358.37 = \$1,631.80 = \text{PI}$
20 Year note = 240 payments
 $\$1,631.80 \text{ PI/Month} \times 240 \text{ payments} = \$391,632 = \text{Total PI over the life of the loan.}$
Loan Amount = $\$235,000 \times .95 = \$223,250$
Total PI – Total P = Total I over the life of the loan.
 $\$391,632 - \$223,250 = \$168,382 = \text{Total Interest over the life of the loan.}$

14. 64 units - 10 units = 54, 2 Br units fully rented
 $\$625/\text{month} \times 54 \text{ units} = \$33,750 \text{ rent for } 54, 2 \text{ Br units}$
 $625 \div 30 = \$20.83 \text{ rent/day} - 2 \text{ Br}$
 $\$20.83/\text{day} \times 12 \text{ days} = \$249.96 = 12 \text{ days rent} - 2\text{Br}$
 $\$33,750 + \$249.96 = \$33,999.96 = \text{Total Rent} - 2 \text{ Br}$

32 units – 9 units = 23, 3 Br units fully rented
 $\$720/\text{month} \times 23 \text{ units} = \$16,560 \text{ rent for } 23, 3 \text{ Br units}$
 $\$720 \div 30 = \$24 \text{ rent/day} - 3 \text{ Br}$
 $\$24/\text{day} \times 5 \text{ days} = \$120 = 5 \text{ days rent for } 1, 3 \text{ Br}$
 $\$24/\text{day} \times 15 \text{ days} \times 2 \text{ units} = \$720 = 15 \text{ days rent for } 2, 3 \text{ Br units}$
 $\$24/\text{day} \times 20 \text{ days} = \$480 = 20 \text{ days rent for } 1, 3 \text{ Br}$
 $\$16,560 + \$120 + \$720 + \$480 = \$17,880 \text{ total rent } 3 \text{ Br}$
 $\$33,999.96 + \$17,880 = \$51,879.96 = \text{Total Rent}$
 $\$51,879.96 \times .08 = \$4,150.40 = \text{Total Management Fee}$

15. $43,560 \text{ sq. ft./acre} \times 46.25 \text{ acres} = 2,014,650 \text{ total square footage}$
 $2,014,650 \text{ sq. ft.} \div 1,400' = 1,439' = \text{depth of lot}$
 $\$1,712,450 \div 2,014,650 \text{ sq. ft.} = .85 = \text{price per square foot}$
 $925' \times 1,439' = 1,331,075 \text{ sq. ft./adjoining tract}$
 $1,331,075 \text{ sq. ft.} \times .85/\text{sq. ft.} = \$1,131,414 = \text{purchase price/adjoining tract}$

16. Purchaser Credits:
Loan Amount - \$192,600
Earnest Money \$3,000
TOTAL CREDITS: \$195,600

Purchaser Debits:
Purchase Price- \$214,000.00
Loan Origination Fee- \$1,926.00
Discount Points- \$2,889.00
Interim Interest- \$139.12
Misc Closing Costs- \$2,184.00
Tax Proration- \$635.91
Property Escrow- \$310.00
Hazard Ins. Escrow- \$100.00
Deed Recording Fee- \$40.00
Deed of Trust-
Recording Fee- \$85.00
Express Mail Fee- \$25.00
TOTAL DEBITS: \$222,334.03

Purchaser needs- \$222,334.03 - \$195,600 = \$26,734.03 to close the home purchase.

Calculations for #16-

Loan Amount = $\$214,000 \times .90 = \$192,600$

Loan Origination Fee = $\$192,600 \times .01 = \$1,926$

Loan Discount Points = $\$192,600 \times .015 = \$2,889$

Interim Interest

$\$192,600 \times .065 = \$12,519$ /interest per year

$\$12,519/360$ days = $\$34.78$ /interest per day

Interim Period = August 27th to 30th.

$\$34.78/\text{day} \times 4$ days = $\$139.12$

Tax Proration

$\$1,862/360$ days = $\$5.17/\text{day}$

August 28th to December 30th = 123 days for the purchaser

$\$5.17/\text{day} \times 123$ days = $\$635.91$ Debit to buyer

NORTH CAROLINA REAL ESTATE COMMISSION

Closing Exercise Worksheet - Part A

Settlement Charges	Paid from Borrower's Funds at Settlement <i>Charges to Borrower</i>	Paid from Seller's Funds at Settlement <i>Charges to Seller</i>
Real Estate Broker Fees		
Commission paid at settlement		\$19,200.00
Items Payable in Connection with Loan		
Loan origination fee/charge	\$2,880.00	
Loan discount points for specific interest rate chosen	\$2,880.00	
Appraisal fee	POC	
Credit report fee	POC	
Flood plain certification	\$20.00	
Items Required by Lender to be Paid in Advance		
Daily interest charges from <u> 22 </u> Days @ \$ 54 per day	\$1,188.00	
Mortgage insurance premium for <u> 12 </u> months	\$1,152.00	
Homeowner's insurance premium for <u> </u> years	\$648.00	
Reserves Deposited with Lender (for Escrow Account)		
Homeowner's insurance <u> 2 </u> months @ \$ <u> 54 </u> per month	\$108.00	
Mortgage insurance <u> 2 </u> months @ \$ <u> 84 </u> per month	\$168.00	
Property taxes <u> 2 </u> months @ \$ <u> 180 </u> per month	\$900.00	
Title Charges		
Closing attorney's fee	\$550.00	
Title insurance premium (lender's and/or owner's policy)	\$640.00	
Deed preparation fee		\$80.00
Government Recording and Transfer Charges		
Recording fees: Deed \$ 20 Mortgage \$ 25/25	\$70.00	
Excise tax (state tax stamps)		\$640.00
Recording Fees: Release \$15		\$15.00
Additional Settlement Charges		
Survey	\$250.00	
Pest Inspection	\$75.00	
Courier Fees		
Homeowner's Warranty		
Other		
Total Settlement Charges <i>(Enter here and on the lines where indicated on Part B of the Worksheet)</i>	\$11,529.00	\$19,935.00

NORTH CAROLINA REAL ESTATE COMMISSION

Closing Exercise Worksheet - Part B

Summary of Borrower's Transaction

Charges to Borrower

Gross Amount Due From Borrower	
Contract sales price	\$320,000.00
Personal property	
Settlement charges to borrower <i>(from bottom line of borrower's column on Part A of Worksheet)</i>	\$11,529.00
Adjustments for items paid by seller in advance	
Real property taxes	
Assessments	
Gross Amount Due from Borrower <i>(Total Charges to Borrower)</i>	\$331,528.00

Credits to Borrower

Amounts Paid By or In Behalf of Borrower	
Deposit or earnest money	\$5,000.00
Principal amount of new mortgage loan(s)	\$288,000.00
Purchase money second mortgage	\$10,000.00
Adjustments for items unpaid by seller	
Real property taxes	\$1,854.00
Assessments	
Total Paid By/For Borrower <i>(Total Credits to Borrower)</i>	\$304,854.00

Summary of Seller's Transaction

Credits to Seller

Gross Amount Due to Seller	
Contract sales price	\$320,000.00
Personal property	
Adjustments for items paid by seller in advance	
Real property taxes	
Assessments	
Gross Amount Due to Seller <i>(Total Credits to Seller)</i>	\$320,000.00

Charges to Seller

Reductions in Amount Due to Seller	
Settlement charges to seller <i>(from bottom line of seller's column on Part A of Worksheet)</i>	\$19,935.00
Payoff of seller's mortgage loan(s)	\$161,667.10
Purchase money second mortgage	\$10,000.00
Adjustments for items unpaid by seller	
Real property taxes	\$1,854.00
Assessments	
Total Reduction In Amount Due to Seller <i>(Total Charges to Seller)</i>	\$193,456.10

Cash at Settlement *(Reconciliation of Total Charges and Credits)*

Cash At Settlement From/To Borrower

Gross amount due from borrower <i>(Total Charges to Borrower)</i>	\$331,528.00
Less amounts paid by/for Borrower <i>(Total Credits to Borrower)</i>	\$304,854.00
Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$26,675.00

Cash at Settlement To/From Seller

Gross amount due to seller <i>(Total Credits to Seller)</i>	\$320,000.00
Less reductions in amount due to seller <i>(Total Charges to Seller)</i>	\$193,456.10
Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$126,543.90

CLOSING WORKSHEET MATH CALCULATIONS

Prepaid interim interest

$$\$288,000 \times .0675 = \$19,440$$

$$\$19,440 \div 360 = \$54$$

$$\$54 \times 22 = \$1,188$$

Interest/Year

Interest/Day

Prepaid Interim Interest

Loan Origination fee/discount points

$$\$288,000 \times .01 = \$2,880$$

1 point

Calculation of Loan Payoff to include Accrued Interest

$$\$161,425 \times .06 = \$9,685.50$$

$$\$9,685.50 \div 360 = \$26.90$$

$$\$26.90 \times 9 = \$242.10$$

$$\$161,425 + 242.10 = \$161,667.10$$

Interest/Year

Interest/Day

Accrued Interest

Loan Payoff as of: 11/9

Real Property Taxes

$$1/1 - 11/9 = 309 \text{ days}$$

$$\$2,160 \div 360 = \$6.00$$

$$\$6.00 \times 309 \text{ days} = \$1,854$$

Taxes/Day

Credit: Buyer, Charge to Seller

Escrow Deposits

$$\$1,296 \div 12 = \$108$$

$$\$108 \times 5 = \$540$$

City Taxes/Month

5 Mos. City Taxes

$$\$864 \div 12 = \$72$$

$$\$72 \times 5 = \$360$$

County Taxes/ Month

5 mos. County Taxes

$$\$648 \div 12 = \$54$$

$$\$54 \times 2 = \$108$$

Homeowner's Insurance/Month

2 mos. Homeowner's Insurance

$$\$1,008 \div 12 = \$84$$

$$\$84 \times 2 = \$168$$

PMI Renewal/Mo.

2 Mos. PMI Renewal

NORTH CAROLINA REAL ESTATE COMMISSION

Closing Exercise Worksheet - Part A

Settlement Charges	Paid from Borrower's Funds at Settlement <i>Charges to Borrower</i>	Paid from Seller's Funds at Settlement <i>Charges to Seller</i>
Real Estate Broker Fees		
Commission paid at settlement		
Items Payable in Connection with Loan		
Loan origination fee/charge		
Loan discount points for specific interest rate chosen		
Appraisal fee		
Credit report fee		
Flood plain certification		
Items Required by Lender to be Paid in Advance		
Daily interest charges from ____ to ____ @ \$ ____ per day		
Mortgage insurance premium for ____ months		
Homeowner's insurance premium for ____ years		
Reserves Deposited with Lender (for Escrow Account)		
Homeowner's insurance ____ months @ \$ ____ per month		
Mortgage insurance ____ months @ \$ ____ per month		
Property taxes ____ months @ \$ ____ per month		
Title Charges		
Closing attorney's fee		
Title insurance premium (lender's and/or owner's policy)		
Deed preparation fee		
Government Recording and Transfer Charges		
Recording fees: Deed \$ ____ Mortgage \$ ____		
Excise tax (state tax stamps)		
Recording Fees: Release \$15		
Additional Settlement Charges		
Survey		
Pest Inspection		
Courier Fees		
Homeowner's Warranty		
Other		
Total Settlement Charges <i>(Enter here and on the lines where indicated on Part B of the Worksheet)</i>		

NORTH CAROLINA REAL ESTATE COMMISSION

Closing Exercise Worksheet - Part B

Summary of Borrower's Transaction

Charges to Borrower

Gross Amount Due From Borrower	
Contract sales price	
Personal property	
Settlement charges to borrower <i>(from bottom line of borrower's column on Part A of Worksheet)</i>	
Adjustments for items paid by seller in advance	
Real property taxes	
Assessments	
Gross Amount Due from Borrower <i>(Total Charges to Borrower)</i>	

Credits to Borrower

Amounts Paid By or In Behalf of Borrower	
Deposit or earnest money	
Principal amount of new mortgage loan(s)	
Purchase money second mortgage	
Adjustments for items unpaid by seller	
Real property taxes	
Assessments	
Total Paid By/For Borrower <i>(Total Credits to Borrower)</i>	

Summary of Seller's Transaction

Credits to Seller

Gross Amount Due to Seller	
Contract sales price	
Personal property	
Adjustments for items paid by seller in advance	
Real property taxes	
Assessments	
Gross Amount Due to Seller <i>(Total Credits to Seller)</i>	

Charges to Seller

Reductions in Amount Due to Seller	
Settlement charges to seller <i>(from bottom line of seller's column on Part A of Worksheet)</i>	
Payoff of seller's mortgage loan(s)	
Purchase money second mortgage	
Adjustments for items unpaid by seller	
Real property taxes	
Assessments	
Total Reduction In Amount Due to Seller <i>(Total Charges to Seller)</i>	

Cash at Settlement

(Reconciliation of Total Charges and Credits)

Cash At Settlement From/To Borrower

Gross amount due from borrower <i>(Total Charges to Borrower)</i>	
Less amounts paid by/for Borrower <i>(Total Credits to Borrower)</i>	
Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

Cash at Settlement To/From Seller

Gross amount due to seller <i>(Total Credits to Seller)</i>	
Less reductions in amount due to seller <i>(Total Charges to Seller)</i>	
Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	