

Questions about Line 79 of the Arizona Contract?

What amount do I write on this line when writing a contract for FHA Loan & VA Loan buyers?

Do I include the request for seller contribution towards buyers closing costs on line 79?

Realtors often ask me what they need to include on Line 79 of the Arizona purchase contract. I thought it might be helpful to provide a little clarification on this topic in today's Arizona Mortgage update.

Lines 79-81 of the purchase contract address loan costs **NOT PERMITTED TO BE PAID BY THE BUYER** in the event the buyer is utilizing an FHA Loan or VA loan.

What amount do I write on this line when writing a contract for FHA Loan & VA Loan buyers?

FHA loans ~ The only cost not permitted to be paid by the Buyer on an FHA loan is the **tax service fee**. The lenders tax service fee generally runs \$75-\$100 which is the amount you would write on line 79.

VA loans ~ Costs not permitted to be paid by the Buyer (also know as VA Non-Allowable Closing Costs) on a VA loan include **lender fees** (underwriting, processing, document preparation and tax service) & the **escrow fee**. This dollar amount generally ranges from \$900 - \$1500. Contact the Arizona lender and title company to get their respective fees and add those amounts together. For example, if the lender fees are \$1000 and the escrow fee is \$300 you would write \$1300 on line 79.

Other VA Loan Non-Allowable costs, which are not as common, but good keep in mind: application fee, inspection fee, Real Estate Agent commission, repairs & notary fees.

Do I include the request for seller contribution towards buyers closing costs on line 79?

No. Line 79 is for fees NOT permitted to be paid by the buyers when using a FHA Loan or VA loan. Request for Seller contribution toward allowable closing costs and pre-pays can be requested on lines 72-78 and/or line 304 of the purchase contract.

We've heard a new purchase contract and LSR will be rolled out later this year with changes to the financing sections. Once those are available, I will update you with any specific changes regarding the FHA Loan and VA loan cost sections.

Feel free to contact me with any Arizona Mortgage questions. I'm happy to share what I know!

~ Kelly

*Quote of the week: There is only one success....to be able to spend your life in your own way ~
Christopher Morley*



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