

FHA Pre-Foreclosure Sale Program (PFS) Settlement Statements: Allowable and Disallowable Fees Paid from Seller's Funds at Closing

The following list of allowable and disallowable costs is not intended to be all-inclusive; rather, it is representative of the types of settlement fees allowed and disallowed under the PFS Program and clarifies guidance provided in Mortgagee Letter 2008-43, 2013-23, and 2014-15.

ALLOWABLE COSTS	DISALLOWABLE COSTS
<ul style="list-style-type: none"> • CALIFORNIA Only – Hazard Disclosure • Closing Fee • County Taxes • Grantors Tax • Lien Search • Local/State Transfer Tax Stamps • Natural Hazard Disclosure Fee • Outstanding Partial Claim Amount • Owner's Title Insurance • Property Tax • Real Estate Taxes to Closing Date • Sales Commission ≤ 6% • Seller's Cost of Title Search • STATE REQUIRED – Excise Tax • Survey • Tax Certificate • Tax Stamps • TIEFF Fee • Title Examination and Title Insurance • Unpaid Homeowner's Association Dues • Unpaid Utilities • Up to 1% of Buyer's First Mortgage Amount if FHA Buyer • Owner-occupant Seller Consideration of \$3,000 (may be used for discharge of Junior Liens or to offset disallowable closing costs) • \$1,500 for Discharge of Junior Liens • Wire Fee 	<ul style="list-style-type: none"> • Administration Fees • Application Fee • Attorney Fees, EXCEPT in states that require an attorney to close the transaction • Broker Administrative Fee • Buyer's – Appraisal • Conveyance Fees • Courier Fees • Credit Report • Discount Points for Loan Fees for Non FHA Sale • Document Preparation Fees • Escrow Fees • Flood Certification Fee • Hazard Insurance Premiums • Home Warranty • Lender's Title Insurance • Lien Release Fee • Loan Origination Fees • Mail Fees • Notary Fees • Option Fees • Pest Inspection • Processing Fees • Recording Fees • Repair Reimbursements or Allowances • Reporting Fees • State Regulatory Fee • Tax Search • Tax Service Fee • Third Party – Mediation and/or Negotiation Fees • Tracking Fees • Underwriting Fee • Other fees commonly classified as "junk fees"