

The Cash to Close Guide

What Actually Brings You to the Closing Table

Learn Estate
to Real



3 Buckets of Cash to Close

1 Down Payment

Money that reduces your loan balance

- Usually expressed as a %
- Goes directly toward the purchase price
- Increases your equity immediately

This is not a fee.
This is your money in the home.

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2 Closing Costs

Fees required to complete the transaction.

- Lender fees
- Title & attorney fees
- Appraisal
- Recording fees
- Escrow setup
- Prepaid interest

Typical range:
2%—4% of purchase price
(varies by loan type)

Some of these can be negotiated or covered with credits.

3 Prepaids & Escrows

Not fees — timing adjustments

- Property taxes
- Homeowners insurance
- HOA prorations
- Escrow reserves

These are bills you'd pay anyway — just collected at closing.

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NC-Specific Cash Outlay

A Due Diligence (NC)

- Paid directly to seller
- Usually non-refundable
- Shows serious intent



Due diligence is risk capital.
It strengthens your offer.

B Earnest Money (EMD)

- Held in escrow
- Credited at closing
- Refundable under certain contract terms



EMD is part of your cash to close — not extra money.

One Simple Formula

Down Payment +

Closing Costs +

Prepaids =

Subtotal -

Seller Credits -

Lender Credits -

Earnest & Due Diligence Money

= Total Cash Out of Pocket

Cash to close is not “money lost.” It is the investment required to transition from renting to ownership.