

SELLER CLOSING COSTS IN TEXAS





HOMESELLERSUSA SELLER GUIDES

Seller closing costs in Texas

What a Texas home seller usually pays at closing, line by line, and which items you can negotiate. Every figure links to the official source, and dollar examples are estimates.

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Before you read

This guide is general information, not legal, tax or financial advice. Contracts, local rules and costs vary, so check the details for your home with your agent, title company or attorney.

HomeSellersUSA connects homeowners with licensed local agents and cash buyers. We are not a real estate broker and don't value homes.

Most of what a Texas seller pays is set by the sales contract, not by law. This guide follows the Texas Real Estate Commission's promulgated **One to Four Family Residential Contract (Resale)**, TREC form 20-19, the standard form for resale houses (TREC). Your contract may differ, so check the paragraphs noted below. Your title company will give you a settlement statement with the actual numbers before closing.

1 Your mortgage payoff and other liens

The biggest deduction for most sellers is paying off the existing loan. Under paragraph 12 of the TREC contract, the seller pays for **releases of existing liens, including prepayment penalties and recording fees**, the release of the seller's loan liability, tax statements or certificates, and preparation of the deed (TREC form 20-19). The contract also says there can be no liens left on the property that are not paid out of the sale proceeds. Ask your lender for a written payoff statement good through your closing date; it includes interest up to the payoff day.

2 Real estate commissions: negotiable

The TREC contract states it plainly: **brokerage compensation is not set by law and is fully negotiable** (TREC form 20-19). Each party pays its own broker under a separate written agreement.

Since the 2024 National Association of REALTORS settlement (the Sitzler/Burnett settlement), buyers sign a written agreement with their agent before touring homes, and a seller can choose whether to offer, or authorize their agent to offer, compensation to a buyer's agent (NAR). The TREC contract has a line (paragraph 12B) where the seller can agree to pay a set amount or percentage toward the buyer's broker. Nothing requires you to fill it in; it is part of the negotiation.

If you sell without a listing agent, for example directly to a cash buyer, you may pay no listing commission, but read the contract to see who pays which closing costs. See cash offer vs listing.

3 The owner's title policy

In Texas the seller furnishes the buyer an owner's policy of title insurance, and the contract has a checkbox for whether it is at the **seller's or the buyer's expense** (paragraph 6A of TREC form 20-19). Who pays is negotiable.

The Texas Department of Insurance sets the basic premium, so it does not change from one title company to the next for the same policy amount. Under the TDI rate chart effective March 1, 2026, the basic premium for a policy over \$100,000 is \$780 plus \$4.94 per \$1,000 above

\$100,000, up to \$1 million (TDI basic premium rates).

Estimated basic premiums (TDI rates effective March 1, 2026)

- \$300,000 policy: about \$1,768
- \$400,000 policy: about \$2,262
- \$500,000 policy: about \$2,756

Estimates calculated from the TDI rate chart as of September 2026.
Endorsements and the buyer's lender policy are separate charges.

4 Escrow or closing fee

The title company acts as escrow agent. Under the TREC contract the seller pays **one-half of the escrow fee** and the buyer pays the other half (TREC form 20-19). The fee varies by title company, so ask for a quote. Expect smaller seller charges as well, such as recording the lien release and document preparation.

5 Property taxes, prorated

Texas property taxes are paid in arrears. Tax bills go out around October 1 and are generally due by January 31 of the following year (Texas Comptroller). Paragraph 13 of the TREC contract prorates the current year's taxes through the closing date, and if the actual bill turns out different, the parties adjust when the statements are available (TREC form 20-19).

In practice, the seller usually gives the buyer a credit for January 1 through the closing day, and the buyer pays the full bill later. Example, an estimate only: if the year's taxes will be about \$9,000 and you close at the end of June, your share is roughly half, about \$4,500. Our city pages list local rates, for example McKinney and Frisco.

Protest even in the year you sell

Because you pay part of this year's tax through the proration, a successful appraisal protest still saves you money. The usual deadline is May 15 or 30 days after the appraisal notice was mailed, whichever is later (Texas Comptroller).

6 HOA resale certificate and transfer fees

If the home is in a property owners' association, the buyer usually wants a **resale certificate** showing dues, special assessments and any violations. Texas law caps what the association may charge: **up to \$375** to prepare and deliver the certificate and **up to \$75** for an update (Texas Property Code 207.003). The association must deliver it within 10 business days of a proper request. HOA dues for the year are prorated like taxes (paragraph 13 of the contract).

Association transfer fees are governed by the TREC HOA addendum, and private transfer fees are the seller's obligation unless the contract says otherwise (TREC form 20-19).

7 Survey

The contract offers three choices. A common one is that the seller provides the existing survey plus a T-47 affidavit or T-47.1 declaration stating nothing has changed. If the seller cannot, or the title company or lender will not accept it, a new survey may be ordered at the expense the contract specifies (paragraph 6C of TREC form 20-19). Find your survey from when you bought; it is often in your closing papers.

8 Repairs and concessions

After the buyer's inspection, many buyers ask for repairs or a credit during the option period. The contract also has a line (paragraph 12A(1)(b)) for a fixed seller contribution toward the buyer's closing costs. None of this is required; it is all negotiated. Put any agreement in writing through an amendment.

9 What Texas does not charge

- **No state transfer tax.** The Texas Constitution prohibits a transfer tax on a transaction that conveys fee simple title to real property (Texas Constitution, Art. 8, Sec. 29).
- **No state income tax on your gain.** The Texas Constitution prohibits a tax on individuals' net incomes (Art. 8, Sec. 24-a).
- **Federal tax may still apply.** If you owned and lived in the home for at least two of the last five years, you may be able to exclude up to \$250,000 of gain, or \$500,000 on a joint return (IRS Topic 701). Ask a tax professional about your situation.

Putting it together

Your net proceeds are roughly the sale price minus your payoff, commissions you agreed to, your share of title and escrow charges, prorated taxes and HOA dues, and any repairs or credits. Try our net proceeds calculator, then confirm with the settlement statement from your title company.

Questions sellers ask

Does the seller always pay for the owner's title policy in Texas?

No. The TREC resale contract has a checkbox for seller's or buyer's expense (TREC form 20-19). It is negotiable. The premium itself is set by the Texas Department of Insurance.

Is there a Texas transfer tax or deed stamp?

No. The Texas Constitution bars a transfer tax on conveying fee simple title to real property (Art. 8, Sec. 29). You will see small recording fees instead.

Why am I paying property taxes at closing if my taxes are current?

Texas taxes for the current year are not billed until around October (Texas Comptroller). The contract prorates them through closing, so you credit the buyer for the part of the year you owned the home.

Can I negotiate the commission?

Yes. The TREC contract says brokerage compensation is not set by law and is fully negotiable (TREC form 20-19). Compare terms before you sign a listing agreement.

Sources

1. TREC: <https://www.trec.texas.gov/forms/one-four-family-residential-contract-resale>
2. TREC form 20-19: https://www.trec.texas.gov/sites/default/files/pdf-forms/20-19_4.pdf
3. NAR: <https://www.nar.realtor/the-facts>
4. TDI basic premium rates: <https://www.tdi.texas.gov/title/titlerates2026.html>
5. Texas Comptroller: <https://comptroller.texas.gov/taxes/property-tax/basics.php>
6. Texas Comptroller: <https://comptroller.texas.gov/taxes/property-tax/protests/>
7. Texas Property Code 207.003: <https://statutes.capitol.texas.gov/Docs/PR/htm/PR.207.htm>
8. Texas Constitution, Art. 8, Sec. 29: <https://statutes.capitol.texas.gov/Docs/CN/htm/CN.8.htm>
9. IRS Topic 701: <https://www.irs.gov/taxtopics/tc701>

Last reviewed September 30, 2026. Rules and costs change; check the current figures before you rely on them.



Thinking of selling? Ask one licensed local agent for a free market report, or one local cash buyer for an offer. Free to ask, no obligation.

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