



UNDERSTANDING

CA SB2 ON

CLOSING COSTS



The State of California recently passed the legislation below which will become effective on **January 1, 2018**. The bill was enacted to provide funding for affordable housing throughout the State by providing that an additional recording fee (*in addition to current recording fees*) be charged on real estate transactions.



Unless otherwise exempt, a fee of **\$75** will be imposed at the time of recording every real estate instrument recorded, per each single transaction per parcel of real property, not to exceed **\$225**. This fee is in addition to any other recording fees.



The bill provided an exception for any real estate instrument recorded in connection with transfers subject to documentary transfer tax or transfers of real property that will be occupied by the owner. Sale transactions fall into this category and are therefore exempt.



The documents recorded in connection with refinance transactions will be subject to the new fee imposed by SB2.

To read the bill in its entirety please visit: <http://bit.ly/2zVL8xw>