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### Important Fees & Costs Disclosure

Congratulations on taking the first step toward homeownership and/or responsible home finance in Mexico!

**Transparency is a core operating principle at MoXi – A Global Mortgage Company®.** To that end, one of the most common questions we receive is about the costs associated with *successfully* closing a real estate transaction in Mexico. The information contained herein is intended to provide a high-level understanding of fees, costs, and charges you might expect to pay in connection with a real-estate transaction in Mexico; note that many of these costs apply whether or not you choose to obtain financing. Your Mortgage Advisor and/or Client Concierge is happy to answer any fee related questions.

Depending on the specifics of your transaction, you may be able to include some of your closing costs in your loan amount.

This document is intended to be a helpful guide, and while it is thorough, it is neither a commitment to lend nor a binding fee disclosure. Fees, costs, and charges for your specific transaction may be higher or lower than those illustrated here.

#### **For Purchase Transactions Only:**

Buying a home in Mexico requires significantly more up-front cash than in the United States – not for the faint of heart. Where in the United States, one might expect to pay closing costs, fees, prepaids, and taxes of about 1-3% of the property purchase price, in Mexico, buyers can generally expect to pay 7-12% of their home’s purchase price in up-front costs. Generally, clients find that because Mexico’s cost of living and property taxes are substantially lower when compared to the US, these up-front costs are recouped in only a few short years.

#### **Pro Tip:**

The adage “you get what you pay for” is **the best advice MoXi® can offer to a prospective international home buyer.** As such, prospective clients are cautioned to **avoid**:

1. Vendors, agents, attorneys, or companies that provide closing cost estimates significantly below the 5-10% range
2. Transaction structures that involve a “soft close” or anything other than a legal closing. MX law is very clear.
3. Property transfer strategies that avoid or defer payment of government transfer tax and recording charges (e.g., purchase of an LLC only, developer balloon payment financing where legal transfers don’t occur until the note is paid in full)

#### **For Refinance and Cash-Out Refinance Transactions:**

Unless you are changing the vested ownership structure of your property, you are likely not subject to ISABI (transfer tax). Outside of transfer tax, many of the fees and charges included in the below table still apply.



### Third Party Fees, Costs, and Charges

The below list includes some of the most common third-party fees and costs associated with a real-estate transaction in Mexico. In furtherance of our commitment to transparency please note: while MoXi® has vendor relationships with providers in the categories listed below, MoXi® has **no financial or other incentive relationship of any sort** with third-party providers from the below list. For some sections listed below, a client is welcome to choose/shop vendors provided the service meets MoXi' standards for quality, timeliness, and reliability.

Third Party Fee	Description	Approximate Range	When Collected
Notario Honorarios	Fees charged by settlement agent – required to close	1-2% of purchase price*	50% by wire transfer directly to the Notario when closing work begins, remaining 50% due at closing
ISABI (Transfer Tax) <b>PURCHASE TRANSACTIONS ONLY</b>	Municipality Government Land/Property Transfer Tax	2%-5% of purchase price depending on property location	At Closing
Recording Fees	Public Registry Fees for Recording of Deed and Transfer	.5%-.7% of purchase price	At Closing
Homeowners Insurance	1 <sup>st</sup> Years Premium for HOI	Varies	At Closing
Title Insurance	One Time Expense	Varies	At Closing
Title Search & Legal Title Opinion	One Time Expense	\$475-\$5,000 depending on property location	By credit card when ordered – at initial credit decision
Commercial Appraisal	One-time Expense	\$500-\$5,000+ based on purchase price	By credit card when ordered – at initial credit decision
Cadastral Appraisal	One-time expense	\$300+ based on purchase price	By credit card when ordered – at initial credit decision
Secretary of Foreign Affairs Permit	One-time expense; not required in all cases	\$1550	By credit card when ordered – at initial credit decision
Fiduciary Bank Setup Fee	Fideicomiso setup charge to Fiduciary Bank	\$750-\$2,000**	At closing
1 <sup>st</sup> -year Fiduciary Bank Annual Fee	Annual fideicomiso maintenance fee	\$750-\$2,000**	At closing and every year thereafter – regardless of mortgage financing
POA Preparation	One-time	\$300-\$500 per POA	By credit card when ordered
Impound Account Funding	3 months of taxes/HOI/fiduciary fees	Varies	At closing
Notarization/Apostille Services	One-time, if applicable	\$200 per document	When/if ordered
MX Certified Translation Services	If applicable / requested	\$20/page	When/if ordered
Escrow	One-time	\$650-\$800	Typically paid when opening escrow, additional disbursement fees may be charged at closing
Government Certificates	One-time	\$200-\$300	When ordered – at initial credit decision

\*16% MX VAT (IVA) tax may apply to some of the above-listed charges \*\*~90% of MoXi closings are in the lowest end of this range.



### MoXi® Fees, Costs, and Charges

MoXi® fees listed below **will not change**, are charged and collected in USD, and are not subject to MX IVA tax of 16% pursuant to the MX/US Treaty Against Double Taxation. MoXi® fees (and the uniformity with which they are assessed) are regulated by CONDUSEF and are non-negotiable.

Fee	Amount	Description	When Collected
Application Fee	\$150	Application Fee	By credit card – during application completion/submission.
- <i>Optional</i> - Fully Underwritten Prequalification	\$500	Clients actively shopping for property may elect to have their credit, income, and assets completely underwritten	By credit card – during application completion/submission
Underwriting Fee	\$2,000	Credit, Income, Asset and Collateral Review/Approval	By credit card; for purchase transactions – initial credit decision; for refinance transactions - application
Legal Closing Services (pass-through to law firm that oversees closing)	\$2,900: property value <\$1.25M \$3,900: property value \$1.25M+	Secure Lien and Legal Property Transfer Services by Contracted MX Counsel	By credit card - initial credit decision.
POA Prep, Notarization and Apostille Fee	\$550	Includes preparation of POA for closing, Apostille Services, POA signing fee	By credit card - initial credit decision
Credit Report Fee	\$150	Credit Report	By credit card - initial credit decision
Origination Fee	2.99-3.50% of the <b>loan amount</b> for most transactions (not the purchase price)	Origination costs	At closing – final wire transfer
SOFOM Administration Fee	\$475	Loan Setup by SOFOM	At closing – final wire transfer
Credit Policy Exceptions and Properties with “legal title opinion only”	.5-1.5% of the <i>loan amount</i>	The following circumstances may result in an additional fee, cost, charge, or interest rate increase: (i) credit policy exceptions; (ii) loans made with legal title opinion (where title insurance may not be available); (iii) properties with a value <\$250k	At closing – final wire transfer
Monthly Sub-Servicing Fee	\$65/mo	Loan Servicing Fee collected by sub-servicer with monthly payments	Monthly – life of loan after origination

*\*When using an approved vendor*



### General Fee Collection Guidelines

MoXi®, as a convenience to its clients and to expedite closing timelines, offers clients the ability to pay required costs by credit card in USD. In order to meet close of escrow commitments and avoid significant delay, MoXi® does not generally permit clients to pay vendors directly by bank or wire transfer. MoXi does not, under any circumstance, earn profit or income from its fee collection activities; all credit card payments and earned fees are non-refundable, and by paying fees to MoXi® by credit card, clients hereby unequivocally waive any/all rights to a chargeback.

#### Credit Card Payments:

A payment processing fee of 2.99% will be added to each payment collection. With respect to fee collections for passthrough to vendors in MX, clients are advised that MoXi® shall generally assume foreign currency conversion risk. For example, if an appraisal quote is received from a vendor for 18,500MXN and the prevailing exchange rate at the time the funds are collected from the client by credit card is 18.5MXN/USD (standard rate), MoXi® will collect from a client \$1,000.00 USD plus \$29.90 in payment processing fees. If the appraisal vendor requests payment 3 days later when the report is completed, and the MXN/USD exchange rate has fallen to 18.0MXN/USD, MoXi® converts the currency at that rate and assumes the loss for the currency fluctuation. Clients are advised that if the opposite occurs, clients will not receive a credit for the exchange rate variant.

#### Recordkeeping:

When a vendor requires payment in MXN, MoXi® remits such payment to the vendor from the client's funds. All funds collected by MoXi® sit in a segregated funds account until earned or used, and each debit and credit entry is logged. Clients may request balance information at any time.

The below table illustrates four points at which MoXi® Clients typically remit funds:

Collection Point	When Collected	Amount/Description
<b>1</b> <b>CREDIT CARD</b> Application Submission	When application is submitted	<ul style="list-style-type: none"> <li>\$150 application fee</li> <li><i>Optional:</i> \$500 fully-underwritten prequalification</li> </ul>
<b>2</b> <b>CREDIT CARD</b> 3-5 days from intent to proceed / accepted offer	<b>Refinance Transactions:</b> Prior to loan application submission  <b>Purchase Transactions:</b> When loan has been initially credit approved and the file contains a fully-executed purchase agreement	<ul style="list-style-type: none"> <li>Credit Report (\$150)</li> <li>Underwriting Fee (\$2,000)*</li> <li>Government Certificates (Varies)</li> <li>Title Search (Varies),</li> <li>Appraisal Fee (Varies)</li> <li>Secretary of Foreign Affairs Permit Fee (\$1550) if applicable/required</li> <li>POA Preparation (\$550)</li> <li>Legal property transfer service (\$2,900-\$3,900)</li> </ul>
<b>3</b> <b>WIRE TRANSFER</b> To Notario Publico	<b>All Transactions:</b> When Notario closing work begins	<ul style="list-style-type: none"> <li>50% of estimated Notario Fee</li> </ul>
<b>4</b> <b>WIRE TRANSFER ONLY</b> ~5 days before closing	<b>All funds in this stage are wired directly to escrow – no credit cards permitted.</b>  Currency fluctuation falls to the borrower when wiring funds to escrow – a small cushion will be added, and any unused portion will be returned post-closing	<ul style="list-style-type: none"> <li>Borrower down payment</li> <li>Transfer Tax</li> <li>Remaining MoXi fees</li> <li>Deposit to impound account – 3 months fiduciary, HOI, property tax</li> <li>All applicable third-party charges (title, HOI, Fiduciary, Notario, Recording, etc).</li> </ul>

Please note that the foregoing is not an exhaustive list nor a commitment to lend and is for illustrative purposes only.

\*On refinance applications only that are declined (not suspended), \$1500 of the \$2000 underwriting fee is refundable.