

CLOSING COSTS

Here are some common costs you can expect to face when closing on a mortgage loan and a new home.

Did you know?

The average total of closing costs is 1 to 5% of your home's value.

FEES



✓ Inspection Fees

If an inspection report has not been completed recently, it's important that you get a general home inspection report so that you have a clear understanding of the state of the home and what repairs (if any) will be required.

✓ Loan Fees

This may include the cost of having your home appraised, plus other lender costs. In addition, you may be required to pay your first month's mortgage payment at closing.

✓ Prorated Fees

Fees, such as property tax and HOA fees, that will be prorated based on when you move into the home.

✓ Title/Escrow Fees

Several fees charged by the title/escrow company, including basic document prep fees and fees for overseeing and managing the closing process.

✓ Transfer Taxes

Fees that are paid when a property is transferred from one owner to another.

INSURANCE

✓ Homeowner's Insurance

Required by lenders to provide financial protection in case there is damage to the property. You may need to pay your first year of home insurance premium at closing.

✓ Title Insurance

Required by lenders, it protects both the lender and homeowners from the possibility that the seller does not have free and clear ownership of the property and thus is not able to fully transfer the property to you.



Keep in mind: Many fees and charges can be negotiated during this process.