

## UNDERSTANDING CLOSING COSTS

### Figuring out the cost to close on a home

The cost of purchasing a property extends beyond paying merely the negotiated sales price. Many other fees associated with the purchase are often called closing costs; these are grouped in to “Recurring” and “Non-Recurring” Closing Costs. Recurring Closing Costs are paid in escrow but will continue on a pre-determined basis; i.e. property taxes. Non-Recurring Closing Costs are charged one time only at closing of the escrow. Below are examples of both types of costs defined:

#### RECURRING COSTS

- Fire Insurance Premium
- Flood Insurance Premium (if required)
- Homeowner’s Association Dues
- Private Mortgage Insurance Premiums (PMI)
- Mortgage Interest
- Real Property Taxes
- Home Warranty (optional if Buyer pays)

#### NON-RECURRING COSTS

##### **Title and Escrow related costs:**

- Title Insurance Premiums
- Recording Fees
- Endorsements to Title Policies
- Sub-Escrow Fee which may be due Title Company
- Re-conveyance Fees
- Documentary Transfer Tax
- City Transfer Tax (if applicable)
- Escrow Fees
- Loan Tie-in Fee
- Notary Fees / Signing
- Courier/Delivery Fees
- Document Preparation Fees
- Electronic Document Processing Fees
- Transfer or Document Fees to a Homeowner’s Association
- SMPF Fee (Survey Monument Preservation Fund)(if required)

- Transaction Coordinator Fee (Sale)
- All Inspections such as Termite, Roof, Chimney, etc..

##### **Lender’s costs:**

- Appraisal Fee
- Credit Report
- Lender’s Inspection Fee
- Misc. Loan pay-off Fees (if required for existing loan)
- Flood Certification Fee (if required in your area)
- Loan Origination Fee
- Loan Processing
- Document Processing Fees
- Tax Service Fee
- Real Estate Broker Commissions (Sale)
- Fees for Property Disclosures or City Reports (Sale)