

Buyer's Closing Costs Summary

In addition to the down payment, you need to budget for the following:

Loan Origination Fee and Discount Points:

These vary according to the lender and the interest rate and term of the loan. Computed as a percentage of the amount borrowed. You can usually count on having to pay one percent of the loan as an origination fee and at least another percent of the loan in points. Each 1% paid generally decreases the interest rate by 1/4%.

Appraisal Fee: Required by lenders to give an independent assessment of property value. Approximately \$300 for conventional and VA, \$400 for FHA.

Credit Report: Also required by lenders. You have the right to have a copy at no additional charge but you must request it. Approximately \$50.

Title Insurance: Covers any future liens caused by former owners. Approximately \$2.00 per thousand of purchase price.

Survey: Cost of a survey depends on many variables but count on at least \$250 per lot and \$350 per house.

Termite Report: Buyer usually pays for the termite report but the seller is responsible for the cost of any necessary treatment or repairs. Definitely in the buyer's best interests and always required by the lender. Cost starts at \$65.

Inspection: The Seller is obligated to transfer the property to the Buyer with all systems and structural components in good working order and not in immediate need of repair. It is the Buyer's responsibility to verify the condition of the property prior to closing and in time to permit any necessary repairs to be completed. A thorough and independent inspection is definitely in the Buyer's best interests. Cost depends on size of property, starts at \$275.

Attorney's Fee: Varies from attorney to attorney and computed on a sliding scale based on purchase price. Count on a minimum of \$600 to \$900 depending on sales price. Includes title search and certification, preparation of loan package, and closing. You may also be billed for incidental expenses.

Prepaid Taxes & Insurance:

Taxes due will be prorated at closing between seller and buyer for current tax year and are assessed by county and/or town based on property valuations. Insurance premiums for the first year are due prior to or at closing as required by the insurance company. The lender will require two months taxes and insurance be held in the buyer's mortgage escrow account unless otherwise requested by the buyer. (An additional fee is normally charged by the lender when they do not hold an escrow account for the buyer).

Courtesy of Beach Realty & Construction