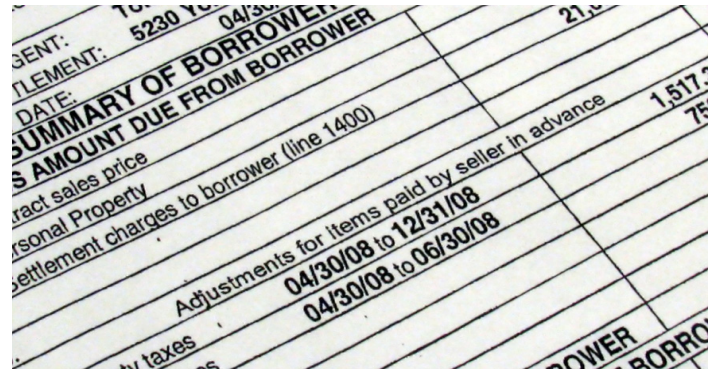


WHAT FEES CAN YOU EXPECT AT CLOSING?

Closing costs vary widely based on where you live, the property you buy and the type of loan you choose. Here is a list of fees that may be included in closing. The list is inclusive of fees you may see, but it's not likely that your loan will include all of the fees listed here.



Application Fee: This fee covers the cost for the lender to process your application. Before submitting an application, ask your lender what this fee covers. It can often include things like a credit check for your credit score or appraisal as well. Not all lenders charge an application fee, and it can be negotiated.

Appraisal: This is paid to the appraisal company to confirm the fair market value of the home.

Attorney Fee: This pays for an attorney to review the closing documents on behalf of the buyer or the lender. This is not required.

Closing Fee or Escrow Fee: This is paid to the escrow company conducting the closing. Escrow oversees the closing as a neutral party in your home purchase.

Courier Fee: This covers the cost of transporting documents to complete the loan transaction as quickly as possible.

Credit Report: A Tri-merge credit report is pulled to get your credit history and score. Your score plays a big role in determining the interest rate you'll get on your loan.

Escrow Deposit for Property Taxes & Mortgage

Insurance: You may be asked to put down 2 months' of property tax and mortgage insurance payments at closing.

Home Inspection: You will likely get your own home inspection to verify the condition of a property and to check for home repairs that may be needed before closing. Buyers are responsible for paying this fee at the time of inspection, unless otherwise agreed.

HOA Transfer Fees: The Seller will pay for this transfer which will show that the dues are paid current, what the dues are, a copy of the association financial statements, minutes and notices. The buyer should review these documents to determine if the HOA has enough reserves in place to avert future special assessments, check to see if there are special assessments, legal action, or any other items that might be of concern. Also included will be Association by-laws, rules and regulations.



Will Springer
Residential Real Estate Consultant

206-468-2928
willspringer@johnlscott.com
WillSpringerRealtor.com



Homeowners' Insurance: This covers possible damages to your home. Your first year's insurance is often paid at closing. Similar to the title search, but always a separate line item.

Lender's Policy Title Insurance: This ensures to the lender you own the home and the lender's mortgage is a valid lien, and it protects the lender if there is a problem with the title.

Loan Discount Points: "Points" are prepaid interest. One point is one percent of your loan amount. This is a lump sum payment that lowers your monthly payment for the life of your loan.

Owner's Policy Title Insurance: Often paid by the seller, this is a policy that protects you in the event someone challenges your home ownership.

Origination Fee: This covers the lender's administrative costs. It's usually about 1 percent of the total loan but you can sometimes find mortgages with no origination fee.

Pest Inspection: This covers the cost to inspect for termites or dry rot but is not required in our state.

Prepaid Interest: Most lenders will ask you to prepay interest that will accrue between closing and the date of your first mortgage payment.

Private Mortgage Insurance (PMI): If you're making a down payment that's less than 20% of the home's purchase price, chances are you'll be required to pay PMI. If so, you may need to pay the first month's PMI at closing.

Property Tax: Typically, lenders will want any taxes due within 60 days of purchase by the loan servicer to be paid at closing.

Recording Fees: A fee charged by the King County Recorder's Office for the recording of public land.

Survey Fee: This fee goes to a survey company to verify all property lines. This is not required.

Title Company Title Search: This fee is paid to the title company for doing a thorough search of the property's records. The title company researches the deed to your new home, ensuring that no one else has a claim to the property.

Transfer Taxes: This is tax paid when title passes from seller to buyer.

Underwriting Fee: This also goes to your lender, covering the cost of researching whether or not to approve you for the loan.

Note: Compensation to the participating real estate firms is typically paid in full by the seller. After closing, agents receive a commission from their firms. In some cases, seller agrees to pay limited compensation, whereby buyer is often responsible for the balance. Discuss with your real estate professional when reviewing the buyer-broker agreement.