

Don't Forget the Closing Costs!

You've saved up for your down payment and you're ready to buy your home – or are you? One of the biggest mistakes first-time home buyers make is that they forget they need closing costs.

What are closing costs?

Closing costs typically range between 2% and 5%

Closing costs may include ANY of the following:

- ▶ Appraisal
- ▶ Attorney fee
- ▶ Closing fee or escrow fee
- ▶ Courier fee
- ▶ Credit report
- ▶ Escrow deposit for property taxes and mortgage insurance
- ▶ FHA upfront Mortgage Insurance Premium (MIP)
- ▶ Flood determination or life of loan coverage
- ▶ Home inspection
- ▶ Homeowners Association transfer fees
- ▶ Homeowners' insurance
- ▶ Lender's policy title insurance
- ▶ Lead-based paint inspection
- ▶ Loan discount points
- ▶ Owner's policy title insurance
- ▶ Origination fee
- ▶ Pest inspection
- ▶ Prepaid interest
- ▶ Private mortgage insurance
- ▶ Property tax
- ▶ Recording fees
- ▶ Survey fee
- ▶ Title company title search or exam fee
- ▶ Transfer taxes
- ▶ Underwriting fee
- ▶ VA funding fee

In some cases, you won't have to pay for all or even any of your closing costs.

Ask your lender about:

- ▶ Grant opportunities – available specifically for closing costs.
- ▶ Seller concessions – in busy markets, some sellers may be willing to help you out to meet a deadline.
- ▶ Financing closing costs – some types of loans will allow you to finance all or some of your closing costs.

Conventional Payment example: If you choose a \$250,000, 30 year loan at a fixed rate of 3.3% (APR 3.5%), with a loan-to-value of 80%, you would make 360 payments of \$1,122.61. Payment stated does not include taxes and insurance, which will result in a higher payment.