

PREPARE FOR CLOSING COSTS

You'll need more than a down payment to buy a house. At closing – the point at which your mortgage is finalized, the documents are signed, and the house becomes yours – you will need to pay additional fees.

An example of some of these fees are listed below. It is important to note that fees vary according to mortgage type, lender, attorney, etc. This list is provided for illustrative purposes only. Talk to your mortgage originator for a better understanding of what fees you'll be expected to pay at closing.

APPLICATION FEE

The fee lenders collect to start and manage your mortgage application.

PROCESSING FEE

The fee charged by your lender for completing your mortgage application.

LOAN LEVEL PRICE ADJUSTMENTS

A government-mandated, variable fee determined by credit, loan-to-value, and occupancy type.

ORIGINATION FEE

A fee a lender charges for making the mortgage loan.

APPRAISAL FEE

This fee pays for the professional appraiser who valued the home you're purchasing.

ATTORNEY FEE

Your attorney will charge for his/her services.

CREDIT REPORT

DOCUMENT VERIFICATION FEE

Lenders often use a service that verifies information provided on the application. This fee may then be collected at closing.

FLOOD CERTIFICATION FEE

Some lenders and insurance companies require a third party to verify that your property does not reside in a flood zone.



TITLE

The cost associated with a title company's review, adjustment, and insurance of the title of the property. This review is necessary because it can uncover potential issues, such as liens.

TAXES

You may be required to pay school and other taxes up front.

PMI

PMI is private mortgage insurance and is required if you have a conventional mortgage and are putting less than 20% down.

INSURANCE

You will be required to pay your first month's homeowner's insurance premium at closing.

PRE-PAID INTEREST

Prepaid interest charges are charges due at closing for any daily interest that accrues on your loan between the date you close on your mortgage loan and the period covered by your first monthly mortgage payment

MORTGAGE TAX

A state-imposed tax that pays for the documentation of the loan transaction.

RECORDING FEE

Charged by state and local governments, this is the fee for legally recording your deed and mortgage.