

Common Closing Costs Explained:

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Instructions: Use this guide to understand the fees associated with closing and how to prepare for them.

1. Down Payment:

- **Explanation:** A percentage of the home's purchase price paid upfront.
- **How to Prepare:** Save the required down payment amount based on your loan agreement.

2. Loan Origination Fee:

- **Explanation:** Charge for processing your loan application.
- **How to Prepare:** Inquire about this fee with your lender and budget accordingly.

3. Appraisal Fee:

- **Explanation:** Cost for a professional assessment of the property's value.
- **How to Prepare:** Set aside funds to cover the appraisal fee.

4. Home Inspection Fee:

- **Explanation:** Fee for a thorough inspection of the property's condition.
- **How to Prepare:** Budget for the home inspection as part of your overall closing costs.

5. Title Insurance:

- **Explanation:** Protects against issues with the property's title.
- **How to Prepare:** Inquire about title insurance costs and include them in your budget.

6. Escrow Fees:

- **Explanation:** Held in escrow for property taxes and insurance.
- **How to Prepare:** Budget for the initial escrow amount and understand ongoing payments.

7. Closing Attorney Fee:

- **Explanation:** Legal representation during the closing process.
- **How to Prepare:** Discuss fees with your attorney and include them in your budget.

8. Recording Fees:

- **Explanation:** Charges for recording the sale with local authorities.
- **How to Prepare:** Inquire about local recording fees and budget accordingly.

9. Homeowners Association (HOA) Fees:

- **Explanation:** If applicable, prepay or contribute to HOA fees.
- **How to Prepare:** Understand the HOA's fee structure and plan accordingly.

10. Miscellaneous Costs:

- **Explanation:** Additional fees like courier, wire transfer, or notary fees.
- **How to Prepare:** Inquire about miscellaneous costs and budget for them.

Additional Notes:

- *Closing costs vary, and some may be negotiable. Consult with your real estate agent and lender to understand the specific costs associated with your home purchase.*



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