

# CLOSING COSTS

Ask your REALTOR, should you have questions, we are here to help!



## 1 LEGAL

You will need a good Real Estate Attorney. They are paid at the close. The attorney will research the title & help develop the CLOSING DISCLOSURE, with the lender.

## 2 TITLE SEARCH

The Real Estate Attorney will research the title, & make sure there are no 'Color on Title'. This can be competing claims of ownership, easements, outstanding and/or liens. If not resolved, these potential issues can delay a closing, if not resolved in a timely manner.

## 3 TITLE INSURANCE

Title insurance protects you from and claims on your title, that the title search misses, (other than outstanding taxes.) Fortunately, tax issues are easy to find. Any seller needs to remediate the tax issue, before the close

## 4 FUNDING FEE

Government associated loans, such as VA, FHA, USDA, or loans subsidized by FANNIE & FREDDIE MAC, may have funding fees. These fees are 'closing costs', payable at the close, and can be financed in the mortgage, if the seller acquiesces to it on the purchase and sale agreement.

## 5 HOME INSPECTION

A HOME INSPECTION is optional and not mandatory, however, it is highly encouraged, and the prudent thing to do.

## 6 OTHER INSPECTIONS

Government loans such as VA, FHA, USDA may require a pest inspection, title V (private septic), and/or well water test, if there is a private well.

## 7 APPRAISAL

The appraisal is a closing cost. Appraisers are chosen by a 3rd party lottery system. This tries to ensure impartiality, and objectivity, amongst the appraisers.

Some loans such as VA, may have the appraiser check some safety & condition items in a prospective property.

## 8 TAXES & INSURANCE

You will have to have 3 months of property taxes in escrow, this is a CLOSING COST. You will ALSO, need insurance on the property, in order to get financing, if you are getting a mortgage. Property insurance protects you and the lender,