Title:
Buyers Closing Cost

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472

Summary:
Buyers, borrower, closing costs can be divided into two categories. Nonrecurring closing cost and recurring closing cost.

Keywords:
closing cost

Article Body:
Buyers, borrower, closing costs can be divided into two categories. Nonrecurring closing cost and recurring closing cost.

Nonrecurring closing costs on a one-time charge paid upon the close of escrow. Recruiting closing costs are peeping items that the buyer pays advance to help offset expenses that will continue as long as the but it only to property.

Nonrecurring closing cost usually paid by the buyer.

1. Loan ordination fee. A fee charged by a lender to cover the expenses of processing a loan. The fee is usually coded as a percentage of the loan amount

2. Appraisal fee. A fee charged by an appraiser for giving an estimate for property value. The fee for simple appraisal will vary throughout the state, with $350 or more being a typical charge for a single-family residence. Appraisal fees for income properties such as apartments or off his buildings are higher.

3. Credit report fee. Before a lender grants a loan to borrowers credits is checked. Each lender, broker charges different amounts for a credit report.

4. Pest control inspection fee. A fee charged by a licensed inspector who checks for termites, fungus, pests, and other items that might cost structural damage.

5. Tax service fee. A fee paid to a tax service company that, for the life of the loan, each you can review the tax collectors records. If a borrower fails to pay the property taxes, the tax service company reported this to the lender, who

can take steps to protect the loan against a tax foreclosure sale.

6. Recording fees. This covers the cost of recording the deep, deep of trust, and other buyer related documents.

7. Notary fees. Signatures on documents to be recorded must be notarized.

8. Assumption fee. A fee paid to a lender if the buyer assumes the loan, that is, buyer agrees to take over and continue to pay the seller's existing loan.

9.Title and escrow fees.

Recurring closing cost usually paid by the buyer.

1. Hazard insurance. A1-year premium for insurance against fire, storm, and other risks. The minimum coverage is the amount of the real estate loan, but buyers are advised to purchase a great amounts if they make large down payment toward the purchase price.

2. The proration. If the seller has prepaid the taxes, the buyer reimburses the seller for the prepaid portion.

3. Tax and insurance reserves. This is also known as an impound account or trust account. If a borrower's monthly loan payment is to include taxes and insurance, as well as principal and interest, the lender that sets up a reserve account. Depending upon the time of the year a lender or the one the borrower to prepay 1-6 months of taxes and insurance premiums in today's reserve account. Once an reserve account is established, tax and insurance bills are forwarded to the lender for payment.

4. Interest due before the first loan payment.