



WHAT ARE Closing Costs?



Appraisal	This is paid to the appraisal company to confirm the fair market value of the home.
Closing or Escrow Fee	This is paid to the title company, escrow company or attorney for conducting the closing.
Courier Fee	This covers the cost of transporting documents to complete the loan transaction as quickly as possible.
Escrow Deposit	Often you are asked to put down two months of property tax and mortgage insurance payments at closing.
UPMIP	FHA Up-Front Mortgage Insurance Premium. With an FHA loan, you'll be required to pay 1.75% of the loan amnt.
Home Inspection	This is to verify the condition of a property and to check for home repairs that may be needed before closing.
Homeowners' Ins.	This covers possible damages to your home. Your first year's insurance is often paid at closing.
Lender Policy Title Ins.	This is insurance to assure the lender that you own the home and the lender's mortgage is a valid lien.
Owner Policy Title Ins.	This is an insurance policy that protects you in the event someone challenges your ownership of the home.
Prepaid Interest	Most lenders will ask you to prepay any interest that will accrue.
Property Tax	Typically, lenders will want any taxes due within 60 days of purchase by the loan servicer to be paid at closing.
Recording Fees	A fee charged by your local recording office, usually city or county, for the recording of public land records.
Exam Fee	This fee is paid to the title company for doing a thorough search of the property's records.
Property Value	This is the tax paid when the title passes from seller to buyer

30 YEAR LOAN, ASSUMING A TAX BRACKET OF 24%

 LOAN AMOUNT	 INTEREST RATE	 MONTHLY PAYMENT	 YEARLY PROP. TAX
\$600,000	3.75%	\$2,778.69	\$9,375

HOW MUCH ARE CLOSING COSTS

WHAT FEES TO EXPECT

Typically, home buyers will pay between about 2 - 5% of the purchase price of their home in closing fees. If your home cost \$150,000, you might pay between \$3,000 and \$7,500 in closing costs.

PROPERTY TAXES

You may deduct up to \$10,000 (\$5,000 if married filing separately) for a combination of property taxes and either state and local income taxes or sales taxes.

HOME EQUITY DEBT

The deduction for interest on home equity debt applies only when it's used to buy, build or substantially improve the home, according to the IRS.

Work With a **Team You Can Trust.**
Let Me Know How I Can Help.



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