

Chilliwack Mortgage Closing Costs

Closing Costs

There are a few additional charges when buying real estate which add to the overall purchase price of the property. These costs are normally referred to as closing costs. As a general rule, closing costs are the responsibility of the buyer and has to be paid prior to closing a real estate deal. Nevertheless, the seller may choose to cover some of the closing costs to be able to make the sale move quicker or to make the property appear more attractive.

Things that are might be included into the closing costs, consist of: title searches, loan application fees, recording fees for recording the deed, credit check expenses, appraisal fees, mortgage insurance and homeowner's insurance. They represent payments which fulfill the conditions of the loan which the lender has set upon securing the mortgage.

Points are another common expense. The advantage to buying points is that the more you have, the lower your interest rate is. Some of the other costs which may be covered under closing costs are fees for surveying the property, attorney's fees, property tax, origination fees and sales tax.

Separate from the original fees is the application fee. Lenders will issues these charges as an offset to incurred administrative fees. Before it is disbursed to the borrower, the original fees are automatically deducted from the loan. Normally, origination fees range from 1 percent to 3 percent of the whole mortgage. Closing fees represent approximately 6% of the mortgage amount. If the loan is backed by the government, they are the ones who are given the amount. With different types of loans, the administrator of the loan collects the fees.

The costs of closing a deal can add up fast and are not just limited to the aforementioned. Buyers must get an estimation of the total costs of the house. This will guarantee that all the expenses and things are fully disclosed before a deal is struck. If the closing costs are extremely high, you have three options; You can attempt to bargain with your lender, seek a different lender, or attempt to bargain with the seller to see if they will cover some of the fees.