

Mortgage Closing Costs Chilliwack

General Info About Closing Costs And Terms In Real Estate Deals

After the seller and you agree on the price you should pay for the property, a deposit must be provided. The deposit is actually paid when signing the Agreement of Purchase of Sale. The deposit is actually an advance payment of part of your down payment.

The legal document the buyer and seller approve that details the price and term of the transaction is referred to as the "Agreement of Sale."

It is essential to note when negotiating the cost of the house you would like to purchase that you would likewise be required to pay property tax. Property tax is normally paid monthly or semi-annually or annually and this tax is paid by the homeowner on privately owned property. The property tax amount is based on assessed value of the property and local tax rates.

One more cost beside the down payment and the deposit is paying for a home inspection. This is an assessment of the overall structure and mechanical systems in order to know the safety of the home and points out any maintenance that may be considered necessary so that the prospective homebuyer has a clear picture of their future investment.

With a mortgage, it is likewise suggested to consider insurance. The options for mortgage insurance are fairly large. Most lending institutions and banks require that there is some type of mortgage insurance in place to offer protection in the event of illness, accident or death. Talk to your mortgage professional to find out what option is most suitable.

Closing Costs

Legal Fees

Legal fees are the cost paid to a lawyer in order to finalize the property transfer tax between the seller and the purchaser.

Appraisal Fee

The process of assessing a home's value is the appraisal fee. Normally this appraisal is completed to be able to determine a selling price and the subsequent value might or might not be the same as the home's purchase price.

Deposit

The money which is put towards a home is called the deposit. It is paid in order to prove that the buyer has made a full commitment to the purchase. The amount of the deposit is based on the purchase price and varies accordingly.

Home Inspection Fee

A home inspection fee is the cost paid to a building inspector who completes an inspection of the home prior to purchase. Typically the buyer orders the inspection and usually they may be required by the lending institution or bank.

Down Payment

Down payments are made at the time of purchase and acts as a partial payment. In several locations, first-time homebuyers may be permitted to put as little as zero down when buying a home, although, it is standard to put down 5% to 10% and some individuals choose to even put down up to 20 percent.

Land or Property Transfer Tax

Land or Property Transfer Tax is a tax paid on property which changes hand. In certain provinces, first time homebuyers may be qualified for a rebate.

Mortgage Loan Insurance

Mortgage Loan Insurance allows homebuyers to purchase a house with as little as zero down payment. The amount of the insurance premium is dependent on the amount that is borrowed from the lender.

Title Insurance -which is optional

The purchaser can get title insurance that will cover the insurer for as long as they own the home against any title risks such as title fraud or inherent real estate transaction risks.