

Closing & Beyond

Closing Costs Explained

Closing costs are fees that you pay at the end of the mortgage process when you close on your new home. We put together a list of common costs involved in the closing process.

Loan Origination Fee - This fee is a payment associated with the establishment of an account with your mortgage lender.

Appraisal Fee - The appraisal is generally performed by a professional who is familiar with home values in the area. The fee for the appraisal is commonly passed on to the borrower by the lender. If repairs are required or if the property is under construction an additional fee may be added for final inspection.

Credit Report Fee - This fee covers the cost of obtaining a copy of your credit report and scores.

Tax Service Fee - This fee is charged to a borrower by a lender so that another company will assume responsibility for verifying the amount of real estate taxes due and that taxes have been paid over the life of a loan.

Closing/Escrow Fee - This fee is paid to the real estate attorney and covers the cost of the actual closing and distribution of the funds to the third parties that are involved in the purchase.

Mortgage Recording Fee - This is a fee charged by a government agency for recording the purchase of real estate. The documents then become public record.

Daily Interest Fees - These fees are interest that has accrued daily between your closing date and first mortgage payment.

Hazard and Insurance Premium/Reserves - Also known as homeowner's insurance, this protects the buyer and lender against the cost of damages to property caused by fire, windstorms, and other common hazards.

Property Taxes/Reserves - This fee is based on the assessed value of the home, paid by the homeowner for community services such as schools, public works, and other costs of local government. The lender will typically collect between 1 and 6 months of taxes to establish the escrow account.



Member FDIC
Member DIF
NMLS# 422081

Clinton
Savings Bank
An experience you can bank on.