



Buying a Home

Closing Costs



Closing costs: The bundle of fees associated with buying or selling a home are called closing costs. Certain fees are automatically assigned to either the buyer or the seller; others are either negotiable or dictated by local custom.

Negotiating closing costs: In addition to the sales price, closing costs are often included in contract negotiations. This can be for both major and minor fees. For example, if a buyer is particularly nervous about the condition of the plumbing, the seller may agree to pay for the house inspection. Likewise, a buyer may want to save on up-front expenditures, and so agree to pay the seller's full asking price in return for the seller paying all the allowable closing costs. There's no right or wrong way to negotiate closing costs; just be sure all terms are included in the agreement.

Buyer closing costs: Lenders are required to provide homebuyers with a good-faith estimate of their closing costs. The fees vary according to several factors, including the type of loan and the terms of the purchase agreement. Likewise, some of the closing costs, especially those associated with the loan application, are actually paid in advance.

Buyer estimated closing costs:

- Home inspection – minimum \$300
- Pest inspection – \$100 – \$200
- Loan origination fee: ~ .75% – 1% of loan amount
- Credit report – \$50 – \$100
- Appraisal fee – minimum \$350
- Mortgage insurance application – \$50 – \$100
- Lender's inspection fee \$50 – \$100
- Flood fee – \$12 – \$60
- Survey – \$400 – \$1000
- Attorney's fee – \$500 minimum
- Title search – \$150 – \$200
- Title insurance binder – \$25 – \$100
- Title insurance – based on purchase price:
 - \$3 per \$1000 up to \$50,000
 - \$2.50 per \$1000 from \$51,000 to \$100,000
 - \$1.75 per \$1000 from \$100,000 – \$500,000
 - \$1.50 per \$1000 from \$500,000 – \$5,000,000
- One year hazard insurance premium
- One year flood insurance (if required)

Costs can change & vary. All information is subject to errors, omissions, & changes in facts or circumstances. Always consult your attorney before signing a contract.

Love where you live.

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