

## Mortgage Closing Costs Richmond

### Everything You have To Know About Closing Terms And Costs In Real Estate Transactions

A deposit must be provided, once the seller and the buyer agree on the price to be paid for the property. The actual deposit is signed after the Purchase of Sale Agreement is signed. The deposit is truly an advance payment of part of your down payment.

The "Agreement of Sale" is the legal documentation which details the agreed upon terms and price of the buyer and seller deal.

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

Another expense other than the down payment and the deposit is paying for a home inspection. This is an examination of the mechanical systems and overall structure to be able to know the safety of the home and points out any upkeep which may be considered necessary so that the potential homebuyer has a clear picture of their future investment.

It is a good idea to think about mortgage insurance. There are numerous insurance alternatives to pick from. Most lending institutions and banks require that there is some type of mortgage insurance in place to provide protection in case of death, illness or accident. Talk to your mortgage professional to find out what option is best.

### Closing Costs

#### Legal Fees

Legal fees are the expense paid to a lawyer to be able to finalize the property transfer tax between the purchaser and the seller.

#### Appraisal Fee

The process of assessing a home's value is the appraisal fee. Typically this appraisal is done in order to establish a selling price and the subsequent value may or may not be the same as the home's purchase price.

#### Deposit

The funds that is put towards a house is referred to as 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 expense paid to a building inspector who completes an assessment of the house before purchase. Typically the purchaser orders the inspection and usually they may be required by the bank or lending institution.

#### Down Payment

Down payments are made at the time of purchase and acts as a partial payment. In various places, first-time homebuyers may be allowed to put as little as zero down when buying a house, although, it is standard to put down 5% to 10% and some individuals prefer to even put down as much as 20%.

#### Land or Property Transfer Tax

On property that is changing hands, there is Land or Property Transfer Tax which must be paid. In certain provinces, first time homebuyers could be eligible for a rebate.

#### Mortgage Loan Insurance

Homebuyers may buy a house with no or little down payment with a Mortgage Loan Insurance. The amount of the insurance premium is dependent on the amount which is borrowed from the lender.

#### Title Insurance -which is optional

Title Insurance provides the purchaser with coverage against title risks like title fraud and whatever risks inherent in real estate contacts for as long as you own your house.