



BUYER'S COSTS

This is an outline of the typical buyer's cost to expect when purchasing a home. These of course can vary by market, lender and title company and some costs can be negotiated in the sales contract. This is meant as a guide to help you understand some of the fees and upfront costs to expect. These are subject to change and may not be all inclusive.

Earnest Deposit

An earnest money deposit is a "good faith" payment made by a buyer to a seller, typically 1–3% of the purchase price, to demonstrate serious intent to purchase a home. Held in an escrow account, it is applied toward the down payment or closing costs at closing. If the buyer breaches the contract without valid, contingency-based reasons, the seller may keep the funds. This is paid by the buyer directly to the title company and is due at time of contract execution. The earnest money amount can be negotiated in the sales contract.

Fees for Services Prior to Closing

Most of these are to be paid to the inspector at the time of inspection, paid directly to the inspector.

- General Home Inspection
 - Any Add on Inspections Such as Radon
- Sewer Scope/Septic Inspection
- Well Inspection
- Lead-Based Paint Inspection
- Foundation/Structural Engineer Inspection
- Termite inspection
- Any Other Miscellaneous Inspections
- Appraisal (this is typically paid at the time the appraisal is ordered by your lender and is paid directly to the lender).

Closing Costs

Buyer closing costs typically range from 2% to 4% of the home's purchase price, this separate from the down payment.

Many times, the buyer's closing cost can be negotiated in the sales contract asking the seller to pay a portion or all of the buyer's closing costs. However, each loan type has a maximum percentage allowable in seller paid buyer's concessions.

Common Buyer Closing Cost Items Include (this may not be all inclusive)

- Loan Origination/Application Fees: Costs to process the loan.
- Appraisal: Paid to assess value and condition (typically paid up front prior to closing).
- Down Payment
- Credit Report
- Private Mortgage Insurance
- Title Insurance Premium & Search: Protects against ownership disputes.
- Mortgage Discount Points
- Prepaid Interest: Interest from closing date to first payment.
- Escrow Account Deposits: Initial payments for property taxes and homeowners insurance.
- Recording Fees & Closing Protect Letter.
- Any applicable utility prorations..

Buyer's Agent Commission

The Buyer's agent commission can be and is often negotiated in the sales contract as a seller paid cost.