

Alberta Mortgage Closing Costs

Who's Task Is It To Pay For The Closing Costs

There are some additional fees when purchasing real estate which add to the overall purchase price of the property. These expenses are commonly known as closing costs. Normally, closing costs are the buyer's responsibility and must be paid before closing a real estate deal. Nonetheless, the seller may choose to pay for some of the closing costs to be able to make the sale move quicker or to make the property appear more appealing.

Things which are might be included into the closing costs, comprise: loan application fee, title searches, recording the deed or recording fees, appraisal fees, credit check expenses, mortgage insurance and homeowner's insurance. They represent payments that complete the conditions of the loan that were set by the lender when the mortgage was secured.

Points are another common cost. The advantage to purchasing points is that the more you have, the lower your interest rate is. Some of the other costs which may be included in the closing costs are attorney's fees, fees for surveying the property, origination fees, sales tax, and property taxes.

Separate from the original fees is the application fee. Lenders will issue these fees as an offset to incurred administrative fees. Origination fees are automatically deducted from the loan before it is disbursed to the borrower. Usually, origination fees vary from 1% - 3% of the whole mortgage. Closing fees represent approximately 6 percent of the mortgage amount. If the loan is backed by the government, they are the ones who receive the amount. With different kinds of loans, the loan administrator collects the fees.

Closing costs add up very fast and are not just limited to the abovementioned. It is wise to ask for an estimation of the total cost of the house and to make sure that all things and fees have been completely disclosed prior to closing the agreement. If the closing costs are too high, you have three options; You can look for another lender, attempt to negotiate with your lender, or try to negotiate with the seller to be able to see if they will pay for some of the costs.