

## Burnaby Mortgage Closing Costs

### Closing Costs - Why It Is Essential To Negotiate With The Lender

There are some extra charges when purchasing real estate which add to the overall purchase price of the home. These costs are often referred to as closing costs. Normally, closing costs are the responsibility of the buyer and must be paid before closing a real estate transaction. Nonetheless, the seller may choose to pay for some of the closing costs in order to make the sale move faster or to make the home look more attractive.

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

Another common expense is points. Buying points may be to your advantage though because the more points you have the less your interest rate is. Some of the other expenses which might be included in the closing costs are fees for surveying the property, attorney's fees, property tax, origination fees and sales tax.

Original fees are separate from the application fee. The lending institution issues these fees in order to offset the administrative costs they incur. Before it is disbursed to the borrower, the original fees are automatically deducted from the loan. Normally, origination fees range from 1% - 3% of the whole mortgage. Closing fees represent about 6% of the mortgage amount. If the loan is backed by the government, the amount is given to them. With various kinds of loans, the administrator of the loan collects the fees.

Closing costs add up very quickly and are not just limited to the ones mentioned above. It is wise to ask for an estimation of the total cost of the house and to make certain that all items and fees have been completely disclosed before closing the contract. If the closing costs are too high, you have three alternatives; You could attempt to negotiate with your lender, seek another lender, or try to bargain with the seller to be able to see if they will pay for some of the costs.