

Mortgage Closing Costs Burnaby

Everything You have To Know Regarding Closing Terms And Costs In Real Estate Agreements

After you and the seller agree on the price you must pay for the home, a deposit should be provided. The deposit is actually paid when signing the Agreement of Purchase of Sale. The deposit is truly an advance payment of part of your down payment.

The legal document the seller and buyer approve which details the terms and price of the transaction is called the "Agreement of Sale."

When negotiating the cost of the house, it is vital to note that you would be needed to pay property taxes. Property tax is normally paid on a monthly basis or annually or semi-annually and this tax is paid on privately owned property by the homeowner. The amount of the property tax is based on assessed value of the property and local tax rates.

Besides the downpayment and the deposit, another cost that is incurred is the home inspection. This is an assessment of the mechanical systems and overall structure to be able to know the safety of the home and points out any repairs that may be required so that the prospective homebuyer has a clear picture of their future investment.

It is a wise idea to think about mortgage insurance. There are many insurance alternatives to select from. Nearly all banks and lending institutions require that there is some type of mortgage insurance in place to offer protection in case of illness, accident or death. Talk to your mortgage professional to find out what alternative is most suitable.

Closing Costs

Legal Fees

In order to finalized the property transfer between seller and buyer, legal fees are the costs that are paid for the services of a lawyer.

Appraisal Fee

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

Deposit

The deposit refers to funds which is put towards buying a house in order to prove that the buyer is committed to fulfilling the purchase deal. The deposit amount is based on the purchase price and changes accordingly.

Home Inspection Fee

This is the costs that are paid to have an inspection of the home before purchase by a home inspector. Usually the purchaser orders the examination and usually they may be required by the lending institution or bank.

Down Payment

The down payment is a partial payment which is made at the time of purchase. In various locations, first-time homebuyers may be permitted to put as little as zero down when buying a house, however, it is standard to put down 5% to 10% and some individuals prefer to even put down up to 20 percent.

Land or Property Transfer Tax

Land or Property Transfer Tax is a tax paid on property that changes hand. In some provinces, first time homebuyers may be eligible for a rebate.

Mortgage Loan Insurance

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

Title Insurance -which is optional

The purchaser can obtain title insurance that will cover the insurer for as long as they own the house against any title risks such as title fraud or inherent real estate transaction risks.