

## Mortgage Closing Costs Prince George

### Closing Costs And Terms

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

The legal document the seller and buyer approve that details the price and term of the deal is referred to as the "Agreement of Sale."

It is important to note when negotiating the cost of the property you want to purchase that you will likewise be required to pay property tax. Property tax is often paid monthly 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 local tax rates and assessed value of the property.

Besides the deposit and the downpayment, another cost which is incurred is the home inspection. This is an assessment of the overall structure and mechanical systems in order to know the safety of the house and points out whatever upkeep which might be considered necessary so that the prospective homebuyer has a clear picture of their future investment.

With a mortgage, it is also recommended to think about insurance. The alternatives for mortgage insurance are fairly large. Most lending institutions and banks require that there is some kind of mortgage insurance in place to offer protection in the event of accident, death or illness. Talk to your mortgage professional to find out which alternative is best.

### Closing Costs

#### Legal Fees

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

#### Appraisal Fee

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

#### Deposit

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

#### Home Inspection Fee

This is the expenses which are paid to have an inspection of the house prior to purchase by a home inspector. Usually the purchaser orders the assessment and normally 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 some locations, first-time homebuyers may be allowed to put as little as zero down when buying a home, although, it is standard to put down 5% to 10 percent and some people prefer to even put down as much as 20 percent.

#### Land or Property Transfer Tax

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

#### Mortgage Loan Insurance

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

#### Title Insurance -which is optional

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