

## Mortgage Closing Costs Langley

### General Info About Closing Terms And Costs In Real Estate Transactions

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

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

It is important to note when negotiating the cost of the home you would like to obtain that you would also be needed to pay property tax. Property tax is often paid on a monthly basis or annually or semi-annually and this tax is paid by the homeowner on privately owned property. The amount of the property tax is based on local tax rates and assessed property value.

Other than the downpayment and the deposit, a different cost which is incurred is the home inspection. This is an examination of the overall structure and mechanical systems to be able to determine the safety of the home and points out whatever maintenance that might be considered necessary so that the prospective homebuyer has a clear picture of their future investment.

It is a good idea to think about mortgage insurance. There are many insurance alternatives to select from. Most banks and lending institutions require that there is some kind of mortgage insurance in place to provide protection in the event of death, illness or accident. Talk to your mortgage professional to find out which option is best.

### Closing Costs

#### Legal Fees

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

#### Appraisal Fee

The appraisal fee is the method of assessing the value of a property. 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 home's purchase price.

#### Deposit

The deposit means money which is put towards purchasing a house to be able to prove that the buyer is committed to fulfilling the purchase deal. The amount of the deposit 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 house before purchase by a home inspector. Usually the buyer orders the examination and usually they may be required by the lending institution or bank.

#### Down Payment

Down payments are made at the time of purchase and acts as a partial payment. In some places, first-time homebuyers may be allowed to put as little as zero down when buying a home, however, it is standard to put down 5 percent to 10% and some people prefer to even put down as much as 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 can be eligible for a rebate.

#### Mortgage Loan Insurance

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

#### Title Insurance -which is optional

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