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## NC Real Estate Buyer's Closing Costs

It is important that buyers who are purchasing real estate have a basic understanding of what closing costs they will be responsible for under the terms of their contract. Below, you will find a list of typical buyer closing costs.

### Legal & Title Fees/Typical Charges

- 1) Attorney Fee \$500 - \$700
- 2) Survey \$300 - \$500
- 3) Title Search/Lender Policy Endorsement \$250 - \$500
- 4) Recording Fees \$60 - \$80
- 5) Title Insurance
  - \$2 per thousand for first \$100,000
  - \$1.50 per thousand for \$100,000 - \$500,000
- 6) Home Inspection \$300 - \$500
- 7) Home Warranty \$300 - \$700 (OPTIONAL)

### Mortgage Fees

- 8) Application Fee \$300 - \$600
- 9) Appraisal \$275 - \$450
- 10) Miscellaneous Costs \$100 - \$600
- 11) PMI (Private Mortgage Insurance) - varies with lender

## Cost Explanation - Legal & Title Fees

- 1) **Attorney Fees** - Unless you have experience with the process of writing and filing deeds, you will need to hire a lawyer for deed preparation and recording. Choosing the right lawyer to assist in closing can significantly reduce potential problems associated with purchasing a home.
- 2) **Survey** - Before purchasing real estate, it is always a good idea for a buyer to determine whether buildings or other improvements are actually located on the property and verify that a neighbor's buildings or improvements do not encroach on the property to be purchased.
- 3) **Title Search** - Lenders require a title search to determine if possible title defects, liens, mortgages, or easements are involved with the real estate in question.
- 4) **Title Insurance** - Title insurance is required by lending institutions to cover possible costs related to title defects or even certain unrecorded liens that may be uncovered after closing. Title insurance varies depending on the amount of the loan. Lender title insurance does not insure owners, therefore, an owner may want to buy an additional buyers policy.
- 5) **Recording Fee** - This is a fee paid to have the deed recorded. In McDowell County and Buncombe County, North Carolina it is recorded in the county courthouse.
- 6) **Home Inspection** - This is an optional inspection whereby a trained licensed contractor inspects a property before closing. A home inspector typically inspects the foundation, electrical, plumbing, and overall construction. In addition to a home inspection, a buyer may wish to hire specialized inspectors to evaluate the roof, heating system, septic system and any other systems or structures involved in the real estate transaction. An inspection for wood destroying insects is often requested by lending institutions.
- 7) **Home Warranty** - A home warranty covers the cost of repairs that a buyer may incur during a specified period of time after a real estate closing. Home warranty costs vary depending on what items are covered.
- 8) **Mortgage Related Costs** - Mortgage costs vary from lender to lender and can change frequently. Each lender should be contacted and a list of fees obtained prior to contracting for a mortgage.

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