

CLOSING COSTS:

WHAT YOU NEED TO KNOW



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CLOSING COSTS:

WHAT YOU NEED TO KNOW



Whether you're buying your very first home or are an experienced investor, understanding closing costs is essential to navigating the home buying process. In this guide, we'll walk you through the different out-of-pocket expenses you can expect to pay, provide insight into the purpose of these expenses, and strategies to help minimize closing costs.

TYPICAL CLOSING COSTS

Closing costs are the upfront fees you pay when you close on your new home or property. By familiarizing yourself with these costs, you'll be better equipped to plan for closing day.

Here's a quick rundown of what's typically included:



LENDER FEES

- ✓ Application
- ✓ Loan Origination
- ✓ Discount Points
- ✓ Processing
- ✓ Underwriting

- ✓ Credit Report
- ✓ Inspection
- ✓ Appraisal
- ✓ Flood Certification
- ✓ Title Search & Insurance
- ✓ Escrow Services
- ✓ Attorney



SERVICE FEES



GOVERNMENT FEES

- ✓ Real Estate Transfer Tax
- ✓ Pro-rated Property Tax
- ✓ Recording Charges

- ✓ Homeowner's Association (HOA), if applicable
- ✓ Private Mortgage Insurance (PMI), if not rolled into your monthly payment



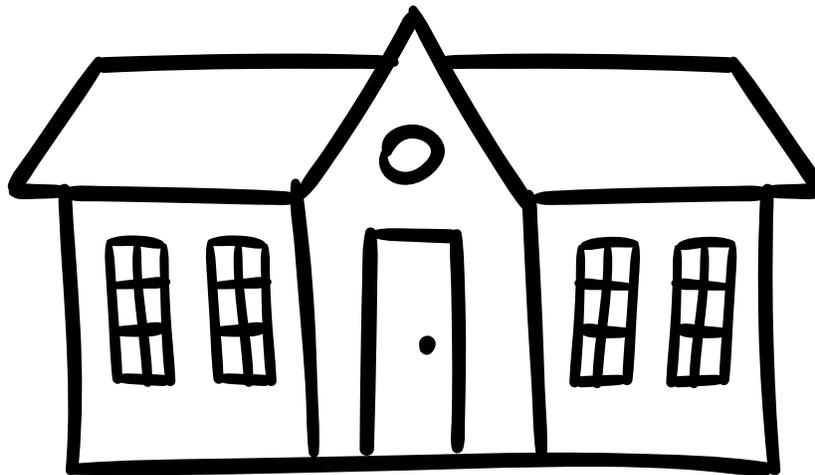
OTHER FEES



AVERAGE CLOSING COSTS BY STATE

Overall typical closing costs run between 3-6% of the total purchase price of the home. This is in addition to your down payment and earnest money. For example:

A \$400,000 HOME



\$12,000 TO \$24,000 IN CLOSING COSTS

The state you live in will also impact your closing costs. These costs could be higher or lower than the average depending on the specifics of your home loan. Here's the average closing costs based on state (including taxes).

STATE	AVERAGE CLOSING COSTS WITH TAXES	STATE	AVERAGE CLOSING COSTS WITH TAXES
Alabama	\$2,986	Nebraska	\$2,781
Alaska	\$3,581	Nevada	\$6,383
Arizona	\$4,701	New Hampshire	\$8,183
Arkansas	\$3,115	New Jersey	\$7,915
California	\$7,953	New Mexico	\$3,513
Colorado	\$3,881	New York*	\$16,849
Connecticut	\$8,821	North Carolina	\$3,406
Delaware	\$17,859	North Dakota	\$2,501
Florida	\$8,554	Ohio	\$4,223
Georgia	\$3,762	Oklahoma	\$2,893
Hawaii*	\$7,463	Oregon	\$4,327
Idaho	\$4,082	Pennsylvania	\$10,634
Illinois	\$5,929	Rhode Island	\$5,568
Indiana	\$2,200	South Carolina	\$3,447
Iowa	\$3,146	South Dakota	\$3,105
Kansas	\$2,793	Tennessee	\$3,911
Kentucky	\$2,802	Texas	\$4,548
Louisiana	\$3,711	Utah	\$4,837
Maine	\$4,420	Vermont	\$7,906
Maryland	\$14,721	Virginia	\$6,346
Massachusetts	\$7,964	Washington	\$13,927
Michigan	\$5,714	Washington, DC	\$29,888
Minnesota	\$4,011	West Virginia	\$3,406
Mississippi	\$2,756	Wisconsin	\$3,459
Missouri	\$2,061	Wyoming	\$2,589
Montana	\$3,337		

*Churchill Mortgage is not licensed in New York and Hawaii.

Source: <https://www.businessinsider.com/personal-finance/average-closing-costs#what-fees-are-included-in-closing-costs?>

4 WAYS TO HELP LOWER CLOSING COSTS

Closing costs will vary from lender to lender, and are based on the state you live in, the amount of your home loan, as well as the type of loan. But there are ways you can save. Here's the top five:

1. Work with a lender who doesn't hide fees: Who you work with matters. Some mortgage companies may advertise lower interest rates but will sneak additional fees into your closing costs. Be sure to review the Annual Percentage Rate (APR) to help determine the true costs of the loan. You may think you're initially getting a better deal only to owe more when you get to closing day.

2. Apply for down payment assistance programs and grants: These special financing programs can help you cover closing costs, particularly if you're a first-time home buyer. To qualify, you'll typically need to meet certain requirements such as state/location, income, home price, and credit score. Ask your Churchill Home Loan Specialist about your down payment assistance options.

3. Propose seller concessions: This one is heavily dependent upon the real estate market. If the market is slow, there may be a chance you can strike a deal with the home seller to close the deal. But, if the market is competitive, odds are the seller may have multiple offers and won't need to incentivize the home purchase.

4. Don't be afraid to ask questions: Buying a home is a huge investment. It's important to ask questions and make sure you understand the details of your loan. This can help you see if there are any fees you aren't aware of.





THE BEST LOAN FOR YOU

One of the most important things you can do when buying a home is to sit down and look at the real numbers. **Comparing the total cost of your home loan, including closing costs, is one of the smartest things you can do.** You'll increase your chances of getting the best loan terms for your situation and find a loan that helps you buy a house affordably.

The goal is not to just get any home loan, you want a mortgage that benefits you. When working with a Home Loan Specialist at Churchill, you can look at your financial goals together and make a Homeownership Strategy Plan that's specific to you and your current situation. You can always re-evaluate your strategy if anything changes in your life.

If you're looking to buy a home, we're always available to help you build wealth through homeownership.



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NEED MORE INFORMATION?
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