



TYPES OF COSTS WHEN BUYING A HOME

EARNEST MONEY

All buyers, regardless of what financing they plan to use will generally be required to submit an "earnest money" deposit with their accepted offer to show they are committed to purchasing the home. Usually, these funds are held in an escrow account managed by the buyer's real estate agent or a title company. The deposit is applied to closing costs or returned at closing.

DOWN PAYMENT

The down payment is the up-front payment a buyer must provide in order to secure financing. Most lenders require a cash down payment of 3% to 20%, but there are many programs available that require no down payment, such as a VA loan. The amount required will depend on a variety of factors including your qualifications, the loan program selected, and the property.

CLOSING COSTS

Closing costs include a variety of expenses beyond the purchase price of your home. They can include fees for an attorney, a title search, title insurance, taxes, lender costs and some upfront housing expenses such as homeowners insurance. Closing costs can vary widely but typically average 2% to 5% of the purchase price.

Looking for more information about the amount of cash needed to purchase a home? Call today for a run-down of which costs apply to you.



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