

# Mortgage Closing Costs Kelowna

## All You Need To Know About Closing Terms And Costs In Real Estate Agreements

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

The legal documentation the seller and buyer approve which details the price and term of the contract is referred to as the "Agreement of Sale."

It is essential to note when negotiating the cost of the property you wish to acquire that you would also be required to pay property tax. Property tax is usually paid on a monthly basis 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 assessed property value and local tax rates.

One more cost other than the deposit and the down payment is paying for a home inspection. This is an examination of the overall structure and mechanical systems to be able to know the safety of the house and points out any upkeep which might be considered necessary so that the potential homebuyer has a clear picture of their future investment.

It is a good idea to think about mortgage insurance. There are numerous insurance alternatives to pick from. The majority of lending institutions and banks require that there is some type of mortgage insurance in place to provide protection in the event of death, illness or accident. Talk to your mortgage expert to be able to find out which option is best.

## Closing Costs

### Legal Fees

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

### Appraisal Fee

The appraisal fee is the process of assessing the value of a property. Normally this appraisal is completed to be able to establish a selling price and the subsequent value may or may not be the same as the purchase price of the house.

### Deposit

The deposit refers to funds that is put towards purchasing a house in order 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

A home inspection fee is the cost paid to a building inspector who completes an examination of the house before purchase. Usually the purchaser orders the examination and often 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 several places, first-time homebuyers may be allowed to put as little as zero down when buying a house, however, it is standard to put down 5 percent to 10% and some people choose to even put down as much as 20%.

### 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 may be eligible for a rebate.

### Mortgage Loan Insurance

Homebuyers may purchase a home 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

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