

# The Costs of purchasing a home...

## 1st Expense: Earnest Money - \$1000 or 1% of Sale Price

An earnest money check is provided at the time you write the purchase agreement. It is used to show the seller you are serious about purchasing their home. The check is deposited upon acceptance of the purchase agreement and goes towards your downpayment or closing costs. The earnest money check is typically \$1000 or 1% of the sale price.

## 2nd Expense: Inspection - Optional \$295-\$350

After acceptance of the purchase agreement, if you chose to have an inspection, you must hire an inspector and have the inspection done typically within 5 business days of acceptance of your purchase agreement. The inspector must be paid at the inspection and typically costs between \$295-\$350 depending on the inspector.

## 3rd Expense: Appraisal - Approximately \$450

You have to provide your lender with a check for the appraisal within the first two weeks of acceptance of your purchase agreement. The appraisal ensures that the property meets your loan guidelines.

## 4th Expense: Home Owners Insurance - Between \$600-\$1000

The final expense you will have prior to closing is purchasing homeowners insurance. Your insurance will vary depending on your insurance company, the age of the home you are purchasing, distance to a fire department/fire hydrant, etc. Typically to get the best rate contact your car insurance agent make sure to do this at least a week before closing...

## At Closing: Downpayment - Minimum 3.5% of Sale Price

Unless you are a Veteran there are NO Zero downpayment options. You CAN receive the downpayment as a gift from a family member... the current minimum downpayment programs are: 3.5% down FHA and 5% down Conventional.

**\*There is an additional 3% of Buyer closing costs that can be negotiated to be paid for by the Seller.**

