



How Much Money Will You Need to Purchase a Home?

First Time Home Buyer's Mortgage (FHA)
(Assumes 3.5% down)

I. Pre-Mortgage Application

*Home Inspection	\$500
*Credit Report	\$45

II. Mortgage Application

*Application Fee (approx.)	\$500
*Appraisal	\$450

III. Costs at Closing

*Down Payment (\$550,000 * 3.5%)	\$19,250
*Total Closing Costs (550,000 * 5%)	\$27,500

Partial Breakdown of Closing Costs

*Origination Fee	\$2,000
*Documentation Prep Fee	\$200
*Lender's Title Insurance	\$25
*Private Mortgage Insurance for First Year	\$4000
*Lender's Attorney	\$1500
*Homeowner's Insurance Premium for the First Year	\$1200
*Other Lender Fees	\$350

IV. Pre-Paid (Escrows)

*Private mortgage insurance (two months)	\$667
*Homeowner's Insurance (two months)	\$200
*Real estate taxes (two to twelve months @\$45 per mo.)	\$916
*Pre-paid mortgage interest (closing 15 th)	\$247
*One-month PITI in Reserve	\$661

Total Out-of-Pocket Costs

\$49,745

The above analysis is based on a \$550,000 purchase price for a single-family home. Estimated costs may differ significantly for different markets and the costs generally increase in proportion to the increased sales price and interest rate. The total funds will vary depending on whether you purchase a single or multi-family home, the area's property taxes and homeowner's insurance, and the day of the month you close.

The above are estimated values. Your attorney and lender are the only professionals that can/will provide the ACTUAL COSTS. This is simply a guide to illustrate expenses when purchasing a home.