



UNDERSTANDING RECURRING AND NON-RECURRING CLOSING COSTS

There are two types of costs or expenses in an escrow: the recurring costs and the non-recurring costs. The following are examples of both types.

RECURRING COSTS:

Costs which a party pays at closing but will also continue to occur or be repeated after the escrow closes as a cost of maintaining the property:

- Fire Insurance Premium
- Real Property Tax
- Homeowner's Association Dues
- Interest on the New Loan
- Home Warranty Premium

NON-RECURRING COSTS - ONE TIME ONLY CHARGES AS AN EXPENSE OF CLOSING THE TRANSACTION:

Title/Escrow Expenses such as:

- Title Insurance Premium
- Reconveyance Fees
- Recording Fees
- Documentary Transfer Tax
- Endorsements to the Title Policies
- Messenger Fees
- Escrow Fee
- Notary Fees

IN THE CASE OF A REFINANCE:

- Fees associated with making an existing Loan Payoff

LENDERS COSTS SUCH AS:

- Appraisal
- Document Fees
- Tax Service Contract
- Loan Origination
- Credit Report

IN THE CASE OF A SALE:

- Property Disclosure Report
- Transaction Coordination Fees



CHICAGO TITLE