

Explanation of Fees

Lender Fees

The Lender Fees are the only fees charged by the lender to originate your loan. The Application Fee (Processing and Underwriting Fees) is/are the only fee(s) charged by the lender to cover the cost incurred to prepare your loan for closing.

Third Party Fees

Third Party Fees are various fees charged by other companies that provide services to the lender which allow the lender to prepare the loan for underwriting and closing. Fees such as the Appraisal Fee, Credit Report and Flood Certification Fee are fees that are charged by other companies to do work for the lender and by law are not allowed to be marked up by the lender. The fees shown are exactly what the services cost.

Title Fees

Title Fees are charged by the title company or attorney who is performing the closing of your loan. They are not determined by the lender. If you have questions about any of the Title Fees you should speak directly to the title company or attorney who is handling the closing of your loan.

Government Fees

Government Fees are charged by the State, City, or County for the recording of your loan and as a tax on the exchange of real estate or the refinance of a property. These fees are not determined by the lender and the lender cannot change them or reduce them. These fees will be the same fees, regardless of the lender you choose for your loan. If you see fees that vary between lenders, this is likely because they are estimates and the method used to estimate the fees may be slightly different between lenders. If you want to verify the fees you should contact the title company or attorney and ask for a preliminary closing disclosure (CD) with those fees shown or wait to review your CD from your lender.

Prepaid Fees and Escrow Reserves

Daily Interest Charges are the interest due on your loan from the day of closing until the end of the month. The interest for the following months will be paid with your regular mortgage payment. Homeowner's Insurance is paid in advance at closing to insure your home for one year and will be paid by your escrow account in the future when the policy premium is due for renewal. Escrow Reserves are monies collected to fund your escrow account so that when the bills for real estate taxes and insurance are due, there are sufficient funds to pay the bills. All money in your escrow account is your money and any balance in your account will be refunded to you upon sale or refinance of the home in the future.

