PICKFORD ESCROW COMPANY

Understanding Recurring & Non-Recurring Closing Costs

There are two types of costs or expenses in an escrow: **recurring costs** and **non-recurring costs**. The information below will define and give examples of both.

RECURRING COSTS

Costs which the party pays at closing but will continue to occur or be repeated after the Escrow closes as a cost of **MAINTAINING THE PROPERTY**.

Interest on the New Loan

Real Property Taxes

Homeowner's Association Dues

Fire Insurance Premium

NON-RECURRING COSTS

Costs which are charged **ONE TIME ONLY** as an expense of closing the transaction.

Escrow Fees

Notary Fees

Messenger Fees

Title Company Expenses such as:

- Title Insurance Premium
- Endorsements to Title Policies
- Sub-Escrow Fee which may be due to Title Company
- Reconveyance Fees
- Documentary Transfer Tax

In the Case of a REFINANCE:

- Fees Associated with Making an Existing Loan Payoff
- Transfer or Document Fees to a Homeowner's Association

In the Case of a SALE:

- Real Estate Broker Comissions
- Fees for Property Disclosures or City Reports
- Transaction Coordinator Fee
- Home Warranty Premium

Lender's Costs Such As:

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

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