

# Understanding Recurring & Non-Recurring Closing Costs

There are two types of costs or expenses in an escrow: the recurring costs and the 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 commissions
  - 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