

Closing Costs

As a preliminary estimate of the fees associated with closing your loan, the Good Faith Estimate is the basis for the final figures you will receive from the Closing Agent before closing on your loan. The following list is for example purposes only. Upon application, SouthFirst Mortgage will provide in writing an estimate of closing costs based on your specific loan information. The Good Faith Estimate may include:

- **Loan Origination Fee** - A fee charged to you by the mortgage lender for placing the loan. Typically, this fee is 1 percent of the loan amount and may be combined with the discount points charged.
- **Discount Points** - This is a one-time fee charged by the lender on loans that have an interest rate lower than the "market rate". As the interest rate charged decreases, the discount points increase.
- **Lender Paid** - Listed as (-) discount points. Rebates are credits applied against your closing costs. So if you want to lower or cover your closing costs, select a rate with a rebate. The amount of the credit will increase as the interest rate charged increases.
- **Appraisal Fee** - A fee charged by your appraiser that can range from \$200 to \$600, depending on where you are in the U.S. and the type of property involved. We contract with local appraisers and always attempt to arrange the most timely and cost-effective appraisal for you. You pay the appraisal fee when you return your documents.
- **Tax Service Fee** - Required by investors, this fee covers researching the tax history of your property.
- **Underwriting Fee/Lender Review Fee** - Charged by your lender, this fee pays for the underwriting staff to review your loan and make sure that the documentation in the file conforms to lender guidelines.
- **Documentation Prep. Fee** - Charged by your lender, this fee covers the lender's administrative costs and the costs associated with handling your loan.
- **Flood Certification** - A fee for certification from the Federal Emergency Management Agency (FEMA) that your property is not in a flood zone. This is required for all properties
- **Survey** - if Needed
- **Interest** - Interest must be charged from the day your loan is funded to the first day of the next month. On your Good Faith Estimate, we assume 15 days of interest, although the final amount depends on the day you close your loan.
- **Wire Transfer Fee** - A fee charged by your bank (that may come through the Escrow Company) for wiring your funds.

- **Private Mortgage Insurance (PMI)** - On loans over 80 percent Loan-to-Value (LTV) and on certain other types of loans, Private Mortgage Insurance is required. You pay this insurance, which protects the lender should you default on your loan, monthly. If your loan requires PMI, your rate quote from RegionsMortgage.com will list the monthly amount.
- **Reserves/Impounds/Escrow** - At closing, lenders collect several months estimated taxes, hazard insurance, and PMI, if applicable. They use these reserves—along with a predetermined dollar amount included with your monthly mortgage payments—to set up escrow accounts to pay your taxes and insurance every year. In this way, lenders ensure that your taxes and insurance are always up to date—so you and the lender are both protected. In some instances, your taxes and/or insurance payments may be due before your first mortgage payment. If this is the case, you will need to make that payment at closing. These funds are not calculated into the Good Faith Estimate unless they cannot be waived.
- **Cost to Waive Impounds** - This is an optional, one-time fee of .25 percent of the loan amount for waiving the tax and insurance reserve account requirements. If your LTV is 80 percent or less, you are eligible to choose this option.
- **Escrow/Attorney Fees** - These fees are charged by the Escrow Company, or attorney, for handling all the paperwork and financial transactions associated with your closing. For the purposes of the Good Faith Estimate, these fees are based on escrow fees quoted from Commonwealth, but we encourage you to compare companies to find the lowest fees. Escrow fees are based on loan amount and type of property, but they vary widely from state to state. And if a survey, quit claim deed, or subordination agreement is required, there may be additional charges. City/county taxes may also be charged, if applicable.
- **Title Insurance** - Title insurance guarantees that your home has no outstanding liens against it. This fee varies greatly from state to state, and you should contact your Escrow Company for a better idea of what your exact title fees will be.
- **Additional Charges** - These fees are for recording your deed of trust, assignments, grant deeds, or any other documents that need to be recorded.
- **Courier Fees** - These fees cover the costs of overnight mail charges and courier fees for your documents. at may come