



# 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 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