



13181 N. Crossroads Pkwy, Ste 104, City of Industry, CA 91746 562.692.2456

---

## Understanding Recurring and Non-Recurring Closing Costs

---

*There are two types of costs, (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