



# Ways You Can Save at Closing

By Alex Penny, RCB Bank Mortgage

Did you know closing costs vary between lenders? If you want to save the most money on your closing costs, it pays to shop around. Here's why.

## **Interest rates are restricted by market conditions. Your options are limited.**

Buyers often shop interest rates, choosing the lowest rate possible to help their overall savings over the life of the loan. Yet, rates change daily, sometimes more than once per day depending on different economic factors.

When comparing lenders' rates for secondary market financing, all lenders base their rates off the same market trading; therefore, all quotes should be similar, typically within .125 percent, .250 percent at most.

## **Lender fees vary from lender to lender. You have more options to lower your costs.**

Lender origination charges, application fees, processing and underwriting fees can vary significantly between lenders. The best way to compare lenders is to request Loan Estimates. Their fees will be listed under Closing Cost Details on page 2, section A.

## **You can also cut costs by comparing homeowner's insurance coverage and premiums.**

Oftentimes, the largest expense on your Closing Disclosure is homeowner's insurance, another expense that varies between companies.

Generally, you will need 14 months of homeowner's insurance set aside in your escrow account paid at closing. If you choose a policy that charges \$1,800 annually versus a \$2,500 annual policy, you can save \$800 at closing.

## **Know where your money is going.**

Ask your lender plenty of questions. A good lender can answer all your questions and make you feel comfortable about your spending decisions. Buying a house is one of the most expensive things you will buy. Why spend more than you have to?

**Get\$Fit Tip:**  
**Compare lender fees for better savings.**



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