

Common Closing Costs for Buyers

At closing, expect various fees in addition to your purchase price. Here's what may appear on your Closing Statement, with items marked by an asterisk (*) applicable if you're financing:



- Down payment
- Loan origination*
- Points or loan discount fees*
- Appraisal*
- Credit report*
- Private mortgage insurance premium*
- Insurance escrow for homeowner's insurance (if part of the mortgage)
- Property tax escrow (if part of the mortgage)
- Deed recording
- Title insurance policy premiums
- Land survey
- Notary fees
- Prorations for shared costs (utilities, property taxes)


A Note About Property Taxes in Maricopa County and how proration works:

In Maricopa County, property taxes are paid in arrears, meaning you pay for the previous year's taxes. Taxes are due in two installments: the first half is due by October 1 and is considered late after November 1, while the second half is due by March 1 of the following year, with late penalties applied after May 1. This system ensures homeowners are always paying for the period they've already experienced, providing clarity and fairness in property tax assessments.

For Example: If you close on a home on April 15th and the seller has paid the property tax bill on March 1st for the previous six months, the seller essentially then still owes property tax for the time of their ownership (March 1st – April 15th). Since property taxes are paid twice a year, and given that taxes cover ownership periods in arrears, the buyer would be responsible for the upcoming October 1st payment. This means at closing, the seller compensates the buyer thru a proration for the property taxes thru the day of their ownership, and then the buyer will use those monies towards their next tax payment, ensuring they are only paying property tax from the day they took ownership and forward.

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