

## ITEMS PAID OUTSIDE CONTRACT

### 1. **Deposit**

Usually \$1,000.00. This represents a good faith deposit which is presented to the seller with the contract. This deposit is fully refundable if something happens that prevents the contract from going to completion and it is not the fault of the buyer.

### 2. **Mortgage Application, Appraisal and Credit Report**

Mortgage application is required within 7 days of execution of the contract. The average cost is \$70.00 for a seven year credit report and \$400.00 for the appraisal.

### 3. **Home Inspection**

Performed by an independent inspector for the homebuyer. This inspection allows the buyer to be made aware of any obvious visual defects in electrical, plumbing, roofing, central heating, cooling and structural components of the house. This inspection is usually performed within 10 days following ratification of the contract. The cost is generally \$300.00 or higher.

### 4. **Termite Inspection**

Performed by an independent inspector for the homebuyer. The cost of the inspection is generally \$55.00 to \$65.00. If termite infestation is found it must be treated by the seller prior to settlement. If old, unrepaired termite damage is found it must be repaired by a licensed contractor prior to settlement.

### 5. **Hazard Insurance**

This insurance is taken out by the buyer. The cost depends upon the coverage and the chosen insurance company. However, its purpose is to protect the bank or mortgage company's investment should a catastrophe occur to the property while the bank has a majority equity in the property. Subsequently, hazard insurance will be included in the mortgage payment for future years.

### 6. **Optional Inspections and Services**

- A. Home warranty - \$495.00 for the American Home Shield (AHS) policy
- B. Title Insurance – should always be taken out by the buyer
- C. Change lock tumblers
- D. Radon Inspection – generally the cost is \$125.00
- E. Septic, well or lead paint inspections

### 7. **Broker's Administrative Fee**

\$229.00 charged to buyer or seller who has a contract with the Broker.