

# Easy Steps to Calculate Your Closing Costs & Monthly Payment

The #1 question most new home buyers ask: “What are my total closing costs and what will my monthly payment be?” When buyers begin searching the internet for houses on websites such as Zillow or Realtor.com, they’ll begin to notice specific financing info on the side of the web page such as the “Down Payment” or “Monthly Mortgage Payment” for each property. The home shopper thinks these figures are accurate and then finds out - robots cannot calculate closing costs properly. Even realtors and lenders can sometimes miss all the closing costs involved. This report covers the basics to understanding what goes into calculating these figures, so you can avoid any future “Sticker Shock.”

**To calculate your total closing costs and monthly mortgage payment, we will use a \$200,000 sale price as our example.**

## Closing costs are made up of the following:

<b>Down Payment 0% - 5%</b> .....	\$0 - \$10,000
<b>Lender Closing Costs</b> .....	\$4,500
<b>Property Taxes 1 year up front</b> .....	\$8,000 - \$10,000
<b>Home Owners Insurance 1 year up front</b> .....	\$800
<b>Buyers Attorney</b> .....	\$700
<b>Total to Close</b> .....	\$14,000 - \$26,000

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## The MONTHLY mortgage payment (PITI) is made up of 5 components:

1. (P) The Principal – Repayment of the actual amount you borrowed from the bank
2. (I) Interest – What the bank charges you to use their money (Loan) to buy your home
3. (T) Taxes – 1/12th of your yearly property taxes
4. (I) Home Owners Insurance – 1/12th of your annual insurance premium
5. Mortgage Insurance (PMI or MIP) – Approximately .10% of the loan amount per month

**Using the above \$200,000 property as an example, we will calculate a mortgage payment:**

**Loan \$200,000 - Interest Rate 6% - 30 Year Mortgage**

Principal & Interest Payment (P&I) on \$200k Mortgage .....	\$1,200.00
Property Taxes \$9,000 divided by 12 .....	\$750.00
Home Owners Insurance \$800 divided by 12 .....	\$66.67
Mortgage Insurance \$200,000 x 1% .....	\$200.00
<b>Total Monthly Mortgage Payment .....</b>	<b>\$2,216.67</b>



To take the next step to buy your new home call  
Adolfi Real Estate at **(315) 695-6434**.