

Potential Homebuyer Costs (2023)

1. Application and Commitment Fees

Application:

- \$25 application fee per household, paid to HRB upon initial screening and determination of waitlist eligibility (non-refundable).

Commitment:

- \$200 commitment fee, due upon signing a commitment agreement for a particular home (refundable only if applicant cannot qualify for a mortgage).

2. Pre-Approval with CLT Mortgage Lender and Required Homebuyer Education

Credit report:

- Residential mortgage credit report charged by lender at time of mortgage application, typically around \$50-\$100 and non-refundable.

Homebuyer education class:

- Online course, typically \$50 per person. Options include Community Frameworks at <https://communityframeworks.org/homebuyer-education-counseling/>.

3. Purchase and Sale: Earnest Money, Closing Costs, Down Payment

Earnest money:

- Minimum \$1,000 deposit, due upon mutual acceptance of purchase and sale agreement.
- Paid to escrow company (typically Pacific Northwest Title).
- Applied towards down payment and closing costs of home.

Closing costs:

- Closing costs are the expenses associated with closing on your purchase. Closing cost are estimated to be 3%-6% of your purchase price.
- May include recording fees, title insurance, appraisal costs, loan fees, other costs associated with your loan and HRB transfer fee (0.5% of home price).
- Closing costs are due at closing and in some cases can be wrapped in with your mortgage loan (if you are taking out a mortgage).

Down payment:

- Due when you close on your home, applies towards the purchase price.
- A down payment in excess of \$1,000 may be required in order to keep your total housing cost below 35% of your gross monthly income.
- Total housing costs include principal, interest, taxes, insurance, ground lease fee, repair reserve fee, and HOA dues.

- 20% down payment assistance may be available to buyers below 80% of the area median income. We will work with each applicant to determine which programs might be of assistance.

4. Ongoing Monthly Homeowner Fees

Ground lease fee:

- \$50 per month (depending on the community where the home is located).
- Paid to HRB for the use of the land under your home.

Repair reserve fee:

- \$0-\$75 per month (depending upon the community where the home is located).
- Held by HRB in a fund to help offset costs for large maintenance items such as roof replacement, exterior painting, windows, and exterior doors.

Homeowner association (HOA) fees:

- \$32 - \$275 per month (varies depending on your HOA).
- Paid to your homeowner association of the community where you live.
- Goes towards maintaining common areas, landscaping, storm water system maintenance, common area insurance, etc.

Utility fees:

- Possibly including electricity, water, and garbage/recycle/yard waste (unless included with HOA fee).
- Phone, internet, and cable.

Mortgage payments:

- Monthly mortgage loan payments vary by homeowner and often include principle, interest, taxes, and homeowners' insurance.

Ongoing maintenance:

- CLT homeowners are responsible for the ongoing maintenance of their homes, including repairs to systems and fixtures as needed.

5. In addition, the following costs are often associated with moving into your own home.

- Appliances not provided with the home—typically a washer and dryer.
- Moving costs.
- Furniture and home decorations (curtains, etc.).
- Utility hook-up fees (if applicable).

For questions, please contact our team for assistance:

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