



Regions Next Step Podcast

Home Ownership 101: The Costs of Buying a Home

In this podcast, Shaun Collings, a Financial Wellness Relationship Manager for Regions Bank in Atlanta, Ga., discusses costs associated with buying a home aside from the purchase price and mortgage.

Want to learn more about the following topics? Check out the link below to hear from Shaun.

- Closing costs and what's involved
- How much money to set aside for a home inspection and appraisal
- Other costs to plan for, including homeowner's insurance and private mortgage insurance

Episode Transcript

Narrator:

You're listening to the Next Step Podcast "The Costs of Buying a Home" – part of our Home Ownership 101 series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals.

Shaun Collings:

My name is Shaun Collings and I'm a Financial Wellness Relationship Manager for Regions Bank.

When it comes to purchasing your first home, preparation is key. In this episode, we're going to go through a few costs other than the purchase price and mortgage that you'll likely need to plan for.

To start off, one common cost to plan for are your closing costs. Closing costs are usually 3 to 6 percent of your home loan, and include third-party charges for attorneys, credit reports and taxes.

Most homebuyers will hire someone to inspect the new home. Depending on the size of the home and scope of the inspection, you should plan for at least \$400.

Although the lender usually orders the appraisal, you will probably pay for it before closing. Plan for at least \$400.

And don't forget your annual homeowner's insurance premium.



Finally, private mortgage insurance should be considered. If your down payment is less than 20%, private mortgage insurance will cost you around 0.25% to 2% of your entire loan annually.

While there are many costs you'll need to plan for, taking these five into account will ensure you are on track and ahead of the closing process. Since these are average estimates, be prepared for costs to vary widely based on state, region, size and age of home, as well as other factors.

For more home buying tips, tools and resources, visit Regions Next Step online at www.regions.com/nextstep. No matter your goals, Regions will help you with each step you want to take. Thank you for listening.

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