

Upfront Costs/Fees Disclosure

Upfront Costs/Fees do exist

The Appraisal Report is the most common Upfront Cost/Fee. Appraisers and Appraisal Management Companies require appraisal reports to be paid Upfront. Once appraisal reports are paid, the Appraisal Management Company will “assign” the appraisal report to the appraiser offering the most reasonable cost/fee and delivery date. The amount you have paid for the appraisal report will be shown on the final settlement statement as “prepaid” or “POC” (paid outside closing).

Credit Reporting costs/fees are normally able to be paid at the end of the loan. However, there are sometimes additional reports needed during the process, where the Credit Agency requires Upfront Payment. Any credit reporting costs/fees prepaid will be shown on the final settlement as “prepaid” or “POC” (paid outside closing).

Home Inspection Reports are another common report. When purchasing a home it is common the homebuyer hire a Licensed Home Inspector to review the entire home, looking for potential issues/problems. Then there are more specific home inspections focused on specific areas of a home. These might include ... roof, electrical, foundation, septic, well, DEQ, pest & dryrot, etc. These type of reports are normally required when a potential issue presents itself. Then guidelines will require an Underwriter to require a report be completed and provided by a contractor “licensed” to complete the specific type of work. For example, if a roof appears to show issues, a “licensed roofing contractor” would need to view roof and confirm its condition. The Underwriter would review the “Roof Report” to verify/confirm the roof has a 3+ year life still remaining, and no needed repairs. If the report confirms this, the roof condition would be “cleared” (checked off). If the report does not confirm this, the borrower would need to take steps to make the roof meet guidelines, in order for the condition to be “cleared” and the loan to be completed.

The final cost/fee of all reports will never be more than their true and actual cost. Greater Oregon Mortgage Company does not charge any additional costs/fees, nor receive any referral fees or commissions, related to any of the above mentioned reports.

Who is responsible for the payment of these reports? Another important item to understand is all reports listed above have costs/fees. These costs/fees are ultimately the financial responsibility of the borrower ... whether a loan is completed or not completed.