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Beat closing fees

Nobody will guard against extra real estate costs but you. Here's how.

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February 15, 2006: 11:30 AM EST

Money

NEW YORK (MONEY Magazine) - Closing costs are a fraction of the price of a home, but ignoring them can cost you big-time. How do you avoid paying unnecessary fees to realtors, mortgage brokers and title companies? Cut out the middleman -- or at least put the squeeze on.

Find your own mortgage.

Using Web sites like Bankrate.com, shop for a mortgage on your own. You'll likely save the cut the mortgage broker would have taken -- and get just as good a rate.

If you really want someone to do the legwork for you, go with what's called an up-front mortgage broker (UMB), who gets a pre-set fee from you and has a duty to get you -- not the bank -- the best deal. Find a list of UMBs at mtgprofessor.com.

Question the referrals.

Don't just use your broker's in-house title agent and lending officer, who have little incentive to compete on price (and may get undisclosed commissions). At the very least, make them beat the best prices you're able to find yourself.

Ask the seller for the insurer who wrote the current policy on your soon-to-be home -- the company will often give you a discount if it can update an existing policy.

Negotiate, negotiate, negotiate.

No rate or fee is set in stone. If you think a charge is bogus or too high -- Bankrate.com's mortgage-cost-comparison adviser has averages for your area -- demand that it be lowered.

Also: For \$45, the National Mortgage Complaint Center (866-714-6466), a for-profit company run by M. Thomas Martin, will scour your good-faith estimate for excessive fees.

Show them that you're thinking.

Even if you don't plan to use a discount broker or sell your home yourself, let prospective brokers know you're aware of the options. It can give you leverage in negotiating commissions.

Put your foot down.

As Stewart and Amy Krummen were about to close on 3067 Aquila Lane, they saw that title insurance was going to cost \$500 more than estimated. They walked out -- and closed a week later, after the lender lowered the price. Try to give yourself room to protest by slating your close for a week or so before you must move.

What you don't know about closing costs can hurt you. [Read about one street's story.](#)

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