



## **Non-Recurring vs Recurring Costs**

Non-Recurring Closing Costs are charges or fees which only occur one time; i.e., escrow fee, title insurance policy, recording fees, document preparation, notary fees, loan origination, loan discount points, inspection fees, underwriting—basically anything that is a one-time fee and not being paid again.

Recurring Closing Costs are items, which will occur more than once; i.e., property taxes, interest, fire insurance, homeowners association dues, mortgage insurance, etc.

Allowable Closing Costs are charges or fees, which are ALLOWED to be charged to the Buyer per FHA and VA guidelines.

Non-Allowable Closing Costs are charges or fees, which are NOT ALLOWED to be charged to the Buyer per FHA and VA guidelines. Non-allowables are not the same for FHA and VA transactions.

Non-Allowable closing costs may include a portion of the escrow fee, or the entire escrow fee, depending on whether it is FHA or VA. It may also include portions of the title fees and recording fees, miscellaneous lender fees such as processing, underwriting, tax service, document preparation, wire fees, etc. For a more complete list of Non-Allowable Fees and Allowable Fees refer to the chart provided on our website or contact your lender for current FHA and VA guidelines and regulation.

Prepaid Items are items that occur and are paid in the future; i.e., tax prorations, taxes, insurance, mortgage insurance, etc.

### **Non-Recurring Closing Costs**

Loan Origination Fee  
Loan Discount  
Appraisal Fee  
Credit Report  
Processing  
Lender's Inspection Fee  
Document Preparation  
Tax Service  
Underwriting Fee  
Flood Certification  
Wire Fee  
Funding Fee  
Escrow Fee  
Sub-Escrow Fee  
Recording Fees  
Endorsement Fees  
Messenger/Courier/Overnight Mail  
Loan tie-in Fee

### **Recurring Closing Costs**

Interest  
Taxes  
Insurance (fire/flood)  
Mortgage Insurance

Be sure not to confuse non-allowable charges with non-recurring charges. Refer to our chart Allowable/Non-Allowable Fees for a more complete list of FHA and VA charges.