



Closing Costs when Buying a Home

i Mandatory expenses incurred at the time of purchase must be **paid before the mortgage is disbursed** or at the **appointment with the notary**, using savings held and/or borrowed funds.
 There are **other expenses to cover**, like the expense of moving, interior and exterior design, and renovations desired or needed as a result of the inspection report.

Mandatory expenses

Mortgage insurance (for insured loans only and with a purchase price of under \$1,000,000)^{1,2} Amount

When your down payment is greater than 5% but less than 20%³, you must obtain mortgage insurance with the CMHC (Canada Mortgage and Housing Corporation) or SAGEN.

You can add the amount of your mortgage insurance premium to the amount of your mortgage loan. Estimate your premium using the [CMHC](#) or [SAGEN](#) calculator and enter it here: \$ _____.

The mortgage insurance premium is subject to 9% tax, payable in cash before the sale is concluded at the notary's office.

Tax on mortgage insurance.....

Example calculation using a purchase price of \$550,000:

Minimum down payment of \$30,000:

5% of the first \$500,000 of the purchase price = \$25,000

plus 10% on the portion above \$500,000, i.e., \$50,000 = \$5,000

Mortgage financing amount: \$520,000, i.e., the purchase price of \$550,000 minus the \$30,000 down payment

Mortgage insurance premium cost: \$20,800

Provincial sales tax on the mortgage insurance premium: \$1,872, i.e., 9% of \$20,800

Legal fees

The preparation, signing and registering of the various legal documents related to the purchase of a property requires a notary's expertise. These fees are your responsibility.

Allocation and account adjustment fees

When closing the sale with the notary, in some cases, the seller must be reimbursed for any expenses paid in advance, such as municipal and school taxes, electricity or natural gas bills and condo fees, if applicable. The notary is responsible for calculating these fees based on the date of purchase.

Transfer tax ("welcome tax")

The municipality issues an invoice for the transfer tax. Payment is due on the 31st day after this invoice is sent. The payment terms and conditions are indicated therein. This expense must be budgeted so it can be paid within the specified time frame. Each city or municipality provides its tax rates for calculating the amount due on its official website.

Mandatory expenses total

They must be available before the mortgage payment or at the appointment with the notary.

Other anticipated expenses

Inspection fees Amount

Whether you choose a new or existing home, it is highly recommended that you call in a building inspector before you purchase. In some cases, the inspection may be mandatory. A new home should be inspected before the drywall is installed.

You can contact professional orders or associations whose members offer this service and comply with professional standards.

A detailed report will indicate whether the existing home requires repairs in the short, medium or long term and could also indicate any defects.

Other tips are available on the new home guarantee website: [Garantie GCR - Buyer's Guide](#).

Appraisal fees

When required, your financial institution contracts a professional appraiser to produce a report establishing the property's actual market value. You are responsible for the expenses.

Exterior renovations⁴/landscaping (excavation, fence, lawnmower, shrubberies, gardening equipment, pool, garden shed, etc.)

Interior renovations⁴/decorating (painting, curtains, blinds, lighting fixtures, etc.)

Depending on the scope of the planned work, it's recommended to have written estimates to determine the anticipated costs.

Purchase of furniture, appliances, etc.

Moving and mail forwarding expenses (truck rental, movers, Canada Post, etc.)

Connection fees for various public utilities (phone, cable, electricity, gas, etc.)

First tax notice (municipal and school taxes)

It's recommended that you ask the municipality and the school service centre about payment dates.

Anticipated additional miscellaneous expenses (building permits, plans and specifications, water analysis fees, etc.)

Total amount of other anticipated expenses

i Online tools are available for information purposes and are for personal use only. They provide estimated amounts based on the information you enter. Desjardins doesn't guarantee their accuracy nor their applicability to a specific situation.
Don't hesitate to contact your caisse advisor for personalized advice.

Calculation of how much cash you'll need

Down payment³.....

Mandatory expenses⁵.....

Subtotal (Minimum cash required to buy the home).....

Other anticipated expenses⁶.....

Total (Total cash required for your project).....

¹ Although efforts are made to keep information up to date, Desjardins does not guarantee the accuracy of these calculations. Subject to mortgage insurers' eligibility requirements and other conditions. Please contact your Desjardins advisor for personalized advice.

² The down payment and insurance premium are calculated using the determined value set by Desjardins. This generally reflects the purchase price, but it may also reflect the market value or any other value taken into consideration.

³ Calculating the minimum down payment:
Purchase price of up to \$500,000: The minimum down payment is 5%.
Purchase price of \$500,001 to \$999,999: The minimum down payment is 5% on the first \$500,000, then 10% on the remainder of the purchase price up to \$999,999.
Purchase price of \$1,000,000 or more: The minimum down payment is 20%.

⁴ Certain types of renovations affect the value of the property and can be included in the financing. If this is the case, please contact your advisor for more information.

⁵ Cashback promotions may apply and allow you to pay off some of these expenses.

⁶ The mortgage loan cannot be used for this purpose. You'll need to specify the source of the borrowed funds, and budget for them.