



## Buying Real Estate Made Easy

By Christopher G. Weigl, Esq.

Once your search for your dream home with your real estate broker has focused upon a property that fulfills your requirements, you will submit a form contract bearing your signatures through your selling broker to the sellers through the listing broker. If accepted by the sellers, evidenced by sellers' signatures, the brokers will arrange for the delivery of the signed contracts to the attorneys for each of the parties, to commence what is known as attorney review. A \$1,000.00 binder is typically paid at this point.

Attorney review lasts three (3) days, unless completed sooner or extended by agreement. During this time, counsel for either of the parties may either accept or reject the form contract, or, in the vast majority of cases, propose amendments by way of a rider and/or a letter amendment setting forth revisions to the form contract. If the contract remains viable after this period by the attorneys' agreeing upon such revisions and the respective clients' signing off on such revisions, you as buyers are in control of the transaction, subject to your satisfaction of the inspection and mortgage contingencies. The additional deposit in most cases is paid within ten (10) days of completion of attorney review.

The home inspection is vital as your tool to investigate the condition of the home in all of its facets. Once the report is received, the attorneys negotiate repairs and/or credits against the purchase price in lieu of repairs, sometimes assisted by estimates. For the buyers, credits are preferable, since repairs sometimes are mere band-aids performed by the sellers that can result in a closing table issue after your final walk-through inspection just prior to closing. Terms of the resolution should be confirmed by letter by and between counsel.

Assuming successful negotiation of the inspection issues, the last remaining contingency is your receipt of an acceptable mortgage commitment. Be careful that there are no stated conditions that may prove problematic to closing, and take particular note of interest rate lock and commitment expiration dates. Once a satisfactory mortgage commitment is received, the contract is considered firm.

At this juncture your attorney will arrange for ordering title searches and, if necessary, a survey. You can earn significant time and money savings if your attorney is able to obtain a copy of the sellers' title policy and survey. In the case of the title policy, if it has been issued by the sellers' title company within the past ten (10) years, the insurance component of your title company's charges will be invoiced at a discount, called the reissue rate. In the case of the sellers' survey, if no structures, extensions or outside improvements have been added to the property since the survey was rendered for sellers, it can save you the cost of a new survey. Once received by your attorney, these are forwarded to your mortgage lender or its review attorney for pre-closing approval.

Upon pre-closing approval, a closing date is set by the attorneys after consultation with their clients. You must have homeowners'/hazard insurance in effect as of the date of closing, with

your mortgage lender also insured. The balance due from you of the purchase price plus settlement costs must be in the form of a bank or certified check or wire transfer into your attorney's trust account. If the purchase price is in excess of \$1M, the buyers' settlement costs will include "mansion tax" (paid to the county and shared with the State) at \$10 per \$1,000 of purchase price. Before coming to the closing, a final walk-through inspection is arranged with your broker. Closing is a "speak now or forever hold your peace" opportunity in this regard; a credit or escrow will handle any eleventh-hour walk-through or other problems.

At closing, the buyers execute all mortgage loan documents required by the mortgage lender and exchange the remaining funds due for the title documents (e.g., deed, affidavits and municipal approval) from the sellers. A federally-approved form (HUD-1 RESPA Settlement Statement) is signed by all parties.

After closing, your attorney will forward to you your recorded deed and title policy. All that then remains (besides repaying your mortgage for a good part of the rest of your life!) is to enjoy your new home!

**Mr. Weigl** serves as Chancellor of the Ridgewood Knights of Columbus and is a member of the Ridgewood Chamber of Commerce. He has served as Chairman of the General Practice Section of the NJ State Bar Association ("NJSBA") and sits as a member of the Executive Committee of the St. Joseph Regional H.S. Alumni Association. He is a former Pastoral Council member of Our Lady of Mt. Carmel R.C. Church, a past Treasurer of and legal counsel to Ridgewood First Night and a coach and sponsor of youth softball and basketball teams. Mr. Weigl also lectures and publishes on the law.

A native and life-long resident of Bergen County, Mr. Weigl is a graduate of St. Joseph Regional H.S., Fairfield University and Rutgers School of Law, all on scholarship. He is admitted to the bars of NJ and NY, is a member of the NJ State and Bergen County Bar Associations and has been honored as General Practitioner of the Year 2000 by NJSBA.

**MARRON GILDEA  DONOHUE™**

Distinctive Homes & Estates