

# *Ross & Ross Attorneys at Law, LLC*

## **NJ REAL ESTATE BUYING CHECKLIST**

**The information contained in this document has not been provided with any particular situation or problem in mind. Persons reviewing this information should not act upon any information without consulting an attorney. Nothing contained herein should be construed as legal advice. Instead, it is intended to provide basic information to the reader so that he or she will be able to become familiar with the terms and procedures regarding their particular situation. This will assist them at the time they seek legal counsel. Nothing contained in this document shall be construed to create an attorney/client relationship. The viewing of any information contained herein or any in persons, written, Phone, or e-mail contact with this law firm, shall not form an attorney/client relationship unless otherwise agreed in writing.**

Once you find the house and negotiate the price you will be asked to sign a Contract of Sale. In fact, if you are working with a Real Estate Broker, you may be asked to sign the Contract before the price is determined. In this case you will be making an offer to purchase at the price stated in the Contract. If the seller signs, then at that time you have a Contract. When buying through a real estate broker, the seller's lawyer may still terminate the Contract. This is due to the three (3) day attorney review clause found generally on the 4th page of most contracts. The attorney review period permits both buyer and seller to have the contract reviewed by an attorney of their choice.

During that three (3) day period, the attorneys can disapprove and cancel the contract or can request modifications. However, only an attorney can disapprove the contract. The buyers and sellers do not have authority or an independent right to cancel the contract. Once the three (3) day Period expires, the Contract is firm and binding.

### **BUYER**

1. In most cases the real estate broker will require that you obtain a pre-approval certificate from a bank or mortgage lender prior to delivering your offer to purchase.
2. Obtain an attorney as soon as you sign a contract, if not before. You should have an attorney before you sign so the real estate broker will be able to fax the contract to your attorney as soon as it is signed by both parties.

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3. Please do not delay when delivering the deposit check. If you fail to pay the deposit by the date specified in the contract, you could be held in breach of contract. In most cases, the deposit check does not have to be certified, it can be your ordinary check, which is drawn directly from your personal checking account. However, at the time of closing, you must bring CERTIFIED FUNDS. Personal checks are NOT accepted at the time of closing. If you need to sell stock, cash bonds or transfer funds, please prepare to do so.

4. Contact a Bank or Mortgage Company to inquire about financing. This is a lengthy process and you should provide your mortgage representative with all documents and information they request as soon as possible. You must receive your mortgage commitment by the date specified in your contract because the contingency expires on that date. You should remain in continuous contact with your mortgage representative and deliver all documents he or she requests. Please keep copies of all documents, which you give to the lender. Remember, only a written commitment satisfies your mortgage contingency requirement and a pre-qualification letter is not a commitment. Also, a document, which can be revoked at any time or requires the ultimate lender's approval, is not a commitment.

If you intend to lock in your interest rate, you must be careful and you must notify your attorney. Please be mindful of your scheduled closing date and be sure that the mortgage interest rate will not expire prior to the scheduled closing date. Also remember that closings do not always take place on the scheduled date.

Please review your finances carefully to be sure that the loan program is appropriate for you. You should check over your finances personally and not just rely upon discussions with your mortgage representative. Only you can review your finances or make any analysis of your financial condition or your ability to afford the loan. Also you should carefully consider how your payment might change in the future. An adjustable rate mortgage or interest only mortgage may seem attractive now, but these types of loans will result in higher payments later. Please do not assume that you can refinance and receive a lower rate. I strongly suggest that you discuss your finances and your ability carry the new debt with your accountant or financial advisor.

5. Choose a Home Inspector and perform the home inspection. This if done after the attorney review period is concluded. Always attend the home inspection and pay careful attention to the home inspector's advice. Please remember that just because the home inspector gives a suggestion, this does not mean that the seller must make a repair or grant a credit. Please do not wait until the last minute to schedule the home inspection. In the event you fail to make a home inspection you will have waived the home inspection contingency. The time periods are critical and they are dictated by the contract. If you wish to request repairs, you must do so within the time period set forth by the contract. Please be advised that as of December 30, 2005 all home inspectors are required to be licensed by the State of New Jersey. The inspector is also required

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to carry a State issued photograph identification and State issued license when performing the inspection.

4. There are many other things that the buyer must do in order to complete the purchase. We are happy to guide you through the process.

NOTE: For commercial real estate, contact us to discuss an IRS Code 1031 Like Kind Exchange. This may afford great tax savings for qualifying sales and purchases. However, the matter must be handled correctly.