

## **OVERVIEW OF RESIDENTIAL REAL ESTATE PURCHASE TRANSACTION**

- Contract & Attorney Review
- Contact your Lawyer
- Delivery of Balance of Deposit
- Home Inspection, Radon, Septic, Well, etc.
- Mortgage Contingency
- Title Work & Ordering Survey
- Home Owners Insurance
- Mansion Tax
- Schedule the Closing
- HUD-1 Respa Statement

1. After locating the house you wish to purchase, you will be asked to decide on price to offer and to sign a contract.
2. In New Jersey, if the Contract is a Realtor® form Contract, it contains a three day attorney review provision.
3. During this three-day time frame, the attorneys can disapprove or cancel the contract.
4. Once the three-day period expires, the Contract is firm and binding.
5. The Balance of your Deposit money is usually due within ten days from the end of attorney review.
6. The Home Inspection usually must be completed within ten to fourteen days from the end of attorney review. Customarily, only substantive material, defects are grounds to terminate the contract. Your attorney may still be able to negotiate for repairs. Any repair requests must be submitted within the time period set forth by the contract. Remember, in the event you fail to make a home inspection you will have waived the home inspection contingency.
7. The Mortgage Contingency permits the buyer or seller to terminate the contract in the event a mortgage commitment is not obtained within a predetermined period of time.
8. The Title Insurance Commitment sets forth the status of the property title and lists the owner of the property.
9. The Survey shows your property and the location of structures on it.
10. Homeowners Insurance insures your interest from losses such as fire, theft and liability.
11. Mansion tax, if applicable, is a fee, which must be paid to the County Clerk by the buyer of residential premise of one million dollars or more. The charge is equal to one percent of the purchase price.
12. The Closing is scheduled when the loan has been "Cleared to Close" by the lender.
13. The HUD-1 RESPA Closing Statement sets forth the purchase price including all charges and credits. It is signed at the time of closing.
14. Contact with your lawyer is essential as you will speak frequently throughout the transaction.