

## ABOUT THE FIRM

The Law Office of Patrick Delgado, P.C. is a full service law practice committed to helping clients deal with the sometimes difficult legal issues that face today's growing families by providing quality representation with dedicated personal attention.



With over ten years legal experience, Patrick Delgado is well prepared to assist and guide individual clients and their families with some of the more important decisions we face in life, such as purchasing or selling a home. As the regional real estate market faces more and more uncertainty, the problems and potential for litigation when buying or selling real estate have risen. It has never been more important to have an experienced real estate attorney help guide you through the process.

Real estate attorneys prepare contracts and advise clients with regard to financial and structural issues of both commercial and residential transactions, including clearance of title exemptions, mortgage commitment contingencies, building department and zoning regulations, variances, change of zoning and requirements for closing of title.

The Law Office of Patrick Delgado, P.C. also concentrates in personal injury, criminal law, wills, trusts and estates, and estate administration.



## Real Estate Guide

Call Now For A Free Consultation

(631) 630-2273

Email: [pdelgado@DelgadoLawOffice.com](mailto:pdelgado@DelgadoLawOffice.com)

Web: [www.DelgadoLawOffice.com](http://www.DelgadoLawOffice.com)



# Steps in Buying a Home

**1. Deciding to Purchase a Home** A prospective buyer must first determine where and what type of home they want to purchase and what they can afford. One of the first steps in the process is to contact a bank or mortgage broker, who will review your finances and provide you with a mortgage commitment or pre-approval letter, often required by agents and sellers to begin showing you homes.

**2. Using a Real Estate Agent** Unless provided otherwise in a buyer broker agreement, it is important that prospective buyers know that a real estate broker or agent works for the seller of the home with whom they have contracted to sell on their behalf, and that goal is to sell the home in order to receive a commission.

When a buyer finds a home they wish to make an offer on, the broker usually serves as an intermediary to negotiate price and other important items of the sale. Upon this agreement, a binder is signed by the buyer and seller. An attorney may advise you not to sign such an agreement. At a minimum, from a buyer's perspective, it is imperative that the binder state "subject to attorney approval" or state that "this is not a contract for the sale of the property." At this time, a buyer should be provided with a New York State Property Condition Disclosure Statement. Under New York State law, if one is not provided to a buyer, the seller is to provide a \$500 credit at closing.

**3. The Real Estate Contract** The next step in a home purchase is to sign a formal contract of sale. Normally, the seller's attorney prepares the contract and includes the description of the property and any personal property included in the sale. Some of the important conditions that the buyer will generally want to include in the contract are making the purchase contingent upon obtaining financing, selling the buyer's present dwelling, or obtaining a satisfactory engineer's report. Upon execution of the agreement, the buyer

will also be required to provide a deposit. While negotiable, this is usually at least 5% of the purchase price. From a buyer's perspective, the contract should include terms that the deposit should be returned unless the actions of the buyer were "willful" in not meeting one of the contingencies, resulting in the sale not closing.

**4. The Inspection** It is imperative that the buyer have the home inspected prior to signing a contract. The engineer will examine the structure, plumbing, wiring, appliances, heating and other systems for defects and needed repairs. The inspector should also provide a termite and pest inspection, as well as a report. The buyer can use this information to decide if they want to proceed or to negotiate terms prior to signing a contract.

**5. Obtaining Financing** Most home buyers finance 80% or more of their purchase price. Many types of mortgages are now available, including fixed and adjustable rate mortgages. Perhaps one of the most important questions in considering a mortgage, besides the interest rate and term, is the closing costs. These costs will affect the amount you decide to finance and are needed by your attorney prior to the closing. You may want your attorney to review the terms of the mortgage prior to the closing. However, it is often standard practice that the attorney explains the documents to the buyer during the closing. Some of the important questions raised are whether and when a mortgage can be pre-paid; what happens if you make a late payment; how is interest calculated; how are real estate tax payments calculated and handled; among others.

**6. Title Insurance** The buyer's attorney will order a title search from an abstract or title company. It is a good idea to order a preliminary title report prior to signing a contract. The title company has three major functions. The first is to search the seller's title to the property, including any liens or encumbrances that have been placed on the property. The title company will either order a new survey or endorse a pre-existing

one if accepted by the lender. Some of the questions determined by the title company include: does the deed correctly describe the property? Are there problems with adjoining owners or prior owners? Did a prior owner agree to any easements, covenants, or other restrictions? The title company will create a title report that will describe what is included and excepted from title insurance.

Title insurance is the second function handled by the title company. In New York State, title insurance rates are fixed. Title insurance is required by the lender.

Third, at the closing a title closer will clear any additional objections to title, make arrangements to pay off existing mortgages and will file required documents, including mortgage satisfactions, deeds, and tax documents.

**7. Zoning** An attorney should also be knowledgeable or able to research zoning restrictions and requirements. For instance, you may explain that you want to build an in-ground pool, or you want to know if a Certificate of Occupancy is required for a shed. You may also want to know if part of the home can be rented, or if it can be converted to a commercial property, and if so, the types of permits that are required.

**8. The Closing** Once the mortgage company has provided its commitment, title objections are cleared, and the buyer and the sellers are able, in accordance with the terms of the contract, the sale is ready to be closed. Typically, at the closing, the title closer will clear final objections to the title insurance, determine pay-off amounts and prepare documents for filing. Meanwhile, the buyer's and seller's attorneys will determine any credits due the parties. The lender's attorney will complete a closing statement including closing costs and make funds available to the purchaser. The buyer's attorney will often explain mortgage documents while the buyer executes them. The seller's attorney will prepare the deed and real estate tax documents.