

Buying a Coop (you are the purchaser)

1. Buyer signs binder with broker/real estate agent after gathering information with the premises unless you buy directly from the seller without an real estate agent;
2. Buyer retains an attorney on his/her behalf for the transaction;
3. Buyer's attorney receives and reviews the contract prepared by Seller's Attorney and reviews the offering plan and two year financial statements of the coop; make changes of the contract terms, if necessary, and contacts board to verify some information;
4. Buyer signs four copies of the contract after going over the contract with buyer's attorney and pay contract down payment (usually 10% of the contract price, personal check is okay) to Seller's Attorney as escrowee; the contract is delivered to Seller's Attorney for seller's signature;
5. After receiving the signed contract from Seller's Attorney, buyer shall do the following:
 - a. With the help of broker, prepare application for coop board approval (if you need a mortgage, generally the board requires you to obtain your mortgage commitment letter before submission of your application); attend the board interview, and get approval letter from the board / management. If your application is denied by the board / management, the contract is generally cancelled and the contract down-payment deposit shall be promptly returned;
 - b. Prepare loan application, if required; get loan commitment letter from the bank (do not lock the rates unless consulted with your attorney);
 - c. Order lien search from title company via buyer's attorney after board approval;
6. After locking the rate (if there is a loan) and setting up a closing date, buyer shall:
 - a. Sign documents, including Recognition agreement/ authorization to file UCC-1 required by bank/ coop attorneys; wait for clear to close notice from your mortgage bank attorney;
 - b. Do final inspection of the premises with broker and seller, and report problems to buyer's attorney immediately, if any;
 - c. Prepare certificated and/or bank check for payment according to buyer attorney's instruction;
 - d. Purchaser home insurance covering the your unit and the coop;
7. Closing – Buyer shall be present at the closing table at the scheduled date and time:
 - a. On the scheduled time, All the parties whose names on the contract shall attend the closing, unless a proper POA (Power Of Attorney) is used at closing;
 - b. With proper IDs;
 - c. Sign the documents, and pay the balance;
 - d. Receive the original stock certificate and proprietary lease(if there is mortgage, receive a copy of stock certificate and proprietary lease; original stock and proprietary lease is taken away by the bank as collateral till the mortgage is fully paid.)