



Law Office of Elliot H. Fuld

First Time Buyer's Guide and Checklist for the Purchase of a House or Apartment

- Find a House/Apartment - Locate a House or Apartment you would like to purchase and at a price you can afford.
- Place a Bid on the Property - Contact the Seller and place an offer to buy the property at a specific price.
 - If the bid is accepted, the Seller may ask the Buyer to sign a Binder, which is a form document stating that the bid was accepted. It is NOT a contract to buy.
- Hire a House Inspector - The Inspector will: (1) Examine the structural integrity of the property and house/apartment; (2) Check whether the property is in compliance with State or local building codes; and (3) Test for hazardous conditions such as gas leaks, termites, etc.
 - If the Inspector discovers a problem, the Buyer has three options: (a) Back out of the deal; (b) Go forward despite the problem; or (c) Renegotiate the price based on the problem.
- Hire an Attorney - Although many find it useful to have an attorney at earlier points in the buying process, one must have legal counsel prior to negotiating and signing the contract.
- Sign the Contract - The Contract sets the terms of the transaction. Most notably, the Contract describes the title to be transferred and the grounds on which either party can back out of the deal once the Contract has been signed. The Contract also sets the date for Closing, the day on which the property will be transferred to the Buyer.
 - Each clause in the contract is subject to negotiation and carries legal implications for the remainder of the purchasing process. It is for this reason that an each party must retain an attorney to negotiate on their behalf.
 - Down Payment – The Down Payment is paid when the Contract is signed. Customarily, the Down Payment is 10% of the purchase price, although this too is subject to negotiation and should be discussed with your attorney.

- Apply for a Mortgage - Many first time Buyers finance the purchase and the mortgage must be secured by the date set forth in the Contract. Therefore, a Buyer should prepare the mortgage application before the Contract is signed so that it can be submitted immediately thereafter.
- Order a Title Report - A Title report will confirm who presently owns the property and what claims anyone else might have to the property.
 - An Attorney should review the report to ensure the Buyer is acquiring sole legal ownership of the property.
- Closing – The remainder of the purchase price is paid to the Seller and the title is transferred to the Buyer . . . along with the keys.