

I Am Planning On Buying My First House. What Should I Know?

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Recently, with the mortgage rates as low as they are and houses being more affordable, I am thinking about buying a house. This is my first time as a potential homeowner and I am a bit confused about everything. Does having an attorney help me get through this process more smoothly than not having one?

As a first time homeowner, I would strongly recommend having an attorney to help you. I would also recommend that you immediately start working with a mortgage lender and experienced Realtor. A well established team of professionals will certainly make your first time home buying experience more enjoyable as this will be one of the biggest purchases you will make in your life.

The home buying process has many steps that will require proper legal guidance to assist you in decision making and with protecting your interests. An experienced real estate attorney will be there to offer advice and to assist you in navigating the many contingencies found in a real estate contract.

When you have located the property you wish to purchase, you will most likely present an offer to purchase through a licensed Realtor. In most cases, the Realtor will present your offer to the Sellers in the form of a proposed contract prepared by the realtor on forms in widespread use throughout the State of New Jersey. When accepted by the Sellers, this contract for sale prepared by the Realtor shall be considered the proposed form of contract between the Purchasers and the Sellers.

Contracts prepared by a Realtor must provide a three-day attorney review period, during which either party may review the proposed contract with their respective attorney. During such review the contract may be approved, disapproved or approved with changes. It is in your interest to discuss the contract with an attorney during the three-day review period so that the attorney may more effectively

represent your particular concerns.

The Contract will also typically contain several common contingencies that you will need to thoroughly discuss with your attorney. Since most purchases of residential real estate include the provision that Purchasers will need mortgage financing to complete the purchase, it is important to note that the Purchasers primary duty is to immediately, efficiently and aggressively pursue such financing. As a practical matter, that means an application for mortgage financing must be completed immediately following attorney review, if not before, with a mortgage company previously chosen by the applicant. The time to choose a mortgage company is not after the execution and review of the Contract of Sale, but before that process is completed.

In addition, most modern residential real estate contracts call for the Purchasers, at their own expense, to conduct an inspection of the premises in order to determine the existence of any latent or non-apparent deficiencies in the property. You will need to work with your realtor and attorney to discuss the results of all home inspections and to know your legal rights in the event the Sellers refuse to make any repairs or adjustments.

Finally, an experienced real estate attorney will know how to order and review title insurance, and how to obtain a survey of the property. The attorney will also coordinate the closing with your mortgage lender and Sellers attorney. As part of the closing, there will be many legal documents prepared by the mortgage lender and the Sellers' attorney that must be reviewed to protect your interests, especially as a first time home buyer. Since this is your first home, you will need the guidance and explanation from an attorney of the numerous closing documents, and I would again recommend that you have an attorney by your side to help you understand each step in the home buying process.

Good luck and best wishes on finding a home you will cherish for years to come.