

BOND BUYER'S GUIDE



AT BOND, WE ALIGN WITH YOU TO FORM A PARTNERSHIP. Our job is to help you make sound decisions. Armed with the most accurate database in New York and buyer assistance technology to keep you informed every step of the way, our commitment is to provide you with the best personalized home-finding experience.

Buying a home is one of the most important financial and emotional decisions you will make, and it is our responsibility to make the process as stress-free as possible. We will help you determine what type of property and price range are best for you, provide in-depth information and neighborhood tours, and educate you on the best financing steps to take. We can also recommend appropriate vendors for other settling-in services you may require.

PROPERTY TYPES

THERE ARE SEVERAL DIFFERENT TYPES OF PROPERTIES AVAILABLE FOR PURCHASE IN NEW YORK.

COOPERATIVES (CO-OPS)

Cooperatives are buildings in which you buy shares of the company that owns, and is responsible for, the entirety of the building. Co-ops comprise approximately 80 percent of the overall inventory in Manhattan. Generally, you will need to appear in front of the building's Board of Directors for an interview. The Board may approve or reject a buyer for a myriad of reasons. Owners are responsible for monthly maintenance fees.

CONDOMINIUMS (CONDOS)

Condominiums represent approximately 12 percent of the housing inventory in Manhattan. Unlike co-ops, condos generally do not require Board approval. When buying a condominium, you are purchasing the deed to the real estate within that building and will be responsible for real estate taxes and monthly common charges. Moving, renovation and subletting rules are generally less strict in condos. Most new inventory entering the market is condominiums, and prices are generally higher.

CO-OP VS CONDO

You purchase shares of stock in the corporation that owns building. You receive proprietary lease.	OWNERSHIP TYPE	You receive title to home.
Renovations are generally permitted with Board approval; subletting must be approved by Board.	OWNERSHIP RULES	Renovations are permitted with Board approval; subletting is generally permitted.
Board approval is required; there is an interview with the Board.	APPROVAL PROCESS	Generally do not require Board approval; there is no interview process.
Maintenance fees include the upkeep of common areas, staff salaries and managing agent fees, as well as real estate taxes and interest on any underlying building mortgage.	FEES	Property taxes to the city (which are tax deductible) and common charges to the Board of Managers.
Board must approve buyer.	RESALE	Can be sold at will.

DIFFERENCE BETWEEN

PRE-QUALIFIED & PRE-APPROVAL

Pre-qualification is the first step you can take and will provide you with a close idea of how much a bank will loan you. Pre-qualification is quick and easy; most banks can do it over the phone. A loan officer will ask you about your income, assets, debts and projected down payment, and then calculate what you will most likely qualify for.

Pre-approval is more involved. In this step, the lending institution gathers all the information it requires to offer you a loan, such as recent bank statements and your recent tax returns, and your credit report will be checked. This process usually requires an appointment and you may be charged a fee. The result is a more accurate, good-faith estimate in which the bank will let you know in writing how much it will lend you.

STEP-BY-STEP PURCHASING PROCESS

GATHER YOUR TEAM

Gather your team of professionals for your purchase. You will need an agent, an attorney and a mortgage broker or lender. Having the support and guidance of a team of professionals will make all the difference.

GET A PRE-APPROVAL LETTER

Obtaining a pre-approval letter is an easy, often cost-free service provided by your bank or mortgage brokers and essential to become a real contender for a property. If you don't already have a pre-approval letter, talk to your BOND agent.

NEEDS AND WANTS LIST

Make a list of your criteria by order of importance. Our state-of-the-art proprietary database will provide you with a smart search, prioritizing your needs and wants, and try to meet as many of your requirements as possible.

VIEWING PROPERTIES

Your BOND agent will present an itinerary of available properties based on your criteria. He/she will accompany you to view your selections and help you analyze the pros and cons of each based on his/her expert knowledge.

MAKING AN OFFER

Once you have found the perfect property, your agent will submit a written offer. It will include your offer price, the name and contact information of your New York attorney, and financial and personal information.

DEAL SHEET

After negotiations are complete and the seller accepts your offer, your BOND agent will prepare and distribute a "deal sheet." This provides the required information to both parties' attorneys and brokers, and conveys the terms for the sales contracts.

CONTRACT OF SALE

Your attorney receives a contract drafted by the seller's attorney. Once signed, it is sent back with a deposit check. When the seller signs, it will be "fully executed" and binding. This may take one to three weeks, depending on review and due diligence by the attorney.

MORTGAGE APPLICATION

This process may take 45 or more days to complete. It is important to contact your bank or mortgage broker immediately after signing your contract. Lenders will require a "fully executed" contract with your application.

PREPARATION OF THE BOARD PACKAGE

Your BOND agent will assist you in the preparation of your co-op or condo Board package, craft the Board application, provide copies to the management company, and help with any other requirements.

BOARD INTERVIEW (THIS APPLIES TO CO-OP SALES ONLY)

You will be contacted for a scheduled interview with the Board of Directors. Notification of its decision will be given in 48 to 72 hours. Your attorney will coordinate the closing once the Board has given purchase approval.

THE WALK-THROUGH

Your BOND agent will accompany you to inspect the property prior to the closing of the sale. This inspection is important to verify all is working properly in the apartment and the seller has or is moving out as agreed.

THE CLOSING OF SALE

Closings are normally held at the office of the managing agent, with your attorney, the seller and seller's attorney, the lender's attorney, and a representative of the management company's transfer department in attendance.

ESTIMATED CLOSING COSTS

Co-operatives (Co-op)	Estimated Costs
Buyer's Attorney	\$2,500+
Building Application Fee	\$500+
Credit Report (on Each Applicant)	\$50 to \$100+
Mansion Tax	1% of price when price is over \$1 million
Move-In Deposit	\$500 to \$1,000 (typically refundable if there are no damages to hallways, elevators, etc.)
Maintenance Adjustment	Up to one month
Origination Fees/Points	0% to 3% of loan value
Application, Credit, Appraisal, Bank Attorney, etc.	\$1,600+
UCC-1 Filing	\$100+
Recognition Agreement Fee	\$250+
Lien Search	\$350+

Condominiums (Condos)	Estimated Costs
Buyer's Attorney	\$2,500+
Origination Fees/Points	0% to 3% of loan value
Application, Credit, Appraisal, Bank Attorney, etc.	\$1,600+
Real Estate Tax Escrow	2 to 6 months
Recording Fees	\$200+
NYS Mortgage Recording Tax	1.8% of mortgage on loans under \$500,000 and 1.925% if over \$500,000
Title Insurance	Approx. 0.5% of purchase price
Municipal Search	\$350+
Building Application Fee	\$350+
Common Charge Adjustment	Up to one month
Real Estate Tax Adjustment	1 to 5 months
Title Closer Fee	\$150+
Mansion Tax	1% of price when over \$1 million
Move-In Deposit	\$500 to \$1,000 (typically refundable if there are no damages to hallways, elevators, etc.)

If Purchase from Sponsor	(New construction/conversions)
NYC Real Property Transfer Tax	1% of purchase price up to \$500,000 and 1.425% over \$500,000
NYS Transfer Tax	\$4/\$1,000 of purchase price
Sponsor's Attorney Fee	\$1,450 - \$2,500

*It is prudent to check with a bank/mortgage broker for any additional fees. These are only estimates. Please confirm specific costs with an attorney and/or bank.

© 2018 BOND New York. All material presented herein is intended for information purposes only. While information is believed to be correct, it is represented subject to errors, omissions, changes, or withdrawals without notice. BOND New York is a broker that supports Equal Housing Opportunity.