



What to Expect When an Offer is Submitted

The initial Offer to Purchase contract is usually pre-printed with fill-in blanks and is accompanied with a deposit, typically in the amount of \$1,000.00. We will review it together.

The terms of the Offer will include:

Sale Price

Closing Date

Additional Terms – The buyers specify any special terms of the sale which they may request. This may include articles the buyers want to have included with the house (such as various non-built in appliances), articles the buyers want to have excluded and removed from the house (such as certain old built-in appliances, extra firewood and paint cans in the basement or attic, etc) before settlement and occupancy deadlines.

Contingency Clauses

Inspections – The buyers will typically have a building and pest inspection of the premises at their expense. This should occur within one week to ten days of the accepted Offer. The inspector will check the condition of the structure from basement to roof; the utilities, the systems (electrical, heating etc) the appliances that are to remain as part of the sale, for termites, for lead, for radon, and the septic system, swimming pool and oil tank, if applicable. An inspection can take anywhere from three to four hours, depending on the size and condition of the home. As a courtesy to the buyers, you should not be present during the inspection. Depending on inspection results, you may be negotiating on repair issues with your buyers.

Mortgage Contingency

If there is a mortgage contingency, the mortgage amount is indicated in the Offer along with the deadline buyers have in which to obtain their mortgage. The buyers generally request a period of 3 to 5 weeks for the mortgage approval. Once the buyers make formal application, which should be done immediately, the mortgage company will contact a licensed appraiser to complete an appraisal of your home. The appraiser will arrange to visit your home through the real estate agents. This should be done within two weeks of the mortgage application.

At this time I will negotiate any terms in the Offer that are not acceptable to you (such as price, dates more favorable to you etc). Once all the terms are acceptable to all parties, the Offer is signed and becomes binding.

Once the Offer is agreed upon and signed by all parties, I will provide a copy of the executed Offer to your lawyer and will continue to keep you updated as to the status of the contingencies, i.e. inspection, mortgage, contained in the contract.

Once an Offer is Accepted

Purchase and Sale Agreement

Whereas the Offer is a "thumb nail" sketch of the transaction, it contemplates that the parties will enter into a much more detailed contract called the "Purchase and Sale Agreement", otherwise also referred to as the "P&S." This is typically negotiated between the buyers' attorney and the sellers' attorney and will go into much more detail as to the rights and responsibilities of the parties in connection with the transaction. Once the P&S is agreed to and signed and all contingencies are met, it will be time to prepare for the closing

Final Preparation of Sale

At or prior to the closing, you will need to produce the following:

Deed: You must provide, at the closing, a newly prepared deed conveying title from you to the Buyer(s). Your attorney will take care of this.

Final Bills for Municipal Services: You must provide final bills (or if the City/Town does not render final bills, final readings) for any municipal services paid to the City/Town (ex. water, sewer, refuse etc.). These bills should be paid as close to the scheduled closing date as possible. If these bills are not paid by the closing date, and endorsed as such by the City/Town on the bill, they may end up being paid by the Buyer's lender's attorney from your proceeds at the closing. If the City/Town does not allow payment of these final bills, then you must provide a final "reading" for any amounts which would be due at that time. I can assist you in obtaining final bills or final readings, whichever is applicable.

Utilities: For utilities not provided by the City/Town, simply call each of the respective utilities (ex. gas and electric) and inform them that you are selling the premises and instruct them to close the account and render a final bill to you as of the closing date (do not instruct them to shut off any service to the house!). Some helpful contact info: Nstar (Electric): 800-592-2000; <http://www.nstaronline.com/residential> ; Keyspan (Gas Company): 800-233-5325 or 617-469-2300; <http://www.keyspanenergy.com> ; Verizon: 800-870-9999; Comcast Cable: 617-731-1343; RCN Cable: 877-746-4726.

Smoke Detector/Carbon Monoxide Certificate: You must provide at the closing a Certificate of Compliance showing that the premises are appropriately equipped with smoke and carbon monoxide detectors. This Certificate is issued by the local Fire Department and is valid for only sixty (60) days from the date of its issuance. It should be requested approximately two (2) to three (3) weeks in advance of closing to insure that it will be issued by the Fire Department in time for the closing. I can assist you with this.

Fuel Adjustment: If the heating system of the premises is fueled by oil, under the terms of the Agreement, the value of any oil left in the tank at the time of closing shall be added to the purchase price. There are two ways in which to accomplish this: (a) have the oil gauge read immediately before the closing to determine how much oil is in there, along with bringing a copy of the latest billing showing the price per gallon of said oil, or (b) have your oil supplier come out to fill up the tank and provide a statement to that effect, along with a statement showing the tank's capacity and the price per gallon. My suggestion, unless otherwise requested by the Buyer, is to do the latter.

Mortgage Payoff Information: You should contact your attorney to notify him/her of the names of the banks at which you have outstanding mortgages and/or equity loans etc., the account number for each such mortgage(s)/loan(s) and telephone numbers (they will also need your social security number in order to order payoff statements). It would be most helpful if you could provide the attorney with a copy of your latest mortgage/loan statement(s). If an outstanding mortgage is held by a private party, a Discharge of that mortgage must be furnished at or before the closing. Any balances due under any mortgage(s) will be paid at closing from your sale proceeds.

Certificate of Insurance (applicable only if you are selling a condominium unit): The document that must be brought to the closing is called a "Certificate of Insurance", which relates to the Master Policy for the Condominium. Normally, this Certificate may be obtained from the management company of the Condominium Association, or if there is no such management company, directly from the insurance agency which has issued the Master Policy for the entire condominium. This Certificate should identify your Unit, should name the Buyer as the new Unit owner, and must name the Buyer's lender with very specific language as the lender requires. I can assist you with this.

Certificate as the Unpaid Common Charges (applicable only if you are selling a condominium unit): This Certificate, also known as a "6(d) Certificate", is a notarized statement from the duly authorized trustees or board of managers of the Condominium Association certifying that all outstanding condominium fees and charges assessed against the Unit have been paid through the closing date or through the entire month in which the closing occurs. To obtain this Certificate, contact the management company of the Condominium Association, or if there is no such management company, directly from the trustees. I can assist you with this.

Title V Certificate of Compliance: If the property is served by a private septic system, you must deliver a certificate from the local Board of Health evidencing that an approved system inspector has determined the unconditional compliance of the septic system with the requirements of Title V of the State environmental code. I can assist you with this.

Closing Costs: So that there is no surprise at the closing, please note that besides the usual costs associated with sales of property, the other significant cost will be a so-called "Document Stamp Tax." The amount of this tax is calculated at the rate of \$4.56 per \$1,000.00 of the sale price and is payable to the County Registry. Please note that you will not have to write a separate check for these closing costs, as all of said items to be paid (including the commission, mortgage payoff, stamp tax, recording fees, etc) will be listed on the HUD Settlement Statement and will be deducted from your sale proceeds.

Closing

The closing is generally held at the office of the attorney for your buyers' lender. Most buyers will complete a "final walk-through" and will personally inspect your home to see that it is in the same condition as when they agreed to purchase it. If there were repairs to be made as a result of the inspection, the buyers will want to ensure that they were done according to the contractual agreement. The "final walk-through" is arranged through the real estate agents involved in the sale. The date of closing was agreed upon during the negotiating period and is indicated in the P&S. The time of closing is usually determined within the last week of the closing date. By this date, you should be all packed and ready to go. Except for a few incidentals that might need your attention (please refer to your "Closing Checklist"), your selling journey is over and you have reached your goal.

Congratulations, it is now time to collect your money and celebrate!