

**SHELDON F. MARGOLIS**

**ATTORNEY AT LAW**

P.O. Box 17397

436 Central Avenue

Jersey City, New Jersey 07307

(201) 795-9000

Fax (201) 795-9620

**SELLING YOUR HOME**

The most involved, emotional and financially motivated commitment people generally make is the sale of property.

By the time you have asked me to represent you, you have no doubt entered into a contract to sell your property. You have considered the price and financial terms of the buyer.

First, I should see any papers you have signed immediately. A contract drafted by a real estate broker which you may have already signed must contain a three day attorney review provision pursuant to New Jersey Law. If no broker is involved and the contract is drafted by the buyer's attorney, DO NOT SIGN IT until you and I have had the opportunity to review it.

**THE CONTRACT OF SALE**

The Real Estate Sales Agreement or Contract is the basis of the entire transaction. By custom, it is usually prepared by the Real Estate Broker. It is prepared from their viewpoint. It must be reviewed to be sure that it does not omit terms important to you.

I prepare a rider to every contract which incorporates changes/additions/deletions and fine tunes same. I stress that the realtor's contract is drafted essentially for a single or multi-family home and not a condominium and therefore my rider is more comprehensive for the latter.

You may not be able to negotiate a perfect contract, but at least I will advise you of the business risks you are taking if we know your goals and review the contract with you.

## **BUYER'S MORTGAGE COMMITMENT**

The buyer is required to expeditiously apply for the mortgage. I will monitor same to determine if it will be timely issued. The following events would permit the buyer to cancel the contract:

1. The buyer is denied a mortgage such as due to credit, judgments, bankruptcy, excessive financial obligations, employment issues.
2. The buyer's lender will conduct an appraisal of the property. In the event the results are less than the contract selling price and you elect not to lower the price.
3. The buyer is issued a mortgage commitment, however, one or both of the buyers lose their job (both incomes were required to qualify for the loan) and the lender is accordingly advised of same, the commitment will be withdrawn.
4. The buyer fails to obtain a commitment within the time set forth in the contract and neither party agrees to extend the time. You would also have the right to cancel the contract for this reason.

## **MY SERVICE TO YOU**

Once the contract is signed and all conditions have been met, I prepare for your closing. I receive from the buyer's attorney the "Title" Report which discloses items including but not limited to judgment searches, evidence of mortgages and other liens on the property, flood search to mention a few. If the title is found not to be in accordance with the contract, extra work of dealing with title problems is encountered. The title is either cleared or you are advised of unsolvable problems. If you are unable to deliver insurable and marketable title to the buyer, the contract will be cancelled.

As we approach the closing date indicated in the contract, I obtain a payoffs of your current mortgages, liens, judgments and draft the proposed Deed, Affidavit of Title, IRS Disclosure Reporting Form, Power of Attorney, if applicable. I communicate with the buyer's attorney to calculate adjustments for real estate taxes, condo fees, municipal assessments, fuel charges, etc.

### **TIME SET FOR CLOSING**

It is important to know that the time for closing set forth in your contract is not an absolute deadline from the viewpoint of any of the parties to the contract. We like to refer to it as a target date and acknowledge its flexibility, for a party may find him or herself unable to meet the exact deadline set. In the event closing of title at a particular time and/or particular day is of extreme importance to you, I should be told, since Time may be made of the Essence in a real estate agreement if same can be negotiated with the buyer and as long as you understand the risks of I doing so for you.

### **FORM OF PROCEEDS AT CLOSING**

You may receive a number of checks at the closing such as my attorney trust account check for the deposit previously paid by the buyer, the buyer's attorney trust account check for the proceeds due to you at the closing and a realtor's check for the initial binder paid by the buyer when the contract was initially executed.

### **YOUR CLOSING COSTS**

You may estimate the costs of selling your property as evidenced by the enclosed "Estimated Costs" Worksheet located in this binder.

Please note that the Realty Transfer Tax is charged by every county in the State. It is essentially a surcharge to raise revenue for the State of New Jersey. In July, 2003, the tax rate was significantly increased.

Please note that the funds required to pay off all mortgages, lien, judgments, realtor's commissions, etc. are deducted from your proceeds and forwarded by the buyer's attorney.

### **DEPOSIT**

I will hold the deposit in my non-interest bearing attorney Trust Account. It is not released prior to the closing of title unless the contract provides for it.

In the event you or the buyer has the legal right to cancel the contract, the deposit is required to be returned to the buyer. However, I will not do same without your written authorization.

### **INSPECTIONS**

The buyer has a limited amount of time to conduct any and all inspections including but not necessarily limited to structural, wood infesting insects, underground oil tank, radon gas. The contract or the Rider provides the time period.

***I suggest you are not home when the buyer conducts the inspections.***

If deficiencies are disclosed, the buyer's attorney will forward me the entire report and a list of the items the buyer would like you to correct or repair. We will discuss same and communicate a response. In the event you decline to address any and all deficiencies, the buyer has the right to cancel the contract.

### **HOME OWNERS INSURANCE**

Do not cancel your homeowner's insurance till the closing is completed.

### **FORM OF DEED INTO BUYER**

All persons on your Deed must execute the Deed into the buyer. However, if you are married and only one spouse is on the Deed but the property is considered the "marital" home, the non-titled spouse must also execute the Deed to relinquish all "marital" rights to the property. This is New Jersey Law.

### **CONCLUSION**

If any questions concerning the sale of your property remains unanswered, call or arrange another appointment. I will be pleased to provide you with answers.

Thank you for asking me to represent you in this matter.

Very truly yours,

**SHELDON F. MARGOLIS**