

HOULIHAN LAWRENCE

SINCE 1888



SELLER'S GUIDE



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THE FUTURE OF REAL ESTATE SINCE 1888

At Houlihan Lawrence, we pride ourselves in being at the forefront of Real Estate innovation. As the area's longstanding market leader, we are defined by an unmatched dedication to our clients and our communities. We are a company of more than 1,300 agents united around a common belief: that buying or selling a home is more than a Real Estate transaction. It's a unique opportunity to help individuals realize their dreams and fulfill personal aspirations. It's the special occasion when business partners become neighbors.

With service, quality, and innovation at our core, we are the area's largest independently owned business with 30 offices serving Westchester, Fairfield, Putnam, and Dutchess counties. Our extensive local network provides an exclusive source of buyers. Our deep-rooted dedication to the communities we serve shines through in everything we do and solidifies our position as the local expert.

In leveraging our global connections and other select international firms, our reach expands from New York City's northern suburbs and the Tri-State Area to six continents and 56 countries. We connect the right buyers to the right homes, whether they are around the corner or across the globe.

Being the market leader means never standing still. We continue to harness our success by always looking ahead for new opportunities and for better ways to serve our customers.



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DECIDING TO SELL YOUR HOME

CONSIDER THE FOLLOWING QUESTIONS:

- Why are you thinking of selling your home?
- How flexible is your time frame?
- Have you sold a property previously? If so, what worked well, and what did not?
- Do you have specific expectations of the selling price you would like to achieve? If so, what is the basis for this figure?
- Would you like assistance in relocating to another area through our global network?

PRICING YOUR PROPERTY

Pricing a home properly is a skill that combines a strong knowledge of past market facts, with an appreciation for predicting future trends. Some of the factors to be considered include:

Price – The price should reflect the location and condition of your home, considering current market conditions and comparable recent sales.

Time – A reasonable time period should be allotted to find a suitable purchaser.

Market Conditions – The market conditions are influenced by the number of homes for sale, the number of buyers and the financing conditions available at lending institutions.

YOUR PROPERTY

WHAT MAKES IT DISTINCTIVE

Each property has special features that attract buyers. Take some time to consider the special features of your property.

- What first attracted you to your house?
- What features of your property distinguish it from other properties in your neighborhood?
- What do you consider the most appealing improvements of your property?
- Are you aware of any problems or concerns about your property or surrounding neighborhood that will need to be disclosed to potential buyers?

FULL HOUSE EVALUATION

Take some time to walk around your house and note any improvements that should be made before you begin showing your house. Your Houlihan Lawrence agent will be happy to assist you.

EXTERIOR _____

LIVING / DINING ROOMS _____

KITCHEN _____

FAMILY ROOM _____

BEDROOMS _____

BATHROOMS _____

GARAGE / BASEMENT _____

OTHER _____



PREPARING

YOUR PROPERTY FOR SALE

First impressions are vital. Evaluate the condition of your house and focus on visual appeal. A small investment of time and energy will make a big difference, bringing you the highest possible price in the shortest period of time. If major improvements or renovations are required, be sure to complete them before you put your house on the market. It is also essential to have all building permits and certificates of occupancy in place.

INTERIOR PREPARATION

Painting – Consider repainting any discolored walls and those that are currently painted in dark or drab colors. Color schemes should have neutral, off-white, or antique white tones.

Carpeting – All carpeting should be steam cleaned. Consider replacing any worn or stained carpeting, or removing it if you have hardwood floors.

Operation – Be sure that all plumbing, heating, and electrical items are functioning properly.

Safety – Be sure your house is safe. For a potential homebuyer unfamiliar with your house, a wobbly railing or uneven floors could pose a risk.

Fireplaces – Arrange for professional cleaning and inspection of fireplaces. Although the homebuyer may request an inspection or cleaning, your performing one will create a good impression and remove any possible issues.

Closets – Clean and organize all closets, paying attention to floors, shelves, and overhead spaces.

Doors and Windows – Ensure that all doors and windows operate smoothly.

Cleaning – A thorough professional cleaning will always make a house appear more attractive.

EXTERIOR PREPARATION

Overall Appearance – Remove any clutter from the property. This includes tree limbs and leaves, lawn tractors, etc. Power wash the exterior of the house, if necessary, and repaint, if necessary.

Lawn – Be sure the grass is cut, and if necessary, reseed any bare lawn areas.

Landscaping – Trim all shrubbery, plantings, and trees and remove dead limbs. Add mulch to planting beds and around trees. If the weather is appropriate, plant seasonal flowers where suitable.

Driveway – If the driveway is stone and appears lean, add another layer of gravel. If the driveway is asphalt, consider resealing it.



Decks and Porches – Power wash and seal, stain, or paint all decks and porches.

Gutters and Downspouts – Check gutters and downspouts to ensure they are clear and functioning properly.

Lights – Be sure all exterior lights are operable.

Windows – Be sure that both the exterior and interior of all windows are clean.

5 STEPS TO HELP YOU SELL YOUR PROPERTY QUICKLY

1. *Prepare yourself to sell your house* – Do your best to assess your property differently, no longer as your home, but as a marketable product. This will take some effort, especially if you have lived in your home for a number of years and have many memories, but it is necessary for maximizing your potential.
2. *Prepare your house* – Consider working with a professional home stager. Friends and neighbors can also provide useful feedback in the preparation process. Overlooking flaws now could be costly later, so repair them prior to putting your house on the market.
3. *Do what is necessary to make your house stand out from the competition* – Make certain that your house is fresh, clean, and well maintained, both on the exterior and in the interior.
4. *Remove some of your “imprint” on the house* – For instance, displaying a few family photographs is fine, but remember that buyers must be able to envision themselves living there. This can be difficult if too many personal items are displayed.
5. *Consider a professional house inspection* – An inspector will probably discover any major defects before they create problems with potential buyers. Performing an inspection will also signal to buyers that you are responsible and ready to sell your house.

LEGAL

AND ENVIRONMENTAL ISSUES

The following information is presented for your reference, and applies in most jurisdictions. Please discuss these issues with your attorney and verify the requirements for your municipality.

DISCLOSURES AND INSPECTIONS

Agency Disclosure Law – As a homeseller, you have choices regarding the service and representation you receive when working with a realtor. Your Houlihan Lawrence Realtor will present you with the required New York State Agency Disclosure documents and answer any questions that you might have. Receipt of this information is acknowledged by signing and dating the appropriate form.

Property Condition Disclosure – As of March 1, 2002, sellers are required to provide a statement of certain conditions and information concerning the property, known to the seller. Your attorney can furnish you with the details.

FEMA Flood Zones – Please consult with your bank and with the municipality to determine whether your property is on a flood plain. If so, it must be disclosed to prospective buyers. Additional information and flood maps are available on the FEMA website: www.fema.gov/business/nfip/mscjumppage.shtm.

Lead Paint – According to the 1996 Federal law, any home built prior to 1978 must have a lead disclosure statement signed by the homeowner. Your realtor will provide you with the disclosure form. Your attorney can furnish you with the particulars.

Water and Well Testing – A laboratory analysis will test the quality of the water. This is especially important for homes that have well water; another test may be performed to determine the capacity of the well.

Smoke Detectors – Effective January 1, 1986 all persons wishing to transfer ownership of a one or two family residence are required by law to sign an affidavit that the property has an operable smoke alarm hardwired to the electrical system. Your attorney will furnish you with the affidavit.

Carbon Monoxide Alarms – Effective March 6, 2003, all persons wishing to transfer ownership of a one or two family residence, condominium or cooperative are required by law to sign an affidavit that the property has operable carbon monoxide detectors. Your attorney will furnish you with the affidavit.

Swimming Pool Enclosures – According to New York State law, an enclosure shall be provided around outdoor swimming pools which surround the pool and accessory equipment only. Your attorney can furnish you with the particulars.

Mold – Effective January 1, 2016, New York State is requiring licenses for mold assessors and mold remediators. A mold assessor can test for mold and prepare a remediation plan, whereas the remediator executes remediation. A company or person cannot be licensed as both an assessor and remediator and the two companies cannot be related in any way. Starting January 1, 2016, real estate agents can only recommend licensed contractors.

ABOUT BUILDING PERMITS

A building permit is required:

- whenever a structural change or repair is made to a building, such as making an addition, moving a wall, or changing the size of a window.
- when adding to the amount of living space, such as finishing a basement, converting a garage, or building a deck or porch.
- whenever a detached structural facility, such as a shed, deck or gazebo is constructed.

A building permit is not required:

- for general maintenance or repairs that do not change the property's structure, except when rebuilding an existing deck, even when footings are not changed.
- consult the appropriate local code enforcement office for clarification.

Additional notes:

- Structural work performed without a building permit is a code violation which can, and generally does, affect the sale of a house.
- A majority of financial institutions will not issue a mortgage until any violations are removed.
- Homebuyers' attorneys generally specify in contracts to purchase that all certificates of occupancy must be in place at the time of closing.

GLOSSARY OF COMMON TERMS

Building Permit – Authorization issued by the town for new work to be performed, or to bring previous work to current compliance.

Certificate of Occupancy – Separate authorization, issued after inspections or required modifications, verifying that work performed under the building permit conforms to state and town building codes.

Plumbing Certificate – Certification, signed by a licensed plumber, covering plumbing work performed.

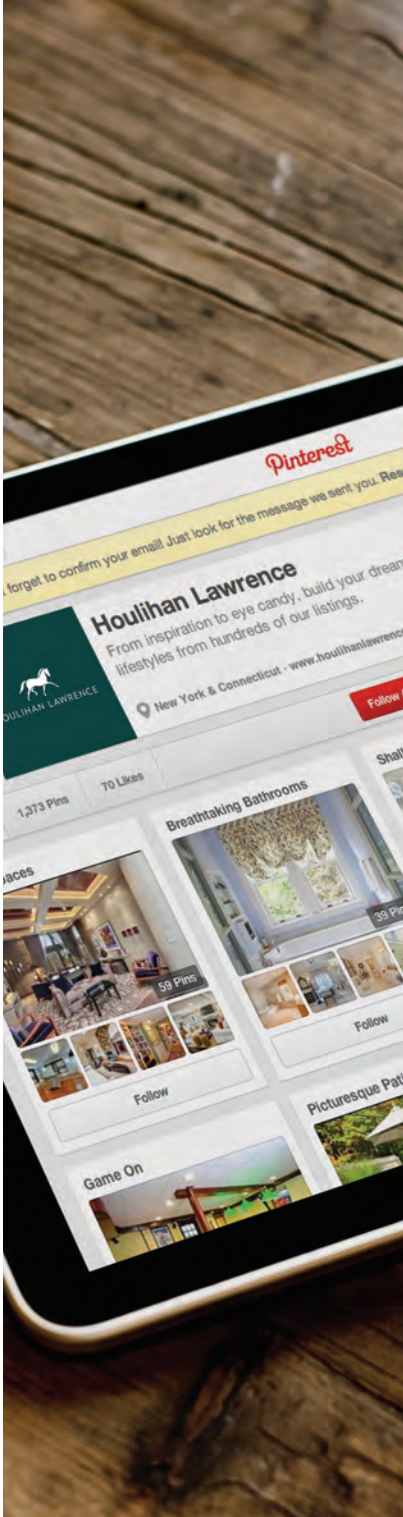
Fire Underwriters Certificate – All electrical renovation and new construction must be inspected and certified by a New York State electrical inspector or underwriter. Consult your local code enforcement department for instructions.

The ways in which buyers find their new home evolves at a rapid pace in this digital age. As more real estate information becomes available online, a trusted agent becomes more essential to both buyers and sellers. Our clients value us as advisors to interpret data and provide local area insights that cannot be found online. Moreover, Houlihan Lawrence makes advances in mobile and digital technology to work for home sellers; we partner with global portals, regional brokerages and local media to ensure that we do not miss an opportunity to connect with a buyer. Houlihan Lawrence recognized the importance of building relationships with buyers through social media early on. We have grown our digital communities on Facebook, Google+, Twitter, Pinterest, Instagram, YouTube, and more, and they are waiting to see your home. There has never been a more important time to have Houlihan Lawrence working for you.

The most important factor to consider when choosing a real estate professional to represent you is significant experience selling properties in your community. We are proud of the breadth of our real estate knowledge of Westchester, Fairfield, Putnam, and Dutchess counties. From estate properties to townhomes, our marketing model effectively drives potential buyers to preview your home. Any realtor can promise you an ad in the local paper, but we provide full exposure on multiple platforms, which is optimal in reaching the largest potential buyer pool.

With 30 offices and over 1,300 agents, we have the power of leadership serving New York City's northern suburbs.

Our professional, award-winning in-house advertising and marketing team focuses on highlighting what makes your house unique.



MARKETING

YOUR PROPERTY

At Houlihan Lawrence we are committed to identifying what is unique about each property and making that information available to all potential homebuyers, wherever they are.

CUSTOM PUBLICATIONS

Houlihan Lawrence designs and prints our own unique publications, creating a customized design, content and distribution plan that creates maximum exposure for each property.

Houlihan Lawrence Gallery of Homes and Houlihan Lawrence Portfolio – These custom magazines are published throughout the year and highlight the wide range of properties offered by Houlihan Lawrence. Organized by type of property and location, they are widely distributed in key Manhattan, Westchester, Fairfield, Putnam, and Dutchess locations.

SPECIAL SERVICES

Private Brokerage – No other brokerage in the region sells more luxury homes than Houlihan Lawrence. In helping our most discerning clients, we emphasize privacy, exceptional service, and hyper-targeted marketing. Our partnerships with global brokerages and commitment to innovation ensure success for both buyers and sellers.

Our full-time *Global Business Development Team* markets Houlihan Lawrence properties to corporations across the country for homebuyers relocating to this area. Our affiliation with the Leading Real Estate Companies of the World network creates global exposure for Houlihan Lawrence listings and allows our agents the ability to assist you with your real estate needs around the world.

Thoroughbred Mortgage has an expert team of loan officers who provide loan products that simplify the process of qualifying and approving homebuyers.

Thoroughbred Title Services works seamlessly with Houlihan Lawrence real estate agents and your real estate attorney to ensure a timely, precise closing. Thoroughbred Title offers our buyers savings of 10% or more when compared to our local competitors. Thoroughbred Title Services is committed to keeping your closing fees down by offering the lowest title insurance premium and lowest service fees in the local marketplace.

CUSTOMIZED MARKETING TOOLS

Through our wide range of products and resources, each property we list benefits from a customized mix of marketing opportunities, maximizing exposure to potential buyers and assuring the best selling price. Your Houlihan Lawrence agent will discuss the publications, digital content, virtual tours and videos, custom brochures, targeted direct marketing, and open houses to sell your property.

GLOBAL

STRATEGIES FOR THE DIGITAL AGE

Today's homebuyers begin their search online, often via mobile device and can be located anywhere in the world. A strong digital presence and a network of global partners are the keys to success.

THE LEADING DISTRIBUTION NETWORK IN REAL ESTATE

When your home appears on HoulihanLawrence.com it is also featured on all major local, national, and international websites, search engines, and apps.



The websites listed above are subject to change, some listings may not appear on these sites based on geography and price.

BUYERS ARE SOCIAL

And so are we. Since 2008, Houlihan Lawrence has presented lifestyle content on social media to attract homebuyers to our markets. Today we have thousands of followers online waiting to see your home.

OVERSEAS PARTNERSHIPS

Discerning real estate buyers around the world trust established brand names for their real estate information. Rest assured that Houlihan Lawrence has carefully selected the most prestigious international partners with stellar brand recognition and reputation to partner with. Together, we offer our clientele unparalleled marketing opportunities with greater and more expanded international exposure than any of our peers.





MAXIMIZING EXPOSURE

translates to the highest selling price for your home.

Each year Houlihan Lawrence attracts more than 3.5 million potential buyers searching for homes in this area. Every month visitors come from all 50 states and over 145 countries. We recently sold homes to buyers from England, Russia, Germany, and Australia, to name just a few.

By featuring our listings on all the major national homesearch websites and presenting these properties on international sites, we offer the most comprehensive internet exposure possible for your home.



THE ACCEPTABLE OFFER

AND CONTRACT OF SALE

An acceptable offer is not binding to either party until the contracts have been signed by both parties and delivered back to the buyer's attorney.

Once we have achieved our goal of an acceptable offer you can expect the following to occur:

Home Inspection – Ordinarily, the buyer will schedule an inspection as soon as possible. The selling agent is responsible for accompanying the inspector as well as the buyer. A thorough inspection includes the basement, attic, electrical, plumbing, septic systems, and well, if applicable. The buyer may also inspect the oil tank, radon levels, and for the presence of lead paint (if the home was built prior to 1978), according to federal law. Houlihan Lawrence agents recommend ONLY licensed inspectors, although buyers may use whomever they wish. In Westchester and certain parts of Dutchess, the seller is responsible for testing private well water.

Appraisal – This occurs early in the mortgage process, and is required for mortgage approval.

Written Mortgage Commitment – The borrower will receive a commitment letter with various conditions that must be cleared prior to scheduling a closing date.

The Closing Date – This must accommodate you and the purchasers, as well as the three attorneys involved: yours, the purchaser's, and the attorney representing the lending institution. Your Houlihan Lawrence agent will make every effort to attend the closing.

The Walk-Through – Customarily performed 24-48 hours prior to closing after the premises have been vacated, ensuring that all fixtures previously agreed upon remain and that the overall condition of the property is acceptable.

The Closing – Your attorney can explain the closing process.

CONTRACT OF SALE

Contractual negotiations begin once you have an accepted offer. At this time, the inspections should be complete or near completion.

A STEP-BY-STEP PROCESS

- Your listing agent will send a memorandum of the accepted offer to you, to your attorney, and to the buyer's attorney.
- Your attorney will prepare the contract of sale and send it to the buyer's attorney once all property inspections have been completed. In some cases, inspections will take place after the contract has been signed, if agreed upon by both parties.
- The buyer's attorney will review the contract and then discuss modifications, if any, with your attorney.
- Once the contract is finalized, the buyer will sign it and provide the down payment specified. Then, the signed contract and down payment check will be sent to your attorney.
- You will sign the contract and your attorney will send a fully executed copy to the buyer's attorney.
- Both parties will satisfy any contingencies that remain in the contract, such as finalizing financing or performing any further inspections.

INCLUDED IN THE CONTRACT OF SALE

Please note that this is not a complete list, but only a partial one outlining major details included in the contract of sale. Each contract of sale will vary based on the circumstances of the purchase. Your attorney can assist you with any questions you may have regarding the contract.

- A legal description of the property, including boundaries, property size, and address.
- The selling price of the property, the down payment amount, and the balance due on closing.
- The specific terms of the financing by personal assets and/or by loans.
- A provision voiding the agreement if the mortgage contingency is not met.
- The target closing date – this date will be finalized later on in the process.
- Provisions regarding incomplete inspections.
- A finalized description of personal property that will and will not be included in the sale.
- A clause specifying that the house will be sold in its current condition, unless otherwise noted.
- A stipulation that the sale is conditional upon the seller providing the title and certificate of occupancy.

SUMMARY

The following is excerpted from publications of the National Association of Realtors and from the Westchester Realtor's Guide to Fair Housing and Equal Opportunity Real Estate Practice.

1866 CIVIL RIGHTS ACT

All citizens of the United States shall have the same right in every state and territory, to inherit, purchase, lease, sell, hold and convey real and personal property. On June 17, 1968, in the case of Jones vs. Mayer, the United States Supreme Court held that the 1866 law prohibits all racial discrimination, private as well as public, in the sale or rental of property. Thus, any individual who feels he or she has been discriminated against can immediately file a suit in Federal Court. The court can stop the sale of a house or rental of an apartment to someone else or award damages and court costs.

The 1968 Supreme Court decision further held that the 1866 Act protects all individuals against the following:

1. Denial that housing is available for inspection, sale or rent when it really is available.
2. Discrimination in the terms of conditions of sale or rental lease.

1968 FAIR HOUSING LAW

Title VII of the Civil Rights Act of 1968 (the Federal Fair Housing Law), declared it a national policy to provide fair housing throughout the United States. This law and subsequent amendments make discrimination based on race, color, religion, sex, or national origin illegal in connection with the sale or rental of most housing and vacant land offered for residential construction or use.

The Fair Housing Law provides protection against the following acts, if they are based on race, color, religion, sex, or national origin:

1. Refusal to sell or rent, or to deal or negotiate with any person.
2. Denial of a loan, or creation of different terms or conditions for home loans, by commercial lenders, such as banks, savings and loan associations, or insurance companies.
3. Discrimination by advertising that housing is available only to persons of a certain race, color, religion, sex, or national origin.
4. "Blockbusting" for profit (i.e., persuading owners to sell or rent housing by telling them that minority groups are moving into the neighborhood).
5. Denial to anyone of the use of, or participation in, any real estate services such as a brokers' organizations, multiple listing services, or other facilities related to the selling or renting of housing.

NEW YORK STATE LAW

New York State law prohibits discrimination in the sale, rental, or lease of housing accommodation on the basis of race, creed, color, national origin, sex, disability, or marital status by the owner, lessee, sublessee, or managing agent of housing accommodations, or by real estate brokers and salespersons.

The law also prohibits discrimination in:

1. The terms, conditions or privileges of the sale, rental, or lease, or in the furnishing of facilities or services in connection with any housing accommodation.
2. The printing or circulation of any statement or publication or the use of any form of application or publication for the purchase, rental, or lease of a housing accommodation.

The provisions of this paragraph shall not apply: (1) to the rental of a housing accommodation in a building which contains housing accommodation for not more than two families living independently of each other, if the owner or member of his family restricts the rental of all rooms in a housing accommodation to the individuals of the same sex or (2) to the rental of a room or rooms in a housing accommodation, if such a rental is by the occupant of the housing accommodation or by the owner of the housing accommodation, and he or a member of his family resides in such housing accommodation.

FAIR HOUSING AMENDMENTS ACT OF 1988

This Act strengthened the enforcement of the 1968 Fair Housing Law. It also provided substantial additional protection for handicapped persons seeking housing and limited restrictions on purchasers or renters on account of age or familial status. Sellers or landlords who would decline to sell or rent to persons on account of handicap or familial status are advised to consult an attorney beforehand.

ARTICLE 10 OF THE NATIONAL ASSOCIATION OF REALTORS CODE OF ETHICS

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Amended 1/14)

CLOSING COSTS

AND TAXES

Buyers and sellers both pay closing costs, which vary with each transaction.

SELLER'S CLOSING COSTS

Outstanding Liens – Any remaining mortgage principal, home equity, or other loans must be satisfied at closing.

New York State Transfer Tax – The New York State transfer tax is computed at a rate of .4% of the sale price or \$4.00 per \$1,000 of the sale price.

Property Taxes – All property taxes on the property through the closing date. If the appropriate tax or taxes are paid for a period ending after the closing date the buyer will reimburse the seller through bank funds at closing.

Property Condition Disclosure Credit – Sellers can decline to fill out the Property Condition Disclosure Statement form and credit the buyer \$500 at closing.

Attorney – Seller's attorney fees are usually agreed upon between attorney and seller prior to retaining services.

Commission – The real estate commission agreed upon by the seller and the seller's real estate broker when signing the listing agreement.

IRS Form 2119 – Sellers of property are expected to file this form (Sale or Exchange of Principal Residence) for the year in which the property was sold. Consult your accountant for further information.

BUYER'S CLOSING COSTS

TAXES PAID AT CLOSING

Mansion Tax – All home sales of \$1,000,000 and over are subject to this New York State tax of 1% of the entire purchase price.

Mortgage Tax – A New York State tax between 1.05% and 1.55% of the total mortgage minus the \$30 residential fee exemption.

Reimbursement to Seller for Prepaid Taxes – The buyer will owe the seller a portion of the property taxes previously paid for by the seller.

Tax Escrow – The lender may require the buyer to deposit funds into an escrow account for bank payment of the next year's taxes and insurance.

INSURANCE COSTS

Departmental Searches – A fee for the search of municipal records for property violations.

Endorsements – A fee for added insurance coverage to the basic title requirement.

Title Insurance – A premium paid to ensure the purchaser's clear title and the lender's lien on the property. Cost will vary according to purchase price of house.

Homeowners Insurance Policy – The buyer is required to bring to the closing a paid receipt for an insurance policy listing the lender as the loss payee. Cost will vary according to type of coverage and insurance company.

Recording Fee – A fee paid to the county clerk to record the deed and mortgage.

Survey (if required) – A fee to survey the property. A bank may require a new survey if the existing one is more than ten years old.

Survey Inspection – A fee for the title company to inspect the existing survey and property.

MISCELLANEOUS COSTS

Attorney – Buyer's attorney fees will vary depending on the attorney, and may be billed on an hourly basis or as a preset amount.

Adjustments or Apportionments – Fees that are pro-rated to determine the buyer's costs, including adjustments on taxes and on fuel remaining in the tank.

GLOSSARY OF TERMS

ACCEPTABLE OFFER

An acceptable offer is not binding to either party until the contracts have been signed by both parties and delivered back to the buyer's attorney.

ADJUSTABLE-RATE MORTGAGE (ARM)

A loan in which the interest rate can adjust up or down according to an interest rate index at set adjustment periods. The initial monthly payments will be lower with an ARM than with a fixed-rate mortgage and payments will fluctuate according to index performance.

ADJUSTMENT CAP

The maximum percentage the interest rate can go up or down each time it is adjusted.

ADJUSTMENT PERIOD

The time period between interest rate changes on an ARM. You can select an adjustment period from six months up to ten years.

AMORTIZATION

The payment of debt in regular installments of principal and interest, reducing the mortgage balance owed.

ANNUAL PERCENTAGE RATE (APR)

The interest rate reflecting the annual cost of the mortgage annually. It is usually higher than the advertised rate because it takes into account points and other credit costs, allowing comparison of real costs.

APPRAISAL

An estimate of the current value of a property based upon recent, similar home sales within the area, the current condition of the home, real estate market conditions, and other factors.

ASSUMPTION OF MORTGAGE

A buyer's agreement to assume liability under an existing note secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.

BALLOON PAYMENT

A lump sum principal payment due at the end of certain types of mortgages or other long-term loans.

CERTIFICATE OF OCCUPANCY (CO)

A certificate issued by the municipality's building inspector declaring that the house and any improvements have been constructed in compliance with all applicable state, county, and town codes and confirms that the homeowner has legal permission to use these improvements.

CLOSING

The meeting during which the deed to the home is legally transferred from the seller to the buyer and final documents involving the sale and its financing are signed.

CLOSING DISCLOSURE

The financial disclosure summary accounting for all funds received and expended at closing, including deposits for taxes, hazard insurance, and mortgage insurance.

COMMITMENT

An agreement or written guarantee from a lending institution to provide a loan of a specific amount on specified terms to finance a home purchase.

CONDOMINIUM

A form of real estate ownership in which the owner has title to a particular unit of a multi-unit complex and also has a proportional interest in certain common areas. The unit's interior surfaces generally serve as boundaries of the owned space.

CONTINGENCY

A condition agreed upon by both parties that must be satisfied before a contract is binding.

CONVERSION CLAUSE

A provision in some ARMs offering the option to change the ARM to a fixed-rate mortgage, usually after the first adjustment period.

COOPERATIVE (CO-OP)

A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

COVENANTS, CONDITIONS, AND RESTRICTIONS

Documents that control the usage, and stipulate the requirements and restrictions of, a property.

CREDIT REPORT

A report compiled by one or more credit bureaus that details credit history, credit inquiries, and facts about all accounts ever opened with respective credit lines and on-time or late payment behavior.

DEED

A legal document that transfers ownership of a property (i.e., title) from the seller to the buyer.

DUE-ON-SALE CLAUSE

An acceleration clause requiring full payment of a mortgage or deed of trust when the secured property changes ownership.

EASEMENT

A right conferred by grant or agreement that allows use of another owner's land for a specific purpose.

ENCROACHMENT

Construction (e.g., a fence, driveway, or building) that illegally intrudes on another owner's property.

EQUITY

An owner's financial interest in a property, representing the property's current market value minus the mortgage balance.

ESCROW

A procedure in which a third party acts as a stakeholder for both buyer and seller, assuming responsibility for handling the paperwork and the distribution of funds.

ESCROW ACCOUNT

An account maintained by the lender to pay for future taxes, hazard insurance, and other items. A portion of your monthly mortgage payment (exceeding principal and interest) is deposited into this account for such usage.

FEE SIMPLE

The most comprehensive form of real estate ownership, in which the owner has unrestricted power to dispose of the property as desired, including leaving by will or inheritance.

FINANCE CHARGE

The total charge for obtaining a loan, including interest payments, any interim interest paid at closing, origination fee, and other charges levied by the lender.

FIXED-RATE MORTGAGE

A mortgage in which the interest rate and monthly payments remain the same over the life of the loan.

INDEX

A published rate used to determine changes in the interest rate of an ARM over the term of the loan.

INSPECTION

A comprehensive and exhaustive examination of a home by a licensed inspector. Often required as part of a mortgage and home loan process.

JOINT TENANCY

An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors assume the decedent's interest in the property.

LIEN

A legal hold or claim on property as security for a debt or charge.

LIFETIME ADJUSTMENT CAP

The maximum interest rate that can be charged on an ARM.

LOAN TO VALUE RATIO (LTV)

The ratio of the loan amount to the value of the property. Different loan programs have different maximum LTVs.

MANSION TAX

A NY State tax levied on all home sales of \$1,000,000 and over.

MARGIN

The percentage added to the index rate for each interest rate adjustment on an ARM.

MORTGAGE LIFE INSURANCE

A life insurance policy whose coverage decreases as the mortgage balance declines. If the borrower dies while the policy is still in force, the debt is automatically covered by insurance proceeds.

NEGATIVE AMORTIZATION

An increase in the mortgage balance occurring when monthly payments do not cover the interest cost. The uncovered interest is then added to the unpaid principal balance.

ORIGINATION FEE

A fee charged by the lender for work involved in evaluating, preparing, and submitting a proposed mortgage.

POINT

A one-time charge equal to one percent (1%) of the total loan amount. Points may be tax-deductible in some cases.

PRE-APPROVAL

The commitment a lender makes to a potential borrower of a loan amount based on a completed loan application. This application contains credit reports, income, debt, and savings information. The commitment is subject to the borrower meeting qualification requirements at time of purchase and review of collateral by an underwriter.

PREPAYMENT PENALTY

A fee charged to the mortgagor for payment of a loan before it is due.

PRIVATE MORTGAGE INSURANCE (PMI)

Insurance written by a private company to protect the lender against loss if the borrower defaults on the mortgage.

RATE CAP

The limit of how much the interest rate may change on an ARM at each adjustment and over the life of the loan.

RATE LOCK

A guarantee of a specific current interest rate through the closing date if it occurs within a specific time period.

REAL ESTATE SALES CONTRACT

A contract for the sale of real estate, in which the purchaser promises to pay the agreed purchase price and the seller agrees to deliver title to the property.

SURVEY

A measurement or drawing determining the exact location, boundaries, and other physical features of a property.

TERM

The length of time it will take to pay a mortgage in full.

TITLE INSURANCE POLICY

A policy that protects the purchaser and/or lender against loss resulting from defects of title.

OUR SERVICES

OUR OFFICES

Our 30 offices across New York City's northern suburbs comprise the most extensive real estate service in the region. More than just places to work, each is deeply integrated into its community; a home for agents and visitors alike.

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MORTGAGE SERVICE

Thoroughbred Mortgage is an independently owned mortgage bank affiliated with Houlihan Lawrence. Dedicated to providing you with a superior customer experience and long term financial security for you and your family, we will find the tailored solution that meets your homebuying or refinancing needs.

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TITLE SERVICE

Thoroughbred Title Services helps you save money by passing through closing cost savings directly to you. For the first time in New York State, our underwriter has initiated a 10% discount. Thoroughbred Title Services has streamlined the closing process and reduced service fees by an additional 5% - 16%, for a total savings of 15% - 26%.

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