

A. Use an attorney who specializes in real estate.

- If you want a smooth, hassle-free closing you should use a real estate attorney. He/She has the necessary knowledge and experience in real estate.
- Real estate attorneys are uniquely familiar with the terms of the real estate contracts and their implications.
- Real estate attorneys enable you to close with confidence and pursuant to the negotiated terms.

B. Get your attorney involved as soon as possible.

Take advantage of your attorney's experience. By meeting with your attorney in advance, he/she may assist you in:

1. Structuring your deal.

For example, would you like to save cash and finance your closing costs? If so, your attorney may suggest you add your closing costs to the purchase price, and receive a credit in the same amount at the closing.

2. Adding and subtracting contingencies.

For example, if you need to sell other property to qualify for your purchase, you may need to add a Hubbard Clause to the contract. If you are in a bidding war for a particular property and know you qualify for the necessary financing, you may be willing to delete the mortgage contingency to make your offer stronger and distinguish it from the competition.

3. Performing necessary due diligence and identifying risks.

- Are you employing the service of a professional property inspector? If not, why not? In the unlikely event that your inspector misses something important, you will sleep better knowing that you did everything in your power to identify the problem before it came to light.
- Did you test the presence of radon in the air, and well, if there is one?
- How old is the roof? Does it leak?
- Is the basement bone dry? Is there a sump pump?
- Is the property serviced by a septic system? Has it been regularly maintained? A septic system has a useful life. How old is the system in question?
- Is there an underground oil tank? Was there ever one in the past?
- Does the home have a chimney? Did you check the condition of its liner?
- Are you closing with tenants in possession? If so, is there a lease? What is the payment history? Is the tenant responsible? If there is a tenant who is vacating what is the likelihood that he will not timely vacate?

4. Suggesting a particular lender or loan type?

Your choice of lender will have a major impact on the quality of your experience. As to the type of loan, it is important to consider your intended holding period. For example, if you plan to stay indefinitely, a 30-year fixed rate loan may be your best option. If your holding period is short, you may want to consider applying for an interest only loan to keep the payment down.

5. Understanding the implications of the initial paper work you are asked to sign.

In some areas, such as New Haven County, realtors customarily prepare and present the buyer with legally binding contracts. In this instance, if you do not want to be legally

bound until after your attorney has reviewed your contract, you may insert wording such as “subject to attorney review” on the document. In other locales, such as Fairfield County, realtors prepare only binders. They are not legally binding documents, and you do not have a deal until the seller’s attorney prepares a formal contract, and it is signed on both sides.

6. Understanding the principal “OUTS”.

There are 2 principal ways to get out of almost every real estate transaction.

- I. The easiest way out is by way of the physical inspection contingency. The wording of the most inspection contingencies provides that such inspection must be “satisfactory to buyer”. If you are having second thoughts and want out of your deal, it is best to do so prior to the expiration of the physical inspection contingency. In most cases, this can be accomplished on a “no questions asked” basis.
- II. The second principal way out of a deal is through the mortgage contingency. The intent of this type of contingency is to provide the buyer with an out if he/she is unable to obtain the necessary financing. Depending upon its wording, this provision may enable you to get of a deal when a problem comes to light after expiration of the inspection contingency which is objectionable to your lender.

7. Hire your attorney before you sign a contract.

After you sign the sales contract, you will be legally bound to its terms and your attorney’s hands will be tied to change it. Therefore, to make the most effective use of your attorney, he or she must be retained before you sign. Better still, these services should be retained before signing even a non-binding purchase offer. If you consult with your attorney first, your offer and final contract may take into account the most favorable terms.