

The Process of Buying a Home in Massachusetts

Buying a home in Massachusetts is the most important financial decision most people make in their lives. There are several critical steps that a buyer should be aware of during this process. Having an attorney represent **your** interests is one of the best decisions that a buyer can make.

Pre-Approval

Before you get started looking at homes, you should be in contact with a lender to obtain a pre-approval letter. (Lane, Lane & Kelly represents several lenders and would be happy to assist you if you need recommendations) There is usually no charge for this letter, and it can be a big help when you begin the search for the home of your dreams. While, this letter is not a commitment for a loan, it is a statement by the lender that you will get a loan based on confirmation of the following: (1) you are telling the truth about employment, credit history, assets and liabilities; and (2) an appraisal agrees that the home that you want to buy is worth what you are paying for it.

The Offer to Purchase Real Estate

The offer is the initial agreement to purchase a property and will spell out terms such as:

- Purchase Price
- Deposit to be paid by Buyer (usually 5%)
- Amount of the mortgage the buyer will need to purchase the home “The Mortgage Contingency”
- The date the purchase will be completed “The Closing Date”
- The date the purchase and sales agreement need to be signed by seller and buyer
- The date by which buyer will complete any home inspections
- Any other contingencies

The offer is a legally binding contract on both parties. Once signed, both parties are obligated to diligently work towards the execution of a purchase and sales agreement. Also, buyers should be aware that once accepted, you are not able to add new conditions or contingencies after the fact. Carefully review and understand the offer you are making before presentment to the seller.

The Purchase and Sale Agreements in Massachusetts

The Purchase and Sales agreement sets forth the full rights and duties between Buyer & Seller and sets the time for performance. There are many issues that are crucial in this contract that should be reviewed by an attorney:

- Who is holding the deposit?

- When must you apply for the mortgage?
- When must you obtain a mortgage?
- Have the inspections been completed? Is the seller making repairs or is there a credit for repairs that the buyer should receive?
- Is the seller obligated to cure any title problems
- What happens if you don't get a mortgage commitment? Is your deposit returned?

The "standard" agreement that may be prepared by a real estate broker may not be the best agreement for your particular situation. An attorney can explain the importance of each of the provisions in the agreement and be sure you are protected.

The Closing

The Closing is the all important final stage of the transaction where the seller delivers the deed and possession of the property to the buyer, and the buyer delivers the sales price to the seller. At this time a closing attorney that has been selected by the lender will coordinate the payment of any outstanding liens on the property and arrange for all documents to be recorded. The transaction is summarized on a "HUD settlement statement" that discloses all charges and adjustments to both buyer and seller. Again, it is important for a buyer to be represented by their own attorney at the closing to make sure all charges and adjustments are proper, to discuss owner's title insurance, or to prepare escrow agreements if problems arise.

Summary

With proper planning and advice from professionals the entire process should lead to a smooth and stress-free closing. The attorneys at Lane, Lane & Kelly have handled thousands of real estate transactions, and would be honored to work with you to assure that the purchase of your home is a fulfilling experience.