

## BUYING A HOME? WHEN DO YOU REALLY NEED A LAWYER?

You've just signed a contract to buy a new home and it's time to think about getting ready for closing. You'll need to apply for a mortgage loan and contact a title company to handle the paperwork for both the loan and the purchase. Before you do that, though, it's probably a good idea to have a lawyer look at the contract, right?

WRONG! Once the contract is signed you're legally bound, and all a lawyer can do is tell you what your rights and obligations are. The time to call a lawyer is before you sign. Purchase contracts will vary depending upon the home you are buying. If you're buying from a developer, you are probably using the developer's form contract, which you can be sure the developer's lawyer had a hand in drafting. If you're buying from a private owner, you may be using a form contract obtained from a real estate broker or office supply store. Form contracts are useful and cover a lot of the details necessary to conclude a closing, but they may not address your own particular needs.

Is your contract contingent on getting your mortgage loan approved? Even if it is, does it specify whether the loan must meet any particular requirements? You may want to reserve the right to terminate the contract if you can't get a favorable interest rate or payment terms. The contract should give you enough time to submit a loan application, and the closing date specified in the contract should give you enough time to get your loan approved and closed. You may also need to make the contract contingent on your ability to sell your existing home, and the closing for the new home should coincide with the closing for the old home. This could require some negotiation, since the seller may not want you to tie up the new home indefinitely while you try to sell your old home. How are closing costs allocated in the contract? These are frequently negotiable, especially if the seller is anxious to close.

Is the contract contingent on a satisfactory inspection of the home? How much time do you have to inspect, and what types of inspections can you make? Most form contracts allow the buyer to inspect for termite damage and for the condition of specified components such as the roof, air conditioning, plumbing and electrical systems, appliances and similar items. Does the contract permit you to perform radon gas testing? You need to make sure it specifies everything you want to test or inspect, including the condition of outbuildings such as storage sheds, boat docks or other improvements. If your inspection discloses a problem, what happens then? Most form contracts establish what may be arbitrary limits on the cost of repairs that must be made by the seller, giving the buyer the right to either pay the excess or terminate the contract. Are the limits reasonable? If it's an older home, you may want to increase them.

These are only a few of the issues you may face when buying a home. If you have a real

estate broker, chances are that your broker has discussed many of these questions with you before you signed the contract; however, if you are dealing directly with the seller you'll need to be thinking about these kinds of issues. If the Seller has a real estate broker and you don't, you should be aware that in the absence of an agreement with you to the contrary, the broker has only limited liability to you. For most of us, our home represents our single largest investment, so it is only prudent to take as many precautions as possible in negotiating the contract before you sign on the dotted line. It can save you a lot of money and heartache down the road.

Word Count: 651