



Andrew W. Krantz has been practicing law since 1990. His primary practice areas include residential and commercial real estate, estate planning and administration, commercial transactions and liquor license transfers. He has assisted numerous clients in the acquisition and sale of restaurants, bars and liquor stores. His professional associations include the New Jersey Bar Association's Section on Real Property and the Monmouth County Bar Association. He is a past president and member of the Northern Monmouth Chamber of Commerce. He is a member of the Monmouth County Chapter of Brown University Alumni, for which he interviews students making application to the university. Mr. Krantz is also a member of the Real Estate Committee for the Monmouth County Bar Association. He received his Juris Doctor degree from Benjamin N. Cardozo School of Law and received his Bachelor of Arts degree in Business Economics from Brown University.

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Estate Planning and Administration
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Bar Admissions:

New Jersey, 1990
New York, 1991

Education:

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A.B.
Yeshiva University Benjamin N. Cardozo School of Law, New York, NY, 1990
J.D.

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Generations of Trust

268 Broad Street, Red Bank, New Jersey 07701
Phone: 732-747-3700 • Fax: 732-758-9068
akrantz@zagerfuchs.com • www.zagerfuchs.com

Frequently Asked Questions **WHEN BUYING A HOME**



Andrew W. Krantz, Esq.

www.zagerfuchs.com





WHY DO I NEED A LAWYER TO BUY A HOME?

The State of New Jersey requires you to have a lawyer involved in most real estate transactions. The lawyer will assist you in several aspects of the home buying process to make sure **your interests** are protected. They will work with your lender to ensure that your loan is timely, and closely review all documents prior to the actual closing. They also attend the closing and help you **clearly understand the documents** you will be required to sign.

WHAT IS PRE-APPROVAL?

Getting pre-approved means that you have a tentative commitment from a specific lender for mortgage funding. In this case, you provide a home loan lender with actual documentation of your income, assets, and debts. Once you are approved, the lender will give you a **letter of commitment** stating how much money the bank is willing to loan you for a home purchase. With a pre-approval in hand, real estate agents and sellers will take you much more seriously when they see you have your mortgage funding in place.

WHAT IS ATTORNEY REVIEW?

This is a three-day period in which buyers and sellers can have their contracts reviewed by a real estate attorney. The purpose of the review period is to allow the attorney the opportunity to be sure that their client's interests are adequately protected during the home buying process. All realtor prepared contracts must contain a three-day attorney review period. The time period starts once the fully signed contract is **delivered to both you and the Seller**.

WHAT HAPPENS AFTER ATTORNEY REVIEW?

After both attorneys agree that attorney review has concluded, you send to the Seller's attorney any additional deposit monies that may be due, have your inspections performed and proceed with your mortgage. Once all is done, the attorneys set up the closing date and prepare the closing package and the closing statement.

WHAT IS A HOME INSPECTION?

A home inspection is a **visual examination** of the physical structure and components of your potential new home. Home inspectors focus especially on the structure, construction, and mechanical systems of the house and will make you aware of any repairs that are needed. Generally, they check the electrical system, plumbing and waste disposal, the water heater,

insulation and ventilation, the HVAC system, water source and quality, potential presence of pests, the foundation, doors, windows, ceilings, walls, floors, and roof.

WHAT IS A TITLE SEARCH AND TITLE INSURANCE?

A title search is a means of determining that the person who is selling the property really has the right to sell it, and that the buyer is getting **all the rights** to the property that he or she is paying for. Title insurance is protection against loss arising from any problems connected to the title to your property. For example, someone along the way may have forged a signature in transferring title. Or there may be unpaid real estate taxes or other liens. Title insurance covers the insured party for any claims and legal fees that arise out of such problems.

WHAT IS AN APPRAISAL?

A real estate appraisal, performed by a licensed or certified appraiser, is an **estimate** of the current market value of a property, based on an analysis of current data. The current market value is what a ready, willing and able buyer might pay for the property in the current market. The appraisal helps protect the mortgage lender from lending on property that is worth less than the mortgage amount.

WHAT IS HOMEOWNER'S INSURANCE?

Homeowner's insurance is required when you obtain a mortgage. It covers everything from fire damage to liability if someone is injured on your property. A paid homeowner's insurance policy is **required at closing**, so arrangements will have to be made prior to that day.

WHAT IS MORTGAGE INSURANCE?

Mortgage insurance is an insurance policy which compensates lenders for losses due to the default of a mortgage loan. It is usually required for people who are **borrowing more than 80 percent** of what an appraiser estimates the property to be worth. In such cases, the mortgage lender may require mortgage insurance as a condition of the loan approval.

WHAT HAPPENS AT THE CLOSING?

At the closing, the Buyer and Seller sign the closing statement, you sign your mortgage documents and the Seller delivers the Deed. The Seller then gets their check and you get the keys. At that point, you own your new home!



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Frequently Asked Questions **WHEN SELLING A HOME**



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WHY DO I NEED A LAWYER TO SELL A HOME?

No law says you have to hire a lawyer when you're selling your home. However, there are a few good reasons to do so. As you enter into an intricate legal commitment, having a lawyer who represents **your interests**, and helps you understand your rights and obligations, is advantageous. Also, you will be called upon to deliver important legal documents such as the deed, and affidavit of title, and having a lawyer represent you in these matters gives you **added legal protection**.



WHAT IS THE DIFFERENCE BETWEEN A PRE-APPROVAL AND A MORTGAGE COMMITMENT?

A lender has performed a credit search for the buyer and has preliminarily determined that the buyer has **sufficient credit** to borrow a certain amount. A mortgage commitment can only be applied for after a contract has been signed. It is the **bank's commitment** to lend to the buyer based upon their thorough review of finances, credit, and appraisal of the property.

WHAT IS A SELLER'S CONCESSION TOWARDS CLOSING COSTS?

A seller concession is when the seller of the home **credits money back** to the buyer, that goes towards the buyer's closing costs. The credit may range from 1% to up to 6% of the sale price of the home. This allows the buyer to finance their closing costs into their mortgage, usually with no additional cost to the seller.

WHAT IS ATTORNEY REVIEW?

Within 3 business days of the receipt of a signed real estate contract, attorneys for the buyer and seller can either accept the contract **as is**, or reject the contract unless certain changes are made. The 3 business days do not include weekends and holidays and the first day starts to run once the signed contract is delivered to the buyer and the seller. If an attorney sends a letter asking for changes to be made to the contract, then the attorney review period is automatically extended until both parties come to an agreement.

WHAT HAPPENS AFTER ATTORNEY REVIEW CONCLUDES?

After attorney review is over, the buyer must make an additional deposit, and arrange for inspections, such as home, termite, radon, oil tank, lead paint, and septic/well. If the inspection reports show defects, the attorneys will attempt to **negotiate** any requested repairs or change in purchase price.

If no agreement is reached with regard to the reports, the contract will be cancelled and the deposit returned to the buyer. The buyer also moves forward with their mortgage application.

WHAT IS A MORTGAGE CONTINGENCY?

A mortgage contingency clause in a real estate contract allows a limited amount of time for the buyers to be approved for a mortgage in order to buy the property. This is called a mortgage commitment. If the buyers aren't approved within the time frame, then the contract can be **voided**.

WHEN DO I NEED A CERTIFICATE OF OCCUPANCY?

Some municipalities, but not all, require a Certificate of Occupancy in order to transfer title to a homebuyer. A municipal inspector will inspect the home and issue a report. If the report indicates building code violations, the seller must correct them prior to **transferring title**. All municipalities in New Jersey require that a smoke detector and carbon monoxide detector certification be obtained.

WHAT IS A REALTY TRANSFER FEE?

The Realty Transfer Fee (RTF) was established in New Jersey in 1968 to offset the costs of tracking real estate transactions. Sellers pay the fee, which is based on their property's sales price, upon the transfer of the deed to the buyers. Payment of the Fee is a **prerequisite** for recording the deed and is usually collected at the closing by the buyer's attorney for recording the deed at the county clerk's offices.

WHAT DOCUMENTS DO I SIGN AT CLOSING?

At closing, you will sign the Settlement Statement, which itemizes the services provided and lists the charges to both the buyer and the seller; the Deed for transferring title; and the Affidavit of Title that states you have the **right to sell** the property.

WHAT IF I CAN'T ATTEND THE CLOSING?

If you can't attend the closing, you can sign a Power of Attorney (POA). This document allows you to give someone else, such as your attorney or agent, the power to act and sign documents **on your behalf**.

WHAT HAPPENS AT THE CLOSING?

Once all remaining documents relating to the sale are signed, the seller **delivers the Deed** and the keys and receives a check or wire transfer for the proceeds of the sale.