



# ULTIMATE CO-OP BUYING GUIDE

A comprehensive guide to help you understand the co-op buying process and detail what **Better Homes and Gardens Real Estate Choice Realty** can do to get you approved by the co-op board.

**Better  
Homes**  
and Gardens.  
REAL ESTATE

**CHOICE  
REALTY**

Scarsdale Office - (914) 725-4020  
Hartsdale Office - (914) 725-4022  
[www.BHGREChoice.com](http://www.BHGREChoice.com)

# Our Story



## How BHGRE Choice Realty Can Help You!

### Team of Co-op Experts

You need an expert by your side. Buying a co-op can be daunting, but working with an expert can help! It's essential in the current market to work with a specialist. Our Experience Makes Yours Better.

### Award Winning Team Committed to Success

We pride ourselves on providing a unique Real Estate experience to meet your personal goals by explaining the entire buying process, keeping you informed along the way and by sharing proven tips & techniques.

### What Our Clients Are Saying About Us

- "Barry, John & the team were extremely professional"
- "We highly recommend BHGRE Choice Realty if you plan to buy or sell"



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# The difference between Co-op's & Condo's Your Buyer Should Know



**Co-ops are generally more difficult to buy & sell than condos because approval for ownership is more restrictive.**

## Co-ops

- Buyers need board approval
- Buyer gets shares of stock
- Owners pay monthly maintenance
- Taxes are included in the maintenance
- Minimum down payment requirement

## Condos

- Buyers do not need board approval
- Buyer receives a deed
- Owners pay monthly common charge
- Taxes are not included in the common charge
- No minimum down payment requirement

**Co-ops account for about 20% of all home sales in Westchester with 1,500+ sold and an average price of \$185K in 2020.**

# Ready to Buy?



## YOU DECIDE TO BUY A CO-OP, SO WHAT'S NEXT?

### 1. Check your Credit & Review your Financials

Now is a good time to review your credit score, credit report and gather all your financial documents.

### 2. Get a Mortgage Pre-Approval

Reach out to your bank or local lenders to obtain a mortgage pre-approval.

### 3. Work with a Realtor to view properties

Connect with a local, knowledgeable and licensed Realtor® to view properties, attend open houses, submit your offer and assist with the co-op board application.

### 4. Select a Real Estate Attorney

Contact attorneys who have experience with co-op transactions to assist you with your sale.

# Making an Offer



## YOU FOUND THE PERFECT CO-OP, SO WHAT'S NEXT?

### 1. Check your Debt-to-Income Ratio

Calculate your debt-to-income ratio using the fill-able Debt-to-Income Questionnaire at the end of this guide. Most co-ops want a debt-to-income ratio less than 25%-30%.

### 2. Your Realtor Submits your Offer

### 3. The Seller Accepts or Counters your Offer

### 4. The Contract of Sale is Drafted

# The Co-op Board



## YOUR OFFER WAS ACCEPTED, SO WHAT'S NEXT?

### 1. Begin Filling Out The Board Package

Once your offer is accepted and the Contract of Sale is fully executed you should begin working on the Board Package.

### 2. The Documents You'll Need To Provide

Most Board Applications will request recent Tax Returns, Employment Verification, Commitment Letter, Bank Statements, Net Worth Statements and Pay Stubs. The Board will also run a credit check and background check.

### 3. What the Board is Looking For

In addition to a debt-to-income ratio between 25%-30% most Boards look for good income, good credit and decent amount of cash savings after closing.

### 4. The Board Interview

Buyers must be prepared for financial questions and questions about who will live in the co-op. Dress well & don't be argumentative!

# Approval or Denial



## **You Were Approved So What's Next?**

Once you receive your Board Approval and Bank Clear To Close the Seller's Attorney will schedule the closing.

## **You Were Denied So What's Next?**

A Co-op Board does not have to give a reason for the rejection of an application, however co-op boards cannot discriminate. In most cases applications are denied for financial reasons. Read the Co-op Buyers Bill of Rights located at the end of this guide.

## **Has You Been Discriminated Against?**

If you feel you have been discriminated against contact

### **Westchester County Human Rights Commission**

112 East Post Road #308 White Plains, NY 10601

Phone: (914) 995-7710

[Inquiries@westchestergov.com](mailto:Inquiries@westchestergov.com)

<https://humanrights.westchestergov.com/filing-a-complaint>

**Better Homes and Gardens Real Estate Choice Realty**  
**Buyer/Tenant Income/Liabilities Questionnaire for Co-ops and Rentals**

Date: \_\_\_\_\_ Property Address: \_\_\_\_\_  
 Purchase/Lease Price \$ \_\_\_\_\_ DownPayment: \_\_\_\_\_% At Contract \$ \_\_\_\_\_  
 Agent Name: \_\_\_\_\_ Agent Phone: \_\_\_\_\_

Will any pets be living in the apt./home:  YES  NO Do any of the purchasers/tenants own another property:  YES  NO  
 Any Past Foreclosures/ Judgements/ Bankruptcies:  YES  NO Do any of the occupants smoke?  YES  NO  
 # of Occupants to live in apt./home: \_\_\_\_\_ Have you ever been rejected by a Board?  YES  NO

	<u>Primary Buyer/Tenant</u>	<u>Co-Buyer/Tenant</u>	<u>2<sup>nd</sup> Co-Buyer/Tenant</u>
Names (First & Last)	_____	_____	_____
Credit Score (Score & Score Source)	_____	_____	_____

YEARLY INCOME			
Salary Income (MUST BE VERIFIABLE)	\$ _____	\$ _____	\$ _____
Bonus Income	\$ _____	\$ _____	\$ _____
Commission Income	\$ _____	\$ _____	\$ _____
Alimony/child support Income	\$ _____	\$ _____	\$ _____
Other Income	\$ _____	\$ _____	\$ _____
Sub-Total Yearly Income	\$ _____	\$ _____	\$ _____

<b>"A" Total Monthly Income</b> (combined income all buyer/ 12)	Annual \$ _____	(A) Monthly \$ _____
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Reported Income on Last Tax Return: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 If Different from Total Income EXPLAIN WHY: \_\_\_\_\_

MONTHLY LIABILITIES			
Monthly Mortgage/Lease payment for this apt./home	\$ _____		
Monthly Maintenance/HOA for this apt./home	\$ _____		
Monthly School Loan(s)	\$ _____	\$ _____	\$ _____
Monthly Car Loan(s)	\$ _____	\$ _____	\$ _____
Monthly Car Lease(s)	\$ _____	\$ _____	\$ _____
Monthly Alimony	\$ _____	\$ _____	\$ _____
Monthly Child Support	\$ _____	\$ _____	\$ _____
Monthly Credit Card Debt	\$ _____	\$ _____	\$ _____
Monthly Other Property Tax / Mortgage / Common / Maintenance / Assessments / HOA	\$ _____	\$ _____	\$ _____
Monthly Other Debt	\$ _____	\$ _____	\$ _____
Sub-Total Monthly Debt	\$ _____	\$ _____	\$ _____

<b>"B" Application Monthly Debt</b> (all buyers combined)	\$ _____
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<b>Total Monthly Debt to Income Ratio ("B"/"A" X 100)</b>	_____	<b>Remaining Assets/ Cash after closing (Reserves)</b>	\$ _____
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I certify that the above information is accurate and complete. \_\_\_\_\_  
 Primary Buyer/Tenant Signature Co-Buyer/Tenant Signature 2<sup>nd</sup> Co-Buyer/Tenant Signature



**BILL OF RIGHTS FOR BUYERS AND SELLERS OF WESTCHESTER COUNTY CO-OPS  
MANDATED BY THE WESTCHESTER COUNTY CO-OP LEGISLATION**

As of December 14, 2018, if you are a prospective buyer for a co-op unit located within Westchester County, NY, you now have the following legal rights regarding your Board Application:

- A co-op will have 15 calendar days to determine whether an application from a prospective buyer is complete. If an application is not complete a buyer will be notified of the deficiencies, and offered an opportunity to make the necessary changes. After re-submission the 15 days can start again. Buyers should have applications signed by the recipient if hand delivered or sent in a way that there is proof of delivery.
- After 15 days without further notification an application is deemed complete. The co-op will then have 60 days to process the application and make a decision whether an applicant is accepted or rejected.
- If the co-op fails to render a decision within 60 days the buyer or seller may want to contact the Westchester County Human Rights Commission.
- In the event of a rejection of a prospective purchaser, a notice must be sent within 15 days to the Westchester County Human Rights Commission. This can be done in whatever manner the Co-op Board of Directors conveys the news of the rejection” to the applicant.
- If you are involved in a failed co-op transaction you have the right to notify the Human Rights Commission yourself to ensure compliance by the co-op boards and managing agents.
- Any co-op board that fails to notify the Human Rights Commission within 15 days will be subject to a fine of \$1,000 for the first offense; \$1,500 for the second offense; and \$2,000 for the third and any subsequent offense.
- Upon notification of a denial the Westchester County Human Rights Commission may call for an investigation. Buyers, Sellers, Realtors, Attorneys or any other party involved in a co-op transaction may also request the Human Rights Commission conduct an investigation. **Any notification to the Human Rights Commission must include the details of the transaction**, such as the memorandum of sale or similar document, and a copy of the listing. This should include contact information on Buyers, Sellers, Realtors and Attorneys.
- We strongly urge buyers to retain a copy of all paperwork submitted to the Board of Directors and Managing Agent since they may be necessary in case of an investigation.
- The Human Rights Commission will watch for patterns and practices of co-ops that have frequent rejections.
- The legislation “sunsets” three years from the date that the bill becomes law.
- Housing discrimination is the denial of equal opportunity in the rental, purchase, financing, and insuring of homes to people in a protected class. If you feel that you have been the victim of housing discrimination based on one of the federal, state or county protected classes, there are many agencies or organizations where you can file a complaint.

There are two ways the Human Rights Commission will accept copies of letters of rejection: CERTIFIED MAIL OR E-MAILS with a PDF Attachment. **The Human Rights Commission does not accept faxes.**

1. Certified Mail to: Westchester County Human Rights Commission, Attention FAIR HOUSING  
112 East Post Road, 3<sup>rd</sup> Floor, White Plains, NY 10601 Phone: (914 ) 995-7710
2. Via E-mail with a PDF to **HRC-[Inquiries@westchestergov.com](mailto:Inquiries@westchestergov.com)**