

January 23, 2010

## **The Application Process**



After the contract is signed, the buyer must submit a purchase application to the Board through the managing agent, which is a company employed by the cooperative or condominium to take care of the day-to-day affairs of the building.

### **What Do You Actually Submit to the Board?**

Among other things, the application will include a request for financial information (e.g., complete tax returns for the last two years and a financial statement), as well as a request for personal and business references. The request for financial information can be far-reaching and a potential buyer should be prepared to reveal all. In some cases, a building might accept verification from a buyer's accountant, financial advisor or bank, but these exceptions are rare. Since obtaining Board approval frequently takes longer than anticipated, make sure that the application is complete in all respects when it is submitted. Managing agents will not forward an application to a Board if a commitment for financing has not yet been obtained or if anything is missing from the application package. If they require eight copies of all documents,

give them eight copies! Although the application process can be time-consuming and cumbersome, your broker will assist you with preparation of the application and that should make the experience a lot less painful.

### **What Happens Next?**

Once the application is submitted to the managing agent, an interview will be arranged during which the proposed purchaser will be interviewed by a committee of the condo or co-op's Board. Within a day or two after the interview, the managing agent will notify your attorney as to whether you have passed muster. *Remember: the Board of Managers of a condominium really can't turn you down, the Board can only decide to exercise its right of first refusal and purchase the unit. With co-ops, however, the Board of Directors has the power to "turn down" a purchaser for any reason, provided the discrimination laws are not violated.* If you're approved, a closing is generally scheduled within several weeks after approval. If it's a co-op, the closing is held at the managing agent's office. Condo closings are usually held at the office of the seller's attorney.

For more about Co-op Board packages, see "[How to Avoid a Board Turn Down.](#)"

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