



January 31, 2010

## **Board Package Red Flags**

Here's a list of Board package red flags that must be carefully considered:

--**Don't fudge on your numbers** Present all financial information accurately and with sufficient back up. All bank and brokerage statements have to be submitted to verify the accuracy of your application.

--**Many co-ops don't like pets.** Make sure the building that you are interested in is pet friendly for your particular pet. As a general rule, applying to a co-op as a purchaser with multiple pets (unless they all swim and fit in a bowl), will probably be a problem. If your pet is part of your family, the contract should be subject to approval of your pet as well as you.

--**Litigation with a prior landlord, co-op or condo, is a real problem.** Co-ops often turn down lawyers because they are afraid of potential litigation. Co-ops generally check your payment history with your prior landlord, co-op or condo. If there is ongoing litigation or you have a history of being late with the rent, there is a high degree of likelihood you'll be 86'd. In addition, any other major litigation, including divorce litigation which is ongoing, may present approval problems. Remember, the Board will be reluctant to approve anyone who may have financial problems in the near future.

--**Google yourself.** Whatever is out there about you should be known before you submit your Board package.

--**You own another apartment** If you are in the process of selling your existing apartment or home, a co-op Board may be concerned about your ability to meet your

obligations to two homes. It is a much better scenario if you make your application with an executed contract to sell your existing apartment or house in place and all contingencies in that contract satisfied. Even when you have a signed contract, if that contract is subject to financing and Board approval thereafter, the Board may look unfavorably on your application as the sale of your existing apartment is questionable until such contingencies have been satisfied.

--**How good is your credit?** If you have serious credit problems, have filed for bankruptcy within the past five years, or have outstanding tax warrants or judgments, your ability to obtain Board approval is questionable. Unless the judgments of record are insignificant or have been satisfied in all respects, the approval process will be difficult if not impossible.

For more on what to know about the Board application process, see [How To Avoid A Board Turn Down](#)".

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