

Alert for first-time homebuyers

Preparing for the offer-to-closing process

“After finding the right home and presenting an offer that is accepted, buyers should start preparing for the process that takes them to the closing,” said Paul Gershkowitz, first vice president of retail lending for Berkshire Bank Home Lending, a partner in the MTA Mortgage Program. “The better prepared buyers are, the smoother the process goes.”

During this period, the buyer will be required to produce personal documents that the lender needs for the underwriting process. The buyer will receive disclosures from the lender that should be reviewed and returned with signatures.

Gershkowitz suggested a four-step plan for buyers and the use of online resources for more extensive information.*

1. **Selecting an attorney experienced in real estate transactions.** The bank loan officer will often suggest an attorney from an approved list. It is common in Massachusetts for the bank’s attorney to also represent the interests of the buyer. The closing attorney can help the buyer negotiate a purchase-and-sales agreement as well as act as counsel to ensure that other documents related to the closing are properly prepared and executed.
2. **Scheduling a home inspection.** The most reliable inspectors are usually members of the National Association of Home Inspectors, American Society of Home Inspectors or International Association of Certified Home Inspectors. Experienced inspectors will be familiar with local building codes as they look at the plumbing, electricity, roof quality and a seemingly endless list of items to be checked. Gershkowitz pointed out that inspectors can be overzealous, so buyers should not necessarily be alarmed when reading an inspection report. It is also important to hire companies that will test for termites, mold and other problems that could affect the structural integrity of the home. If cracks are visible in the walls or foundation, buyers may need to hire a structural engineer to determine the extent of the problem. Items the buyer wants corrected can be negotiated between the buyer and the seller with the help of the attorney. Issues uncovered in the inspection process also give the buyer the right to walk away from the purchase-and-sales agreement. See additional information in the **Field Guide to Home Inspections** by the National Association of Realtors: www.realtor.org/field-guides/field-guide-to-home-inspections.
3. **Coordinating with the mortgage company.** The mortgage company will work with the attorney to ensure that all legal documents needed for the closing are prepared and executed properly. These

documents include the settlement statement, deed and promissory note. The attorney will explain the meaning of the documents at the closing. For more information, see **Understanding the Mortgage Documents** by Freddie Mac:

www.freddiemac.com/homeownership/pdf/understanding_mortgage_documents.pdf.

4. **Securing home insurance.** Prior to the closing, the buyer must contact an insurance company and purchase a policy that properly insures the property at the time of closing. MTA members should contact MTA Benefits regarding selecting and purchasing the right home insurance policy.

For more information on the homebuying process and all the benefits you receive as an MTA member from Berkshire Bank, please contact 866.475.HOME (4663) or e-mail HomeLending@BerkshireBank.com.

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