

**First Time Homebuyer Presentation  
by Mayté Ramos**

**OUTLINE**

1. Pre-Approval
  - a. Application is completed when you submit the executed Purchase & Sale Agreement (“P&S Agreement”) to your lender;
  - b. Ask Loan Officer for time period from Application to Mortgage Commitment Letter; and
  - c. Ask Loan Officer for time period from Application to Closing Date.
  
2. Contact/Retain a Buyer’s Agent
  - a. vs. Seller’s agent;
  - b. vs. Dual Representation; and
  - c. vs. Facilitator.
  
3. Locate Property/Types of Property
  - a. Single Family;
  - b. Multi-Family;
  - c. Condominiums; and
  - d. Affordable Properties.
  
4. Offer
  - a. Appliances;
  - b. Earnest Deposit;
  - c. Contingencies;
  - d. Others: Rental Agreement/Tenants/Occupied vs. Vacant/Security & Last’s Month Deposit;
  - e. Condominiums: Operating Account/Reserves Account/Budget/Condominium Documents/Minutes of Last Two Meetings; and
  - f. Repairs/Warranties/Other
  
5. Home Inspections
  - a. The importance of home inspection
  
6. Purchase & Sale Agreement
  - a. Importance of hiring an attorney to represent your interest;
  - b. Bank’s Attorney’s Role;
  - c. Dual Representation;
  - d. Terms and Conditions; and
  - e. Final Agreement.
  
7. Mortgage Commitment Deadline
  - a. Importance of Applying on Time and Seller Notification; and
  - b. Approval and/or Denial.
  
8. Prior to Closing
  - a. Ways to Hold Title;
  - b. Owner’s Title Insurance . . . what it is and the importance of obtaining; and
  - c. Declaration of Homestead.
  
9. Closing
  - a. Government Issued Identification
  - b. Meaning of “Good Funds” (Bank Cashier’s Check/Wire); and
  - c. Estimated duration of closing is One Hour and Cell Phone Policy.





# Commonwealth of Massachusetts

## BOARD OF REGISTRATION OF REAL ESTATE BROKERS AND SALESPERSONS

[www.mass.gov/dpl/boards/re](http://www.mass.gov/dpl/boards/re)

### MASSACHUSETTS MANDATORY REAL ESTATE LICENSEE-CONSUMER RELATIONSHIP DISCLOSURE

#### THIS IS NOT A CONTRACT

This disclosure is provided to you, the consumer, by the real estate licensee listed in this disclosure.

#### THE TIME WHEN THE REAL ESTATE LICENSEE MUST PROVIDE THIS NOTICE TO THE CONSUMER:

All real estate licensees must present this form to you at the first personal meeting with you to discuss a specific property. In the event this relationship changes, an additional disclosure must be provided and completed at that time.

#### CONSUMER INFORMATION AND RESPONSIBILITY:

If you are a buyer or seller, you can engage a real estate licensee to provide advice, assistance and representation to you as your agent. The real estate licensee can represent you as the seller (Seller's Agent) or represent you as the buyer (Buyer's Agent), or can assist you as a Facilitator.

All real estate licensees, regardless of the working relationship with a consumer must, by law, present properties honestly and accurately, and disclose known material defects in the real estate.

The duties of a real estate licensee do not relieve consumers of the responsibility to protect their own interests. If you need advice for legal, tax, insurance, zoning, permitted use, or land survey matters, it is your responsibility to consult a professional in those areas. Real estate licensees do not and cannot perform home, lead paint, or insect inspections, nor do they perform septic system, wetlands or environmental evaluations.

Do not assume that a real estate licensee works solely for you unless you have an agreement for that relationship.

For more detailed definitions and descriptions about real estate relationships, please see page 2 of this disclosure.

#### THE SELLER OR BUYER RECEIVING THIS DISCLOSURE IS HEREBY ADVISED THAT THE REAL ESTATE LICENSEE NAMED BELOW IS WORKING AS A:

Check one:  Seller's agent  Buyer's agent  Facilitator

If seller's or buyer's agent is checked above, the real estate licensee must complete the following section:

Check one:  Non-Designated Agency

The real estate firm or business listed below and all other affiliated agents are also working as the agent of the  Seller  Buyer

Designated Agency

Only the licensee named herein represents the  Seller  Buyer (designated seller agency or designated buyer agency). In this situation any other agents affiliated with the firm or business listed below do not represent you and may represent another party in your real estate transaction.

By signing below, I, the real estate licensee, acknowledge that this disclosure has been provided to the consumer named herein:

_____ Signature of Real Estate Licensee	_____ Printed Name of Real Estate Licensee	_____ License #	<input type="checkbox"/> Broker <input type="checkbox"/> Salesperson	_____ Today's Date
_____ Name Real Estate Brokerage Firm	_____ Brokerage Firm Real Estate License #			
_____ Signature of Consumer	_____ Printed Name of Consumer		<input type="checkbox"/> Buyer <input type="checkbox"/> Seller	_____ Today's Date
_____ Signature of Consumer	_____ Printed Name of Consumer		<input type="checkbox"/> Buyer <input type="checkbox"/> Seller	_____ Today's Date

Check here if the consumer declines to sign this notice.

Copyright Date 2017  
Form ID: RA400 3/17



Last Revised: January 24, 2017  
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## TYPES OF AGENCY REPRESENTATION

### SELLER'S AGENT

A seller can engage the services of a real estate licensee to act as the seller's agent in the sale of the seller's property. This means that the real estate agent represents the seller, who is a client. The agent owes the seller client undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put the seller's interests first and attempt to negotiate price and terms acceptable to their seller client. The seller may authorize sub-agents to represent him/her in marketing its property to buyers, however the seller should be aware that wrongful action by the real estate agent or sub-agents may subject the seller to legal liability for those wrongful actions.

### BUYER'S AGENT

A buyer can engage the services of a real estate licensee to act as the buyer's agent in the purchase of a property. This means that the real estate agent represents the buyer, who is a client. The agent owes the buyer client undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put the buyer's interests first and attempt to negotiate price and terms acceptable to their buyer client. The buyer may also authorize sub-agents to represent him/her in purchasing property, however the buyer should be aware that wrongful action by the real estate agent or sub-agents may subject the buyer to legal liability for those wrongful actions.

### (NON-AGENT) FACILITATOR

When a real estate licensee works as a facilitator that licensee assists the seller and/or buyer in reaching an agreement but does not represent either the seller or buyer in the transaction. The facilitator and the broker with whom the facilitator is affiliated, owe the seller and buyer a duty to present all real property honestly and accurately by disclosing known material defects and owe a duty to account for funds. Unless otherwise agreed, the facilitator has no duty to keep information received from a seller or buyer confidential. Should the seller and/or buyer expressly agree, a facilitator relationship can be changed to a seller or buyer client relationship with the written agreement of the person so represented.

### DESIGNATED SELLER'S AND BUYER'S AGENT

A real estate licensee can be designated by another real estate licensee (the appointing or designating agent) to represent a buyer or seller, provided the buyer or seller expressly agrees to such designation. The real estate licensee once so designated is then the agent for that buyer or seller who becomes the agent's client. The designated agent owes the buyer client or seller client, undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put their client's interests first, and attempt to negotiate price and terms acceptable to their client. No other licensees affiliated with the same firm represent the client unless otherwise agreed upon by the client. In situations where the appointing agent designates another agent to represent the seller and an agent to represent the buyer in the same transaction, then the appointing agent becomes a dual agent. Consequently, a dual agent cannot fully satisfy the duties of loyalty, full disclosure, obedience to lawful instructions, which is required of a seller or buyer agent. Only your designated agent represents your interests. Written consent for designated agency must be provided before a potential transaction is identified, but in any event, no later than prior to the execution of a written agreement for purchase or sale of residential property. The consent must contain the information provided for in the regulations of the Massachusetts Board of Registration of Real Estate Brokers and Salespeople (Board). A sample consent to designated agency is available at the Board's website at [www.mass.gov/dpl/re](http://www.mass.gov/dpl/re).

### DUAL AGENT

A real estate licensee may act as a dual agent representing both the seller and the buyer in a transaction but only with the express and informed written consent of both the seller and the buyer. A dual agent shall be neutral with regard to any conflicting interest of the seller and buyer. Consequently, a dual agent cannot satisfy fully the duties of loyalty, full disclosure, obedience to lawful instructions, which is required of a seller or buyer agent. A dual agent does, however, still owe a duty of confidentiality of material information and accounting for funds. Written consent for dual agency must be provided before a potential transaction is identified, but in any event, no later than prior to the execution of a written agreement for purchase or sale of residential property. The consent must contain the information provided for in the regulations of the Massachusetts Board of Registration of Real Estate Brokers and Salespeople (Board). A sample consent to dual agency is available at the Board's website at [www.mass.gov/dpl/re](http://www.mass.gov/dpl/re).

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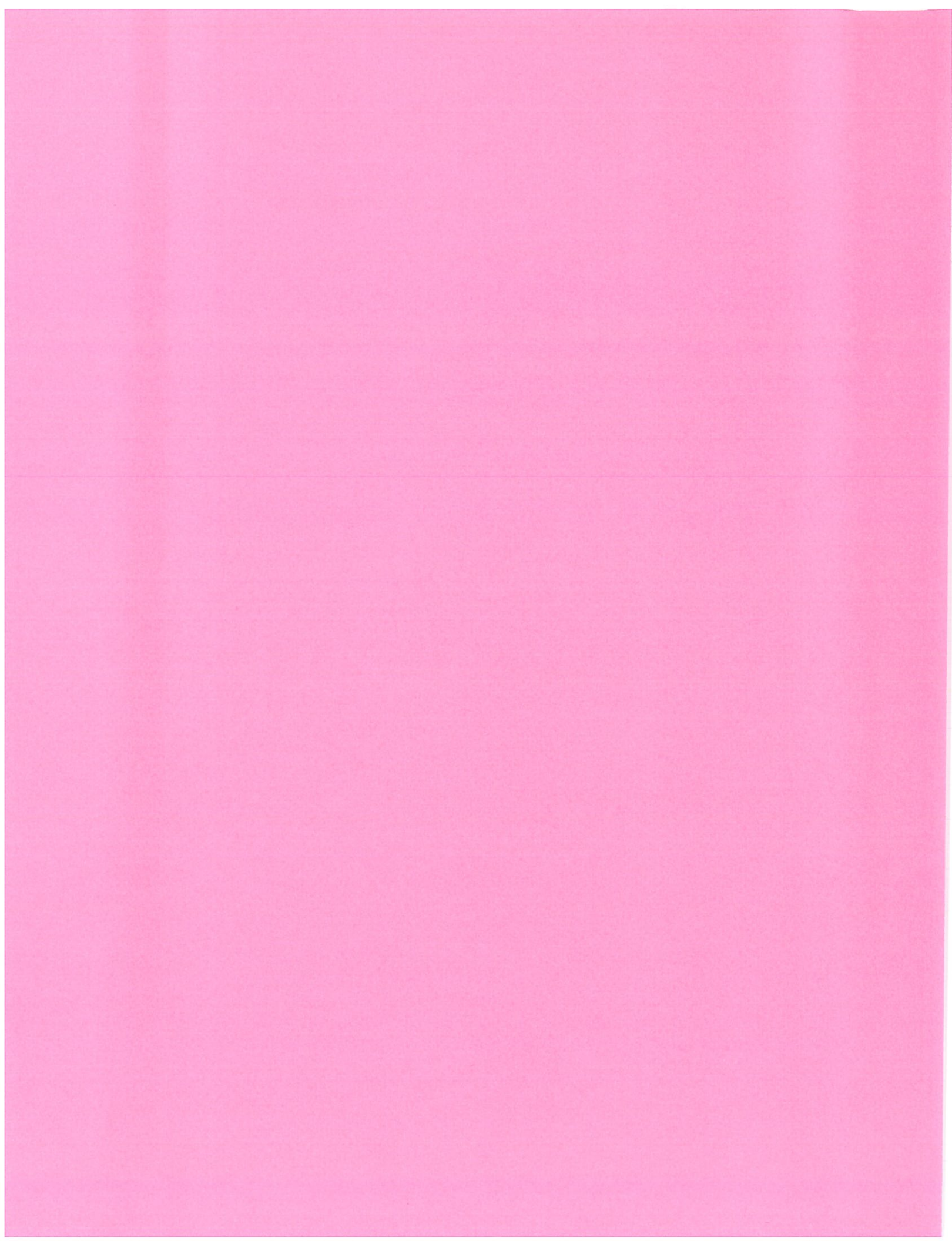
Form ID: RA400 3/17



Last Revised: January 24, 2017

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InstanetFORMS



## OFFER TO PURCHASE REAL ESTATE

TO \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 (Seller and Spouse)

Date: \_\_\_\_\_  
 From the Office of: \_\_\_\_\_

The property herein referred to is identified as follows: \_\_\_\_\_

Special provisions (if any) re fixtures, appliances, etc. \_\_\_\_\_

hereby offer to buy said property, which has been offered to me by \_\_\_\_\_  
 \_\_\_\_\_ as the Broker(s) under the following terms and conditions:

CHECK ONE:

1. I will pay therefore \$ \_\_\_\_\_, of which
  - (a) \$ \_\_\_\_\_ is paid herewith as a deposit to bind this Offer
  - (b) \$ \_\_\_\_\_ is to be paid as an additional deposit upon the execution of the Purchase and Sale Agreement provided for below.
  - (c) \$ \_\_\_\_\_ is to be paid at the time of delivery of the Deed in cash, or by certified, cashier's, treasurer's or bank check(s).
  - (d) \$ \_\_\_\_\_
  - (e) \$ \_\_\_\_\_ Total Purchase Price
2. This Offer is good until \_\_\_\_\_ A.M. P.M. on \_\_\_\_\_, 20\_\_\_\_ at or before which time a copy hereof shall be signed by you, the Seller and your (husband) (wife), signifying acceptance of this Offer, and returned to me forthwith, otherwise this Offer shall be considered as rejected and the money deposited herewith shall be returned to me forthwith.
3. The parties hereto shall, on or before \_\_\_\_\_ A.M. P.M. \_\_\_\_\_, 20\_\_\_\_ execute the applicable Standard Form Purchase and Sale Agreement recommended by the Greater Boston Real Estate Board or any form substantially similar thereto, which, when executed, shall be the agreement between the parties hereto.
4. A good and sufficient Deed, conveying a good and clear record and marketable title shall be delivered at 12:00 Noon on \_\_\_\_\_, 20\_\_\_\_ at the appropriate Registry of Deeds, unless some other time and place are mutually agreed upon in writing.
5. If I do not fulfill my obligations under this Offer, the above mentioned deposit shall forthwith become your property without recourse to either party. Said deposit shall be held by \_\_\_\_\_ as escrow agent subject to the terms hereof provided however that in the event of any disagreement between the parties, the escrow agent may retain said deposit pending instructions mutually given in writing by the parties. A similar provision shall be included in the Purchase and Sale Agreement with respect to any deposit held under its terms.
6. Time is of the essence hereof.
7. Disclosures: For one to four family residences, the Buyer hereby acknowledges receipt of the Home Inspectors: Facts for Consumers brochure produced by the Office of Consumer Affairs. For residential property constructed prior to 1978, Buyer must also sign Lead Paint "Property Transfer Notification."
8. The initialed riders, if any, attached hereto are incorporated herein by reference. Additional terms and conditions, if any:

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney. WITNESS MY HAND AND SEAL

Buyer \_\_\_\_\_ Buyer \_\_\_\_\_

Address/City/State/Zip \_\_\_\_\_ Phone Numbers (Work & Home) \_\_\_\_\_

Receipt of deposit check for transmittal by: (Agent/Facilitator) \_\_\_\_\_  
 Check shall not be deposited unless offer is accepted.

This Offer is hereby accepted upon the foregoing terms and conditions at \_\_\_\_\_ A.M. / P.M. on \_\_\_\_\_, 20\_\_\_\_  
 WITNESS my (our) hand(s) and seal(s)

Seller (or spouse) \_\_\_\_\_ Seller \_\_\_\_\_

Date \_\_\_\_\_ RECEIPT FOR DEPOSIT  
 Received from \_\_\_\_\_ Buyer the sum of \$ \_\_\_\_\_ as deposit under the terms  
 and conditions of above Offer, to be held by \_\_\_\_\_ as escrow agent.

**Under regulations adopted pursuant to the Massachusetts license law: All offers submitted to brokers or salespeople to purchase real property that they have a right to sell shall be conveyed forthwith to the owner of such real property.**

\_\_\_\_\_  
 Agent for Seller



## OFFER TO PURCHASE CONTINGENCY ADDENDUM

The BUYER, if checked, hereby incorporates the following contingencies into this Offer to Purchase Real Estate.

**MORTGAGE CONTINGENCY**

In order to help finance the acquisition of the property, the BUYER shall apply for a conventional bank or other institutional mortgage loan of \$ \_\_\_\_\_ at prevailing rates, terms and conditions. If despite the BUYER's diligent efforts a commitment for such loan cannot be obtained on or before \_\_\_\_\_, then the BUYER shall have the option of revoking this agreement by written notice to the SELLER and/or the Broker representing the SELLER prior to the expiration of such time, whereupon all deposits made by the BUYER shall be forthwith refunded, and this agreement shall become null and void and without further recourse to either party. In no event will the BUYER be deemed to have used diligent efforts to obtain such commitment unless the BUYER submits a complete mortgage loan application conforming to the foregoing provisions on or before \_\_\_\_\_.

**INSPECTION CONTINGENCY**

The BUYER may, at the BUYER's own expense and on or before \_\_\_\_\_, have the property inspected by a duly-licensed person engaged in the business of conducting home inspections. If it is the opinion of such inspector that the property contains serious structural, mechanical or other defects and if the repair of such defects would cost the BUYER in the aggregate more than \$ \_\_\_\_\_, then the BUYER shall have the option of revoking the agreement by written notice to the SELLER and/or Broker representing the SELLER on or before \_\_\_\_\_. Such notice shall be accompanied by a copy of the inspector's opinion and cost estimates.

**RADON CONTINGENCY**

The BUYER may, at the BUYER's own expense and on or before \_\_\_\_\_, have the property inspected for the presence of radon gas. In the event a customary test for the presence of radon gas indicates the presence of radon gas in excess of levels deemed acceptable by the federal Environmental Protection Agency, then the BUYER shall have the option of revoking the agreement by written notice to the SELLER and/or Broker representing the SELLER on or before \_\_\_\_\_. Such notice shall be accompanied by a copy of the test results.

**PEST INSPECTION CONTINGENCY**

The BUYER may, at the BUYER's own expense on or before \_\_\_\_\_, have the property inspected by a person engaged in the business of pest inspection and control. If it is the opinion of such inspector that the property is infested by termites or other wood boring pests, then the BUYER shall have the option of revoking this agreement by written notice to the SELLER and/or the Broker representing the SELLER on or before \_\_\_\_\_. Such notice shall be accompanied by a copy of the inspector's opinion and any related inspection report.

**LEAD PAINT CONTINGENCY ADDENDUM**

The BUYER may, at the BUYER's own expense and within ten (10) days after the acceptance of this agreement, have the property professionally inspected for the presence of paint, plaster or other accessible materials containing dangerous levels of lead (as such terms are defined by applicable Massachusetts laws and regulations). A copy of the inspector's report shall be furnished to the SELLER upon receipt by the BUYER. If it is the opinion of such inspector that any such materials are present on the property, then the BUYER shall have the option of revoking this agreement by written notice to the SELLER and/or the Broker representing the SELLER prior to the expiration of such time.

In the event the BUYER revokes the agreement consistent with the terms of the above selected Contingencies, then any deposits made by the BUYER shall be forthwith refunded, and this agreement shall be null and void and without further recourse to either party. ALL INSPECTIONS TO BE COMPLETED WITHIN \_\_\_\_\_ DAYS OF WRITTEN/VERBAL ACCEPTANCE OF OFFER.

Initials: SELLER (or Spouse) \_\_\_\_\_ SELLER \_\_\_\_\_  
 BUYER \_\_\_\_\_ BUYER \_\_\_\_\_  
 Broker(s) \_\_\_\_\_





# STANDARD FORM PURCHASE & SALE AGREEMENT

From the Office of:

This \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

1. PARTIES  
AND MAILING  
ADDRESSES  
*(fill in)*

hereinafter called the SELLER, agrees to SELL and

2. DESCRIPTION  
*(fill in and include  
title reference)*

hereinafter called the BUYER or PURCHASER, agrees to BUY, upon the terms hereinafter set forth,  
the following described premises:

3. BUILDINGS,  
STRUCTURES,  
IMPROVEMENTS,  
FIXTURES  
*(fill in or delete)*

Included in the sale as a part of said premises are the buildings, structures, and improvements now thereon, and the fixtures belonging to the SELLER and used in connection therewith including, if any, all wall-to-wall carpeting, drapery rods, automatic garage door openers, venetian blinds, window shades, screens, screen doors, storm windows and doors, awnings, shutters, furnaces, heaters, heating equipment, stoves, ranges, oil and gas burners and fixtures appurtenant thereto, hot water heaters, plumbing and bathroom fixtures, garbage disposers, electric and other lighting fixtures, mantels, outside television antennas, fences, gates, trees, shrubs, plants and, ONLY IF BUILT IN, refrigerators, air conditioning equipment, ventilators, dishwashers, washing machines and dryers; and

but excluding

4. TITLE DEED  
*(fill in)*  
*\*Include here by specific  
reference any restrictions,  
easements, rights and  
obligations in party walls not  
included in (b), leases,  
municipal and other liens,  
other encumbrances, and  
make provision to protect  
SELLER against BUYER's  
breach of SELLER's  
covenants in leases, where  
necessary.*

Said premises are to be conveyed by a good and sufficient quitclaim deed running to the BUYER, or to the nominee designated by the BUYER by written notice to the SELLER at least seven \_\_\_\_\_ days before the deed is to be delivered as herein provided, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except

- a. Provisions of existing building and zoning laws;
- b. Existing rights and obligations in party walls which are not the subject of written agreement;
- c. Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
- d. Any liens for municipal betterments assessed after the date of this agreement;
- e. Easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with the current use of said premises;
- \*f.

5. PLANS

If said deed refers to a plan necessary to be recorded therewith the SELLER shall deliver such plan with the deed in form adequate for recording or registration.

6. PURCHASE PRICE  
*(fill in) space is allowed to  
spell out the amounts  
if desired*

The agreed purchase price for said premises is \$

dollars, of which

\$ \_\_\_\_\_ have been paid as a deposit this day and

\$ \_\_\_\_\_

\$ \_\_\_\_\_ are to be paid at the time of delivery of the deed in cash, or  
by certified, cashier's, check(s).

\$ \_\_\_\_\_

\$ \_\_\_\_\_ 0.00 TOTAL

7. REGISTERED TITLE
- In addition to the foregoing, if the title to said premises is registered, said deed shall be in form sufficient to entitle the BUYER to a Certificate of Title of said premises, and the SELLER shall deliver with said deed all instruments, if any, necessary to enable the BUYER to obtain such Certificate of Title.
8. TIME FOR PERFORMANCE; DELIVERY OF DEED  
(fill in)
- Such deed is to be delivered at \_\_\_\_\_ o'clock ( am/ pm) on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, at the \_\_\_\_\_  
Registry of Deeds, unless otherwise agreed upon in writing. It is agreed that time is of the essence of this agreement.
9. POSSESSION and CONDITION of PREMISE  
(attach a list of exceptions, if any)
- Full possession of said premises free of all tenants and occupants, except as herein provided, is to be delivered at the time of the delivery of the deed, said premises to be then (a) in the same condition as they now are, reasonable use and wear thereof excepted, and (b) not in violation of said building and zoning laws, and (c) in compliance with the provisions of any instrument referred to in clause 4 hereof. The BUYER shall be entitled personally to enter said premises prior to the delivery of the deed in order to determine whether the condition thereof complies with the terms of this clause.
10. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM  
(Change period of time if desired).
- If the SELLER shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with the provisions hereof, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease, and this agreement shall be void without recourse to the parties hereto, unless the SELLER elects to use reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLER shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty \_\_\_\_\_ days.
11. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM, etc.
- If at the expiration of the extended time the SELLER shall have failed so to remove any defects in title, deliver possession, or make the premises conform, as the case may be, all as herein agreed, or if at any time during the period of this agreement or any extension thereof, the holder of a mortgage on said premises shall refuse to permit the insurance proceeds, if any, to be used for such purposes, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
12. BUYER'S ELECTION TO ACCEPT TITLE
- The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLER can deliver to the said premises in their then condition and to pay therefore the purchase price without deduction, in which case the SELLER shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the said premises shall have been damaged by fire or casualty insured against, then the SELLER shall, unless the SELLER has previously restored the premises to their former condition, either
- pay over or assign to the BUYER, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonably expended by the SELLER for any partial restoration, or \_\_\_\_\_
  - if a holder of a mortgage on said premises shall not permit the insurance proceeds or a part thereof to be used to restore the said premises to their former condition or to be so paid over or assigned, give to the BUYER a credit against the purchase price, on delivery of the deed, equal to said amounts so recovered or recoverable and retained by the holder of the said mortgage less any amounts reasonably expended by the SELLER for any partial restoration.
13. ACCEPTANCE OF DEED
- The acceptance of a deed by the BUYER or his nominee, as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.
14. USE OF MONEY TO CLEAR TITLE
- To enable the SELLER to make conveyance as herein provided, the SELLER may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed.

15. INSURANCE  
*\*Insert amount (list additional types of insurance and amounts as agreed)*
- Until the delivery of the deed, the SELLER shall maintain insurance on said premises as follows:
- | Type of Insurance           | Amount of Coverage |
|-----------------------------|--------------------|
| a. Fire & Extended Coverage | *\$                |
| b.                          | *\$                |
| c.                          | *\$                |
16. ADJUSTMENTS  
*(list operating expenses, if any, or attach schedule)*
- Collected rents, mortgage interest, water and sewer use charges, operating expenses (if any) according to the schedule attached hereto or set forth below, and taxes for the then current fiscal year, shall be apportioned and fuel value shall be adjusted, as of the day of performance of this agreement and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the BUYER at the time of delivery of the deed. Uncollected rents for the current rental period shall be apportioned if and when collected by either party.
17. ADJUSTMENT OF UNASSESSED AND ABATED TAXES
- If the amount of said taxes is not known at the time of the delivery of the deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement unless otherwise herein agreed.
18. BROKER'S FEE  
*(fill in fee with dollar amount or percentage; also name of Brokerage firm(s))*
- A Broker's fee for professional services of \_\_\_\_\_ is due from the SELLER to \_\_\_\_\_
- the Broker(s) herein, but if the SELLER pursuant to the terms of clause 21 hereof retains the deposits made hereunder by the BUYER, said Broker(s) shall be entitled to receive from the SELLER an amount equal to one-half the amount so retained or an amount equal to the Broker's fee for professional services according to this contract, whichever is the lesser.
19. BROKER(S) WARRANTY  
*(fill in name)*
- The Broker(s) named herein \_\_\_\_\_ warrant(s) that the Broker(s) is (are) duly licensed as such by the Commonwealth of Massachusetts.
20. DEPOSIT  
*(fill in name)*
- All deposits made hereunder shall be held in escrow by \_\_\_\_\_ as escrow agent subject to the terms of this agreement and shall be duly accounted for at the time for performance of this agreement. In the event of any disagreement between the parties, the escrow agent may retain all deposits made under this agreement pending instructions mutually given in writing by the SELLER and the BUYER.
21. BUYER'S DEFAULT; DAMAGES
- If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLER as liquidated damages unless within thirty days after the time for performance of this agreement or any extension hereof, the SELLER otherwise notifies the BUYER in writing.
22. RELEASE BY HUSBAND OR WIFE
- The SELLER's spouse hereby agrees to join in said deed and to release and convey all statutory and other rights and interests in said premises.
23. BROKER AS PARTY
- The Broker(s) named herein join(s) in this agreement and become(s) a party hereto, insofar as any provisions of this agreement expressly apply to the Broker(s), and to any amendments or modifications of such provisions to which the Broker(s) agree(s) in writing.
24. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, etc.
- If the SELLER or BUYER executes this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLER or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.
25. WARRANTIES AND REPRESENTATIONS  
*(fill in) if none, state "none"; if any listed, indicate by whom each warranty or representation was made*
- The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has the BUYER relied upon any warranties or representations not set forth or incorporated in this agreement. If any warranties or representations were relied upon by the BUYER, they are set forth here or incorporated elsewhere in this agreement:

26. CONTINGENCY CLAUSE  
(omit if not provided for  
in Offer to Purchase)

In order to help finance the acquisition of said premises, the BUYER shall apply for a conventional bank or other institutional mortgage loan of \$ \_\_\_\_\_ at prevailing rates, terms and conditions. If despite the BUYER's diligent efforts a commitment for such loan cannot be obtained on or before \_\_\_\_\_, 20\_\_\_\_\_, the BUYER may terminate this agreement by written notice to the SELLER and/or the Broker(s), as agent(s) for the SELLER, prior to the expiration of such time, whereupon any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto. In no event will the BUYER be deemed to have used diligent efforts to obtain such commitment unless the BUYER submits a complete mortgage loan application conforming to the foregoing provisions on or before \_\_\_\_\_, 20\_\_\_\_\_.

27. CONSTRUCTION  
OF AGREEMENT

This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and enures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLER and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.

28. LEAD PAINT LAW

The parties acknowledge that, under Massachusetts law, whenever a child or children under six years of age resides in any residential premises in which any paint, plaster or other accessible material contains dangerous levels of lead, the owner of said premises must remove or cover said paint, plaster or other material so as to make it inaccessible to children under six years of age.

29. SMOKE/CO DETECTORS

The SELLER shall, at the time of the delivery of the deed, deliver a certificate from the fire department of the city or town in which said premises are located stating that said premises have been equipped with approved smoke and carbon monoxide detectors in conformity with applicable law. In the event the premises are exempted from the statute governing installation of co detectors, the SELLER shall provide satisfactory evidence of such exemption

30. ADDITIONAL  
PROVISIONS

The initialed riders, if any, attached hereto, are incorporated herein by reference.

**FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978, BUYER MUST ALSO HAVE SIGNED LEAD PAINT  
"PROPERTY TRANSFER NOTIFICATION CERTIFICATION"**

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

SELLER: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Taxpayer ID/Social Security No. \_\_\_\_\_  
SELLER (or Spouse): \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Taxpayer ID/Social Security No. \_\_\_\_\_

BUYER: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Taxpayer ID/Social Security No. \_\_\_\_\_  
BUYER: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Taxpayer ID/Social Security No. \_\_\_\_\_

\_\_\_\_\_  
BROKER(S)



## GENERAL CHARACTERISTICS OF DIFFERENT WAYS TO HOLD TITLE TO REAL ESTATE

THE FOLLOWING INFORMATION IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF THE THREE COMMON WAYS OF HOLDING TITLE AND IS NOT PROVIDED FOR THE PURPOSE OF ADVISING YOU HOW TO TAKE TITLE.

IF FURTHER INFORMATION IS DESIRED ABOUT CREDITORS RIGHTS AGAINST THE TITLE, ADVANTAGES AND DISADVANTAGES WITH RESPECT TO ESTATE PLANNING AND OTHER PRACTICALITIES, YOU SHOULD SEEK LEGAL COUNSEL FROM YOUR ATTORNEY OR RETAIN AN ATTORNEY FOR ADVICE IN THESE MATTERS.

The three most common ways two or more persons may hold title to real estate are:

1. TENANTS IN COMMON
2. JOINT TENANTS
3. TENANTS BY THE ENTIRETY

### What Happenes Upon Death

1. When title is held as Tenants in Common, it is necessary to probate the estate of the deceased before the real estate may be sold or mortgaged. There is no right of survivorship.
2. When the title is held a Joint Tenants or as Tenants by the Entirety, the title automatically succeeds to the surviving title holder or title holders without the necessity to probate the estate of the deceased before the real estate may be sold or mortgaged.
3. In any case of death of an owner of real estate, whether Tenants in Common, Joint Tenants or Tenants by the Entirety, it is necessary to procure a release of the estate tax or taxes which automatically, by statute, become a lien on the property.

### Who has Control and Management?

1. When title is held as Tenants in Common or Joint Tenants, the rents, control, management and possession of the property is in the owners equally, in the absence of an agreement to the contrary, but the individuals can divest themselves of their individual share in the property without the joining in of the others.
2. Under the provisions of M.G.L. c.209, section 1, when title is held as Tenants by the Entirety, (which is limited to husband and wife) rents, control, management and possession of property are in the owners equally. Chapter 209 further provides:

"...The interest of a debtor spouse in property held as tenants by the entirety shall not be subject to seizure or execution by a creditor of such debtor spouse so long as such property is the principal, residence of the nondebtor spouse; provided, however, both spouses shall be liable jointly or severally for debts incurred on account of necessities furnished to either spouse or to a member of their family."

Neither the husband nor the wife can divest themselves of their interest in the property to any one except to each other so long as the marriage lasts without the signature of both."



# Why should I opt for an Owner's Title Insurance Policy?

Title insurance is quite different than most other types of insurance in terms of the type of risk that it covers. Most insurance, such as homeowners (property) insurance, protects the policy holder from risks in the future, such as fire or storm damage. Title insurance, however, provides coverage for past problems or errors in the chain of title to the property, such as missing or forged signatures, missing discharges, probate issues and a host of other problems. Buyers sometimes view title insurance as unnecessary because the events that are being insured have already occurred. The most common query is – “if there’s a problem with the title, why are we closing?”

There are actually two separate forms of title insurance – one form that protects the mortgage lender and the other that protects the new owner. In most transactions, where there is a mortgage lender, the lender will **require** a policy of title insurance to protect their loan (the “Loan Policy”). The buyer pays the premium as part of the closing costs for the transaction. A buyer has the option of purchasing a similar policy of protection for their own interests (the “Owner’s Policy”). The Owner’s policy requires an additional premium to be paid, but offers coverage in a greater amount and for the **buyer’s direct benefit**.

In answering the hypothetical buyer’s question, “why would the closing go forward if there was a problem with the title?” the simple answer is that title insurance protects against unknown past problems. Most title claims involve problems or disputes that existed at the time the property was purchased, but were uncovered in the future.

Possible Hidden Risks that may be protected against include:

- Forgery
- Fraud in connection with the execution of documents
- Unsatisfied claims not shown on the record
- Incorrect indexing at registries of deeds
- Conveyance of a minor
- Clerical errors in recording documents
- Improperly discharged mortgages, or undischarged mortgages

If an owner who purchased title insurance discovers a defect or dispute (usually this is discovered when a new title examination is performed in connection with a sale) the policy gives two critical protections. First, the insurance company will hire a real estate lawyer at their sole expense to determine whether the dispute is really a title defect. An uninsured owner, however, would have to pay their own attorney. Second, if the issue truly represents a defect in title that is, in fact covered by the policy, then the title insurance policy will assure that the transaction goes forward.

Title insurance premiums are based on the value of the real estate at the time of the purchase. The amount of coverage automatically increases during the first five years of coverage up to 150% of the original coverage amount for 1-4 unit residential properties. For example, if the original coverage



amount was \$500,000.00, the coverage would increase by the end of the fifth year to \$750,000.00. The premium for title insurance is paid once, at the closing, and is then effective for the entire time the buyer owns the property without the need to renew.

### **Is purchasing title insurance obligatory?**

It is if you need a mortgage, because all mortgage lenders require such protection for an amount equal to the loan. It lasts until the loan is repaid. As with mortgage insurance, it protects the lender but you pay the premium, which is a single-payment made upfront.

### **Does title insurance do anything for me?**

The required insurance protects the lender up to the amount of the mortgage, but it doesn't protect your equity in the property. For that you need an owner's title policy for the full value of the home. If the Buyer purchases an Owner's Title Insurance Policy for a slightly higher premium. The Lender's Title Insurance Policy is included for a "simultaneous issue" premium of only \$175.

### **When does title insurance protection begin and end?**

**With the exception noted later, title insurance only protects against losses arising from events that occurred prior to the date of the policy.** Coverage ends on the day the policy is issued and extends backward in time for an indefinite period. This is in marked contrast to property or life insurance, which protect against losses resulting from events that occur after the policy is issued, for a specified period into the future.

### **For how long is the property owner purchasing title insurance covered?**

Indefinitely. The owner's protection lasts as long as the owner or any heirs have an interest in or any obligation with regard to the property. When they sell, however, the lender will require the purchaser to obtain a new policy. That protects the lender against any liens or other claims against the property that may have arisen since the date of the previous policy.

For example, if the contractor you failed to pay for remodeling your kitchen places a lien on your home, you are not protected by your title policy; the lien was placed after the date of the policy. You will probably be required to get the lien removed before you can sell the property. But in the event the lien hasn't been removed and a search has failed to uncover it, the new lender will be protected by a new policy.

### **Will title insurance protect me against false claims that arose after I purchased the property?**

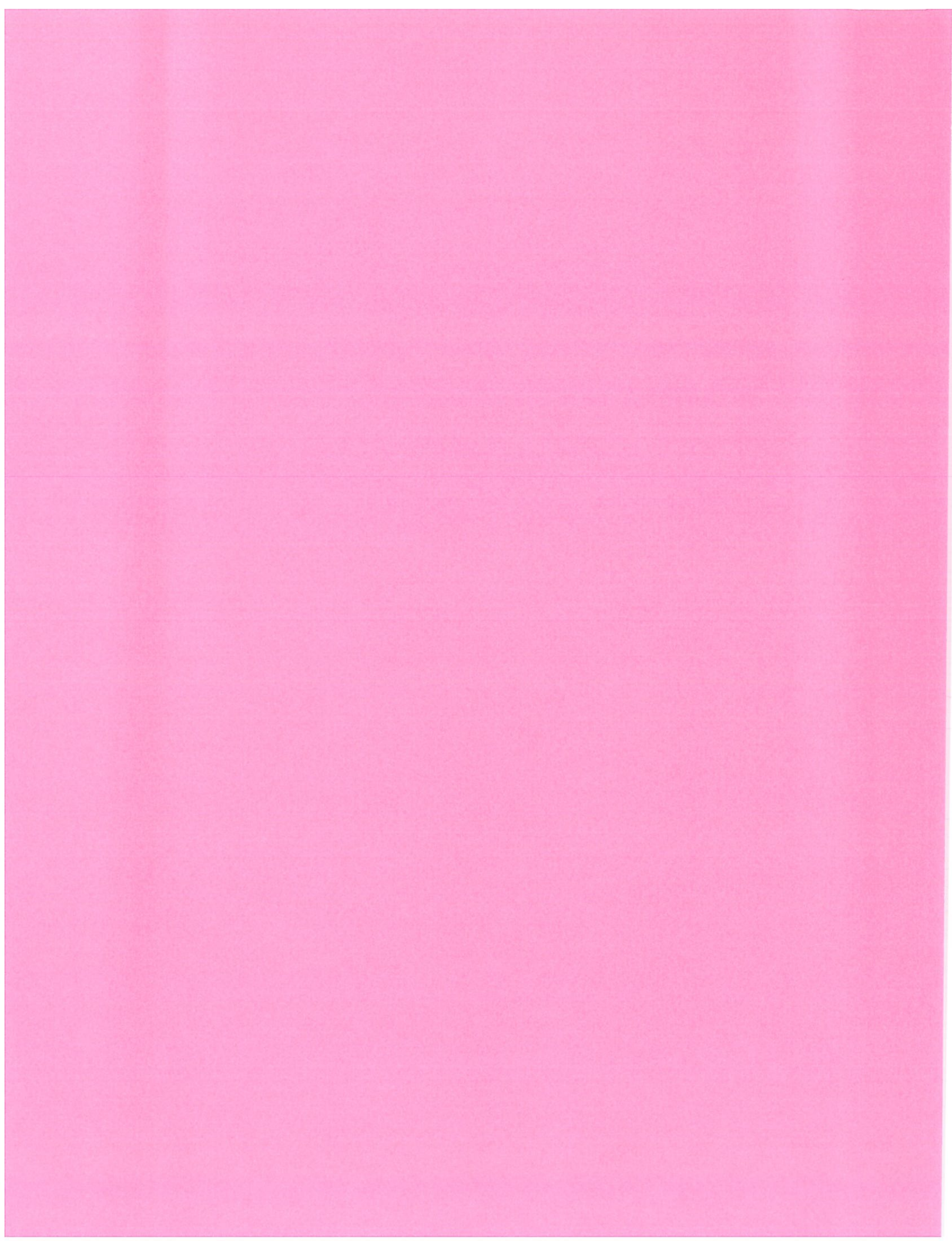
The standard policy does not, which is a weakness. Many events beyond your control can reduce the value of your house after you buy it. Identity theft can result in a new mortgage you know nothing about. A neighbor could build on your land without your knowledge, thereby adversely

possessing and possibly eventually taking your land. Or you may suddenly be told that you must correct a zoning violation of the previous owner.

To deal with these issues, a new policy with **expanded coverage** has been developed. Law Offices of Mayte Ramos is more than happy to offer its clients **expanded protection** through owner's title insurance policies. Additional benefits may include protection for forces removal due to failure to obtain a building permit, subdivision violation, post-policy date encroachment onto insured property and other risks. In addition you can insure that your coverage is maintained if you transfer the property to a trustee of a trust which you are the settler.

### **Why do I need to purchase a new policy when I refinance?**

You don't need a new owner's policy, but the lender will require you to purchase a new lender policy. Even if you refinance with the same lender, the existing lender's policy terminates when you pay off the mortgage. Furthermore, the lender is concerned about title issues that may have arisen since you purchased the property, such as the lien mentioned in an earlier question. A new title search will uncover the lien, and you will have to pay it off as a condition for the refinance.



# The Commonwealth of Massachusetts

William Francis Galvin, Secretary of the Commonwealth

## Declaration of Homestead for Homes Owned by Natural Persons *(General Laws Chapter 188)*

*In situations where the home is owned by multiple owners, each owner may be best served to complete a separate declaration of homestead.*

1.  I, \_\_\_\_\_,  
*(insert name of owner)*

We, \_\_\_\_\_,  
*(insert name of owners)*

\_\_\_\_\_  
\_\_\_\_\_

hereby declare homestead pursuant to M.G.L. c.188 and state that I/we own the home described below and occupy or intend to occupy the home as my/our principal residence.

### Owner Information

2. Check all that apply:

I/we, \_\_\_\_\_ am elderly (62 years of age or older).  
*(insert name (s))*

I/we, \_\_\_\_\_  
*(insert name (s))*

am/are disabled (have a physical or mental impairment that meets the disability requirements for Supplemental Security Income under 42 U.S.C. 1382c(a)(3)(A) and 42 U.S.C. 1382c(a)(3)(C). One of the following must be attached: 1) an original or certified copy of a disability award letter issued to the person by the United States Social Security Administration, or 2) a letter signed by a physician registered with the board of registration in medicine certifying that each person meets the disability requirements stated in 42 U.S.C. 1382c(a)(3)(A) and 42 U.S.C. 1382c(a)(3)(C).

I am married to \_\_\_\_\_,  
who is not a co-owner of the home but who occupies or intends to occupy the home as his/her principal residence.

I/we, \_\_\_\_\_  
*(insert name (s))*

am/are servicemember(s) who may be subject to protection under the servicemember(s) Civil Relief Act, 50 U.S.C. App 533, should I/we be called to active duty.

### Home Information

3. Address: \_\_\_\_\_, Massachusetts.  
*(street number and name, city/town)*

4. Select ONE of the following:

Deed is recorded in \_\_\_\_\_ Registry of Deeds in \_\_\_\_\_ and \_\_\_\_\_  
*(district/county) (book) (page)*

Certificate of Title \_\_\_\_\_ registered in the Land Registration Office \_\_\_\_\_ and \_\_\_\_\_  
*(number) (book) (page)*

Inheritance from \_\_\_\_\_, Docket number \_\_\_\_\_  
*(name of previous owner)*  
\_\_\_\_\_ in \_\_\_\_\_  
*(number) (county)*

For manufactured homes, license number \_\_\_\_\_  
*(number)*

5. I/we, whose names are signed on this document, acknowledge that I/we sign it voluntarily for its stated purpose.

**To be signed by Applicant(s) in front of Notary Public.**

Signed under pains and penalties of perjury this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**For Use by Notary Public Only:**

**COMMONWEALTH OF MASSACHUSETTS**

\_\_\_\_\_, ss.

\_\_\_\_\_, 20 \_\_\_\_\_, before me, the undersigned notary public, personally appeared

\_\_\_\_\_,  
*(name(s) of the document signer(s))*

proved to me through satisfactory evidence of identification, which were \_\_\_\_\_,  
*(drivers license, passport, etc.)*

to be the person(s) who signed the preceding or attached document in my presence, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of (his) (her) (their) knowledge and belief.

Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**NOTICE OF RIGHT TO DECLARE HOMESTEAD  
THE MASSACHUSETTS HOMESTEAD ACT  
MGL CHAPTER 188**

Pursuant to Massachusetts General Laws Chapter 188 as revised and effective March 16, 2011, every owner of real estate occupied or intended to be occupied as a principal residence is entitled to an automatic homestead for the benefit of the owner and his or her family without recording or filing a declaration of homestead.

Under the old statute there were two types of homesteads which were available. Under the revised version of Chapter 188, there are three separate homesteads which are available:

**Section 2 Homestead, “Elderly or Disabled Persons”.** This form of homestead is intended to provide exemptions to persons age 62 and older and to disabled persons in an amount of \$500,000. This homestead is created only by recording or filing a written declaration of homestead in the appropriate land records.

**Section 3 Homestead, “Declared Homestead Exemption”.** This form of homestead is similar to what was available under the prior act and is created by the recording or filing of a declaration of homestead in the appropriate land records. The amount of exemption afforded under this homestead is \$500,000.

**Section 4 Homestead, “Automatic Homestead Exemption”.** This entirely new homestead is an automatic homestead for the benefit of the owner and the owner’s family who occupy or intend to occupy the home as a principal residence. It requires no filing or recording of a declaration of homestead. The exemption is in the amount of \$125,000.