



IMPORTANT NOTES REGARDING COOPERATIVE SALES



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1. Because Co-ops are Leaseholds, they are considered Personal Property with ownership represented by shares in the Cooperative and not through a standard Deed.
2. Therefore, property taxes and excise tax are not applicable. You will see property taxes calculated for the entire **Co-op. Generally, the owner pays their "share" of those taxes in the monthly HOA dues.**
3. Before the sale can go through, the buyer(s) of a Co-op must have a meeting with the Cooperative Board and be approved by that board. It's rare that the buyer(s) are not approved, but in some cases it happens.
4. Escrow will not order HOA demand information until the buyer(s) are approved by the Cooperative board.
5. Escrow must be provided with the contact information of the current Cooperative Officers (President and Secretary) as they are a part of the sale essentially. We require a Proprietary Lease and Stock Certificate for closing and they sign not only a Recognition Agreement provided by the lender (if financed) but also the Lease, Stock and our Termination of Lease and Memorandum of Lease for closing. Escrow will work with those officers and buyers to complete this step.
6. For title insurance: the title policy available for leasehold properties is the Standard Owner's Coverage. Please make sure this is reflected in your contract.
7. For the Deed type: The contract must reflect a Bill of Sale as the conveyance document, a Statutory Warranty Deed cannot be utilized for the transfer of Co-Ops.
8. The MLS Provides a Co-Op Addendum, it is Form 33.