

## **Paying Off Your Cooperative Apartment Loan**

Congratulations on your decision and financial ability to pay off your co-op loan. However, there are a few things you should know and do before you write that very last check to your lending institution!

Confirm with the bank officer that the bank is in possession of your original stock certificate and proprietary lease. Your bank received these documents at your closing. In addition, you should also confirm with the bank that they have your original note and security agreement (documents you signed at your closing). All these documents **MUST** be returned to you after you have satisfied your loan.

In addition, your lending institution filed a Uniform Commercial Code 1, Financing Statement (UCC-1) on your apartment which is recorded with the County Clerk's office and puts all parties on notice that your lending institution has a lien on your apartment. Simply paying off the lender is not enough. The lien continues to exist. In order for this recorded lien to be removed, a Financing Statement, (UCC-3) terminating the lien, must be prepared by your bank. It must correctly reference the original lien. You must receive this UCC-3 in your closing package. Though you do not need an attorney to satisfy your co-op loan, you should ask your attorney to run a lien search against you and any other co-shareholders of your unit, in order to make certain that you receive UCC's terminating all UCC-1's of record.

Finally, your lending institution should give you a letter of satisfaction stating that your loan has been satisfied (paid in full).

These documents are all necessary and will be required in order for you to transfer your apartment, or, if you should desire, to place another co-op loan on your unit at a later date.

To reiterate, these are the documents you should receive from your lender:

- Pay-off letter;
- Letter of satisfaction;
- Original stock certificate;
- Original lease;
- Original note;
- Original security agreement; and
- Original UCC-3 (this should be filed with the County Clerk's office and you should retain a copy for your files).

You should also make a copy of your cancelled check, which you tendered to the bank for the payment of your loan.

**RETAIN ALL THESE DOCUMENTS IN A SAFE PLACE.** If you should decide to sell, all of the above documents will be required at the closing on your apartment. Remember, the co-op **WILL NOT** transfer an apartment unless the original stock and lease are present at closing, as well as proof of satisfaction of your cooperative lien. Therefore, all of the above documents are essential.

If you are planning on paying off your bank loan, please call me at 718-544-4673, prior to or during the process. It will be my pleasure to answer any of your questions and help you accomplish this goal.

Donna Anzel