Riverwalk Landing Financing FAQ

Most buyers will purchase a unit with a combination of down payment (cash), a 30% NYU RAMP loan, and a first mortgage from a conventional lender for the difference between the purchase price and the sum of the down payment and RAMP loan. Answers to frequently asked questions about purchasing an apartment at Riverwalk Landing follow.

1. Do I need an attorney?

NYU highly recommends that you retain an attorney to represent you in connection with its Riverwalk Landing Purchase Program. The purchase of a condominium unit has many significant legal and financial consequences and the actual closing on your purchase and financing requires experience and knowledge. The NYS Attorney General strongly urges you to consult with a lawyer before purchasing a condominium unit and requires that its recommendation be set forth in bold type and all capital letters in every offering plan.

Remember, neither NYU nor its counsel will be representing you in this transaction. Accordingly, it will be up to your attorney to explain the documentation and procedures involved and to ensure that your interests are fully protected when you purchase your unit.

2. Can NYU provide a list of attorneys with experience representing purchasers of condominium units in New York?

Yes. Three attorneys who are familiar with condominium purchases in New York are Robin Fensterheim, Esq. (rfensterheim@yahoo.com, (845) 638-1368); Kenneth Thomas, Esq. (KTLawyer@aol.com, (212) 889-7990); and Jill Levy-Reiter, Esq. (JLLevyReiter@epsteinesq.com, (212) 889-5300). By providing these names, NYU is not endorsing any of the attorneys. Buyers may select an attorney of their choice.

3. What title company should I use for my closing?

There are many licensed title companies in New York that are capable of insuring title to your condominium unit. That said, NYU recommends using First American Title Insurance Company of New York, which is the same title company NYU will be using for its initial purchase of the units. Using the services of a title company that is familiar with the property and has already resolved title issues that may have come up earlier is generally more efficient and helps make the work of all involved in the transaction (seller, buyer, lawyers, lender) that much easier.
4. **When do I need to submit my 10% down payment?**

   The down payment is due at the time you deliver your signed purchase agreement to NYU.

5. **What is the closing date?**

   The closing date is the day you actually purchase your unit. It will be scheduled by NYU and will be approximately 60 days after the date your purchase agreement is signed by both you and NYU. On the closing date, you must have all of your financing in place and be ready to purchase the condominium unit. It is important that you are prepared to close on the scheduled closing date because if you are not, you may risk both losing your down payment and not getting the apartment you prefer.

6. **May I use any lender for the first mortgage?**

   If you are not going to obtain a Riverwalk Affordable Mortgage Program (RAMP) loan from NYU, you are free to use any lender you wish. However, if you intend to take advantage of the RAMP loan offered by NYU, you must use one of the two approved lenders identified by NYU (see Financing Overview, Resource List). NYU has selected these two lenders because they have already approved the Riverwalk Landing Purchase Program (including the RAMP loan) and, therefore, having completed their due diligence, they are prepared to make loans to all Eligible Affiliates who wish to purchase a unit.

7. **What happens if I am unable to get a mortgage?**

   Your purchase of a unit is not contingent on your ability to obtain financing, so if you are unable to get financing, you will still be obligated to complete the purchase. This means you will have to come up with the entire difference between the purchase price and the RAMP loan amount by the scheduled closing date. If you are unable to obtain financing and do not have the funds to purchase the unit, you will be in default under the terms of the purchase agreement and you will forfeit your down payment. For this reason, it is essential to obtain preapproval from an approved lender and to meet with Faculty Housing staff for an affordability counseling session.

8. **What is the “Right of First Offer”?**

   A right of first offer (“ROFO”) is a re-purchase option. In the context of the Riverwalk Landing Purchase Program, the ROFO will give NYU the right (but not the obligation) to purchase a unit at its then fair market value under the terms and conditions contained in the ROFO. As should be apparent by the fact that NYU must pay the affiliate the unit’s then fair market value, the purpose of the ROFO is not to give NYU a windfall or to penalize an owner; rather, it is NYU’s intention to then resell the units to other NYU affiliates, keeping the ownership of the units within the NYU community and perpetuating the NYU community at Riverwalk. If NYU elects not to purchase the unit, the affiliate is free to sell the unit on the open market and the right of first offer will be extinguished (see Forms, ROFO).
9. What if I want to transfer the apartment to my children?

NYU will not exercise the ROFO in connection with an Exempt Transaction. An Exempt Transaction means a transfer of the condominium unit from the NYU Affiliate named in the Deed to an Owner who is an immediate family member.

10. What is an offering plan?

The sale of certain types of real estate in New York, including condominium units, is subject to the Martin Act, a New York state law that mandates that a description of the property and its proposed operation as a condominium must be fully disclosed in an offering plan (sometimes referred to as a prospectus) prepared by the sponsor of the condominium project and made available to potential purchasers.

Offering plans contain a plethora of information, including which areas and services comprise the common interests of the condominium and which are the responsibility of individual unit owners, floor plans, the size of rooms, architect’s reports, details about how the unit will look and the types of appliances that will be installed, estimated common expenses, building materials, how many units the sponsor may intend to hold back to rent rather than sell, information about any commercial space as well as any public facilities and amenities, how the condominium will be governed and operated, certain tax consequences of ownership, and much more. The offering plan also includes certifications from the architects, sponsors, and managing agents that they did their best preparing an adequate budget and that they didn’t omit any material facts. An offering plan is a very complex document that you and your attorney should review carefully before deciding whether or not to purchase a unit at Riverwalk Landing.

The NYS Attorney General strongly urges you to read the Riverwalk Landing Offering Plan carefully and consult with a lawyer since the purchase of a condominium unit is a transaction with substantial financial and legal consequences. Please contact the Faculty Housing Office if you would like a copy of the Riverwalk Landing Offering Plan.

1 NYU makes no representations, warranties or guarantees of any nature whatsoever about Riverwalk or Riverwalk Landing except as may be expressly set forth in a purchase agreement between NYU and an eligible affiliate.

NYU did not prepare the condominium offering plan for Riverwalk Landing and is not responsible for the completeness or accuracy of any information contained therein. Purchasers are strongly urged to read the offering plan carefully and to consult with their own attorney before deciding whether or not to purchase a unit.
11. Who is the sponsor of a condominium project?

A sponsor is the person or entity who initially offers to sell units in a condominium or cooperative development pursuant to an offering plan. The sponsor of the offering plan for Riverwalk Landing is Riverwalk Landing, LLC, a New York limited liability company. The developer of the property is not the sponsor in this instance. NYU is NOT a sponsor or affiliated in any way with the sponsor of Riverwalk Landing.

12. I’m told that Riverwalk Landing is a leasehold condominium. What does that mean?

Under New York law, a landlord’s leasehold interest to the land is held by one of three specified public benefit corporations. For example, the condominiums at Battery Park City in lower Manhattan are actually leasehold condominiums; the Battery Park City Authority, one of the three specified public benefit corporations, holds the underlying lease. The Roosevelt Island Operating Corporation is another one of the specified public benefit corporations and it is the landlord under the lease resulting in Riverwalk Landing being classified as a leasehold condominium.

The Offering Plan for Riverwalk Landing explains the arrangement in much greater detail, spelling out the terms of the net lease between the Roosevelt Island Operating Corporation and the sponsor and disclosing some of the pros and cons that may arise as a result of the arrangement. Please be sure to read the Riverwalk Landing Offering Plan very carefully to ensure you understand the significance and implications of the lease affecting Riverwalk Landing and the other buildings in the development.

13. When do I have to leave NYU housing if I purchase a Riverwalk condominium?

You will be required to leave NYU housing within 30 days of closing on your new Riverwalk Landing condominium unit. You will be required to enter into a written agreement to this effect at such time as you submit your purchase agreement.