

**BLUE ACRES CONTRACTS AND CLOSINGS:
FREQUENTLY ASKED QUESTIONS**

1. Do I have to hire an attorney for contract review and/or closing?

It depends on how legally complicated the transaction will be. After considering a variety of factors during contract preparation, the Department's Office of Transactions and Public Land Administration (OTPLA) will advise your case manager whether you must retain an attorney to proceed with the transaction.

2. How do I find a real estate attorney to represent me?

If you have not used a real estate attorney before, a great way to find one is to reach out to your local county bar association, which offers lawyer referral services. For instance, the website for the Somerset County Bar Association is www.somersetbar.com.

To further assist in your search, you may want to refer to the [attached attorney shopping guide](#).

3. When will my attorney hear from your office (OTPLA)?

Your attorney will receive an initial letter within approximately one week of OTPLA being notified by your case manager that your property is ready to be scheduled for closing. The letter will explain the Department's closing process and direct your attorney to prepare closing documents (using OTPLA's templates) for review and final approval.

4. How long will it take to close once I sign the contract?

It depends on the legal complexity of your transaction and the urgency of your particular circumstances. On average, it should take about two months to close once you have signed the contract.

5. Will the closing take place in person?

No; most Blue Acres closings occur by mail. But some sellers may be eligible to close virtually through the Department's settlement/title agent. Your case manager and/or your attorney will advise whether your transaction meets the requirements for a virtual closing, in which case you will have the option to choose how closing occurs. Be advised that you will be charged a \$75.00 fee for a virtual closing. This fee can be paid out of your closing proceeds. There is no outright fee charged to close by mail, but you will have to arrange for the closing documents to be signed and notarized in person ahead of closing day; you (or your attorney) also will have to pay to send OTPLA the ink-signed closing documents via overnight mail.

6. Can I sign the contract and documents for closing electronically?

The contract may be signed electronically. The closing documents only can be signed electronically if you are eligible to close virtually and elect to do so.

7. How much will the closing cost?

Federal and/or State funding will cover most of the costs associated with the buyout process, including the cost of the appraisal, title search, environmental review(s), survey, actual purchase price, any supplemental incentives/assistance, and demolition. Property owners are not subject to realty transfer taxes or gross income tax when they sell their property to a State agency like the Department. However, you may have to pay for an attorney to represent you at closing and to resolve any outstanding environmental or title issues on your behalf, as well as mailing costs. If you are eligible for and request a virtual closing, the Department's settlement/title agent will charge you a \$75.00 fee.

8. What do I need to prepare for closing?

Our office will provide your attorney with closing document templates to complete. Once those documents are reviewed, revised, and approved by the Department, your attorney will need to coordinate having you sign them. If you are not required to have an attorney represent you at closing and elect to proceed without legal representation, OTPLA will prepare the closing documents and send them to you directly for review/signature. Whether or not you are represented by an attorney, you must satisfy any requirements the Department's settlement/title agent may have prior to closing. All potential liens against the property also must be cleared/canceled of record, and all property-related expenses/bills must be satisfied prior to closing (or at closing, using the proceeds).

9. What documents does your office (OTPLA) need for closing?

You will need to sign the following documents for closing: Bargain and Sale Deed; Affidavit of Title; FIRPTA Affidavit; Seller's Residency Certification; Affidavit of Consideration; Termination of Utilities Affidavit, if applicable; and Survey Affidavit of No Change, if applicable. In addition, you may need to provide documentation disposing of any outstanding judgments, liens, and/or mortgages identified by a title search. If anything further is required by the Department's settlement/title agent before closing, you (or your attorney) will be promptly notified.

10. What property-related expenses/bills do I need to pay leading up to closing?

You contractually will be required to pay your property taxes through the end of the tax quarter in which closing ultimately occurs (i.e., December 31, March 31, June 30, or September 30). You also must pay all utility bills in full through closing day and request final bills from the utility provider. In addition, you must continue to pay your mortgage and homeowner's insurance, including flood insurance (if applicable), through closing.

11. Why do I need to overpay my taxes, and when will I get reimbursed?

You are required to pay your taxes through the end of the quarter in which closing will occur as part of meeting your obligation to stay current on all property-related financial obligations. Within a few days after closing, you will be reimbursed for any overpayment of property taxes (from the day after closing to the last day of the tax quarter in which closing occurs). The reimbursement will be issued to you (or your attorney) through the Department's settlement/title agent.

12. When will I receive any money held in escrow at closing for utilities?

The Department's settlement/title agent will hold \$1,000.00 in escrow at closing if your property is actively serviced by utilities and/or if utility service has not yet been terminated. The money will be released to you (or your attorney) after closing as soon as our office receives proof that all open utility accounts have been "shut off" and paid in full. You also are required to sign a notarized Termination of Utilities Affidavit before the utility escrow is released.

13. Who handles the closing on behalf of the DEP?

OTPLA's Legal and Transactional Operations section will handle the closing in close coordination with the Department's settlement/title agent.

14. Who handles the closing on my behalf if I don't hire an attorney?

In this scenario, the Department's title agent will act as the settlement agent at closing for both you and the Department. You would be in direct contact and communication with our office, as well as the Department's title agent.