

Co-Op Board Package Best Practices

So you've decided to take the co-op route to owning a home in New York City. You like the building, but does the building like you? That's the million-dollar (or more) question. As you may know, you'll need to put together a package for the board to help them answer that question. Your buyer's agent will help you with it, but here are our best practices for submitting a successful co-op board package.

What is a co-op board package?

It's a collection of personal, professional, and financial information to be submitted to the co-op board as part of the approval process. Think of it like an application. However, it's important to note that the practice is not standardized, and each building has its own unique requirements.

For most buildings, you'll have to produce:

- Signed income tax returns and W2 forms
- Reference letters
- Pay stubs and proof of employment
- Financial statements for all of your accounts
- If financing, your approved loan application, commitment letter, and recognition agreements

Focus on the financials

No matter the building, your financials are by far the most important part of your co-op board package. If they're not rock solid, the board may not even look at the rest of your package. They'll want to see a debt-to-income ratio below 30%, substantial money in the bank, and enough leftover cash after closing to cover your mortgage payments and maintenance fees for a year. Include statements for all of your accounts, covering assets, debts, and liabilities. Make sure everything is well documented.

Don't miss the deadline

Upon signing a contract of sale, you'll typically have 10 days to submit your package to the co-op board. However, it's best to start preparing your package as early as possible. Stay on top of your agent, mortgage lender, bank, employer, references, and anyone else you'll need things from to assemble your package. Get what you need from them ahead of the final deadline. Hold yourself accountable to do your parts, too. If the process is digital — which is becoming more and more common — familiarize yourself with how it works, and make sure you have access to a scanner.

Whatever you do, don't wait until the last minute!

Make it easy for them

When it's time for the board to look through your package, make it as easy for them as possible. If it's on paper, include a cover page and table of contents, and use colored tabs or dividers to indicate where to find things. Make a copy for each member of the board. If it's digital, follow all instructions carefully and keep the files organized. Your agent will help you with all of this – don't be afraid to ask.

Fill in all the gaps

Making things easy for the board also means ensuring they won't have to go back and forth with you to clarify or acquire more information. Explain any discrepancies in your package, and include answers to any questions you anticipate they may ask. For example, if you're buying in cash, make sure that amount is accounted for in your financial statements. If it's just you and your partner who will be occupying the apartment, but your tax returns show additional dependents, clarify that (perhaps they're your children away at college). Everything needs to add up and all numbers need to be substantiated, down to the penny. Again, let your agent help you with all of this and point out any gaps they see.

Include a cover letter

A cover letter is a great way to introduce yourself and sum up your package. Describe yourself and what you do, introduce any of your co-occupants (including pets!), talk about what drew you to the building and neighborhood, and express your excitement about potentially joining the community. Summarize your financial standing, including your sources of income, debt-to-income ratio, and post-closing assets.

Choose the right references

Most co-op boards will require multiple reference letters. They may include: a letter from your employer, verifying your employment and pay; a letter from a business reference, describing you in a professional setting; a letter from a personal reference, such as a friend or family member; and a letter from your most recent landlord, verifying that you're a good tenant and pay rent on time.

Choose these references carefully. You'll want them to be people who are most likely to vouch for you being a good neighbor and member of the community. Encourage them to be honest and specific, with stories and anecdotes about times you demonstrated good character.

Ace the interview

You're part of the package too, in the form of the co-op board interview. If they've invited you for one, it's a good sign that they like what you've shown them so far. They think you'd be a good match for tenancy — on paper. Now, all you have to do is prove it in the interview.

Our top tips:

- **Manage your online reputation:** Do a Google search on yourself and see if there's anything you should clean up or be ready to address. Check your social media presence and remove any photos that may portray you as an unpleasant neighbor. Have you written posts that show your passionate feelings on hot-button issues? Consider getting rid of those, too. You don't want your opinions to ruffle feathers with the board before (and during) your interview.
- **Do your research:** Before the interview, try to get a bit of intel on each board member, if possible. "Recently, a listing agent shared that one of the interviewers was hard of hearing, so we advised my buyer to look directly at that board member while speaking," says Kathryn Swift of Sotheby's International Realty.
- **Prepare for your pet to be vetted:** If you have a pet, be aware that it might be invited along. "Dog parents should be prepared to discuss the dog's behavior — they are looking for good canine manners," says Swift. It also couldn't hurt to give your pet a bath beforehand.
- **Dress well and be prompt:** Show up on time, dress professionally, and be prepared. Above all else, be polite.
- **Bring your financial documents:** Bring all your paperwork with you. Coordinate with your agent to make sure you have everything.
- **Know your application:** You should be able to quickly and concisely answer any questions about your application, preferably without having to look at it.
- **Don't boast:** You want to convince the board you're a good fit, but bragging isn't the way to do it. "I had someone get turned down last year by being too boastful of his financial success and professional status," says Jonathan R. Stein of Brown Harris Stevens.
- **Be ready to talk money:** You've made it to the interview stage, so your finances are in solid shape. But this does not mean the board will forgo an opportunity to question them. "Be prepared to allay fears and to show explanation and documentation," says Jared Antin, Director of Sales at Elegran. "If you know there is a problem, come prepared to explain your current cash flow situation and any improvements that are in the making."