

Unit #42's Monthly Co-op Fee Breakdown

Monthly cooperative fees are very different from condominium fees. In addition to the maintenance and operation costs that condo fees include, cooperative fees include many other expenses. For example, the fee for this unit includes (1) property taxes, (2) an underlying mortgage, (3) utilities (heat and hot water) and (4) homeowner's insurance. These additional components make it difficult to easily compare a co-op fee to a condominium fee at first blush. To help you better understand what is included in the co-op fee for Unit #42, here is a detailed breakdown:

1. Maintenance, Operation & Reserves	\$569.56
2. Property Taxes (Tax Deductible)	+ \$100.63
3. Underlying Mortgage (Partially Tax Deductible)	+ 148.95
4. Total Monthly Co-op Fee	= \$846.14

Details of the Underlying Mortgage:

Balance \$16,457*

Final Payment: 10/1/2022

Rate: 7.30%

*Approximate

This payment covers the underlying mortgage.

Price Breakdown

The Mendota cooperative has a so-called "underlying" mortgage. Co-ops often obtain such mortgages to secure financing to make general improvements to the building as a whole. This underlying mortgage is divided amongst all of the units in the building. Each owner is responsible for a portion of this mortgage. The amount each owner is responsible for is proportionate to the size of his/her unit. Unit #42's sales price includes an underlying mortgage. This means that a buyer who intends to obtain a loan to purchase Unit #42 would not apply for a loan for the full sales price but rather for the sales price **minus** the underlying mortgage. See below:

Sales Price

\$350,000

Underlying Mortgages*

The monthly payment for the underlying mortgage is included in Unit #42's monthly co-op payment. (*approximate)

-\$16,457*

Amount to be financed (or paid in cash)*

The difference between the sale price and the underlying mortgage must be paid by the buyer at settlement either by getting an "institutional" mortgage OR by paying this amount in cash. (*approximate)

= \$333,543*