

SERVING NEW YORK BOARD MEMBERS & PROPERTY MANAGERS OF CO-OPS & CONDOS

HABITAT®

WWW.HABITATMAG.COM

SEPTEMBER 2008 \$3.95

THE 2008 ATTORNEY SURVEY

HANKIN & MAZEL

RESPONSE BY Geoffrey Mazel TITLE Partner

A recent legal problem we have encountered in the last two years involved a discrimination claim against a board of directors of a cooperative. This board rejected a prospective purchasers' application to purchase a unit. The proposed purchaser was selling a house and buying the cooperative apartment without a mortgage. However, there were several parts of

MORE ADMISSIONS ADVICE: CONSISTENCY IS CRUCIAL

the application that seemed unsettling to the board: poor credit history; questions of who would be occupying the apartment and income that could not be properly verified. The board deliberated for a

long time and eventually rejected this application. This was lawful and proper.

But the proposed purchaser was a member of a protected class and sued for unlawful discrimination. The problem was that this board had no resale qualification guidelines. Therefore, each application was taken on a case-by-case basis, which lead to inconsistent results and exposing the board to legal challenge. The litigation became very labor-intensive because each sale from the last several years was closely scrutinized in the discovery process of the lawsuit. Eventually, the case was settled. However, if the board had implemented a set of simple guidelines for purchasers and stuck to it, its exposure could have been greatly reduced.