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HOME BUYING

Buying a House From an Estate on Long Island: Probate, Timing, and Financing

Coltrain Mortgage Team · November 2, 2026 · 9 min read

"We love the house, but the listing says it's an estate sale. What does that mean for us?" It's one of the most common questions we get, and for good reason. After more than 20 years of closings on Long Island, we've seen a lot of estate homes change hands, and we've also helped plenty of families figure out how to keep a parent's house in the family. Whether you're buying from an estate or you're the one who inherited, here's how probate, timing, and financing actually fit together.



Seller Is the Estate



Timing Runs Through Court



Usually Sold As-Is



Heirs Have Options Too

What "Estate Sale" Really Means

When a homeowner passes away, the house usually becomes part of their estate. Someone has to be legally put in charge of it before it can be sold, and on Long Island that happens through the Surrogate's Court in the county where the person lived: Nassau County's Surrogate's Court in Mineola, or Suffolk County's in Riverhead.

If there's a will, the court issues letters testamentary to the executor named in it. If there's no will, the court appoints an administrator and issues letters of administration. Either way, those letters are the estate's permission slip. Until they're issued, the person who'll eventually sell the house doesn't yet have the legal authority to sign a binding contract, even if they're already showing the home.

> Quick tip for buyers: ask the listing agent early whether letters have already been issued. A house where the executor is already appointed is a very different timeline than one where probate hasn't been filed yet.

Who Has the Authority to Sell (and When a Judge Gets Involved)

Once appointed, an executor or administrator generally has the power under New York law to sell the estate's real estate. There are a few important exceptions your attorney will check for:

- **The will leaves the house to a specific person.** If the home was specifically left to someone, the executor usually can't sell it without the court's permission.
- **The will limits the sale.** Some wills restrict or delay a sale, and the letters themselves can come with restrictions.
- **Family disagreement.** If heirs are fighting, expect delays, and sometimes a court proceeding before anything closes.

In New York, both sides have their own real estate attorneys, and the buyer's attorney and title company will confirm the seller's authority before closing. You'll typically see the title company ask for a certified, recently dated copy of the letters.

How Long It Takes

Here's the part that surprises most buyers: the sale itself doesn't have to wait for the whole estate to be settled. It just has to wait for the right paperwork. Roughly, it looks like this:

Weeks to months GETTING LETTERS ISSUED	An uncontested probate often produces letters within a couple of months of filing. No will, missing heirs, or a family dispute can stretch that out considerably.
3 to 4 weeks NY ESTATE TAX LIEN RELEASE	New York puts an estate tax lien on the late owner's real estate. To transfer it, the estate files for a release (Form ET-117). The state quotes three to four weeks to process a complete application, plus mailing time, and says not to schedule the closing until the stamped release arrives.
Standard timeline YOUR MORTGAGE PROCESS	Appraisal, underwriting, and clear to close run the same as any purchase once the paperwork is in place. Plan your rate lock around the estate's timeline, not just yours.
Many months FULL ESTATE SETTLEMENT	Creditor claims, taxes, and final distributions can take a year or more. Good news for buyers: that's the estate's timeline, not the closing's.

Worth knowing: the estate tax release is required no matter how much the house is worth. The main exception is when the home was held by the late owner and a surviving spouse as the only joint tenants. Because a missing release can push a closing back, we always ask about it early. Longer timelines are also why it pays to understand **how rate locks and extensions work** before you lock.

Your Estate Home Game Plan

INTERACTIVE

Pick your situation to get a step-by-step checklist with typical timing. Tap a step to check it off.

- [ ] **Ask whether letters have been issued** — BEFORE YOU OFFER
  Letters testamentary or administration mean the seller can sign a binding contract. No letters yet means a longer, less certain timeline.
- [ ] **Talk to us about financing** — BEFORE YOU OFFER
  We'll get you pre-qualified and flag whether the home's condition fits conventional, FHA, or a renovation loan.
- [ ] **Get a thorough home inspection** — DURING ATTORNEY REVIEW
  Estate homes are usually sold as-is. Look hard at the roof, heating system, oil tank, and cesspool or septic.
- [ ] **Let the attorneys confirm authority** — 1 TO 2 WEEKS
  Your real estate attorney and title company verify the letters and any court approval the sale needs.
- [ ] **Plan around the estate tax lien release** — ABOUT 3 TO 4 WEEKS PLUS MAILING
  The estate files for New York's release of lien. Closing can't be scheduled until it arrives.
- [ ] **Appraisal and underwriting** — ABOUT 3 TO 6 WEEKS
  Same as any purchase. Repairs flagged by the appraiser need the estate's agreement.
- [ ] **Lock with the timeline in mind** — BEFORE CLEAR TO CLOSE
  Estate closings can slip, so pick a lock period with some cushion.
- [ ] **Close and get the keys** — CLOSING DAY
  The executor or administrator signs the deed on behalf of the estate.

Timing is typical, not guaranteed. Every estate is different, so confirm the legal steps with an estate attorney.

Financing an Estate Home: As-Is Condition and the Appraisal

Most estates sell "as-is." The executor usually isn't going to fix the roof or update the boiler, and often can't spend estate money on repairs without the heirs agreeing. That's fine for you as a buyer, but your lender still needs the house to appraise and meet the loan's property standards.

Conventional loans

More forgiving of cosmetic wear and outdated finishes. The appraiser can still require repairs if something affects safety or the home's soundness.

FHA and VA loans

Stricter property standards. Health and safety items, like defective paint on an older home or a roof near the end of its life, typically have to be fixed before closing, which means the estate has to agree to it.

If the house needs real work, a renovation loan can be the cleanest path. An **FHA 203(k) loan** rolls the purchase price and the repair costs into one mortgage, and there's a conventional version too. On Long Island, a lot of estate homes have been in the family for decades, so we see original kitchens, old oil tanks, and cesspools come up often. A good home inspection is money well spent.

Two other Long Island details to watch: open permits or unpermitted additions can hold up a closing until they're resolved, and any tax exemptions the late owner had, like a senior or veterans exemption, belong to them and won't carry over to you. Budget for the full tax bill when you work out your payment.

If You Inherited the House and Want to Keep It

Here's something a lot of families don't realize: if a parent passes away with a mortgage on the house, the loan doesn't automatically come due just because the house passed to their children. A federal law called the Garn-St Germain Act generally stops a lender from calling the loan due when the home transfers to a relative because the borrower died, as long as the loan isn't otherwise in default.

Since April 2018, federal mortgage servicing rules also protect "successors in interest." Once the servicer confirms you're the heir, you're entitled to information about the loan and access to options like loss mitigation, the same way the original borrower was. Keep making the payments while the estate is being settled, and send the servicer the death certificate and estate paperwork early.

If your parent had a reverse mortgage, the rules are different. The loan becomes due, but HUD's rules generally let heirs keep the home by paying off the lesser of the loan balance or 95% of the home's appraised value. Our **reverse mortgage guide** covers how those loans work.

Buying Out Your Siblings: How the Refinance Works

This is where a lot of families get stuck. Three siblings inherit the house, one wants to live there, and the other two want their share in cash. The good news: Fannie Mae has a specific path for this.

Treated as a limited cash-out refinance	Using a new mortgage to buy out a co-owner can be treated as a limited cash-out refinance under Fannie Mae's rules, rather than a full cash-out. Fannie Mae Selling Guide B2-1.3-02
No 12-month wait for inheritance	Normally the property has to be jointly owned for 12 months first. Fannie Mae makes an exception for a recent inheritance.
A written agreement	Everyone signs an agreement spelling out the transfer and how the loan proceeds are split.
You don't take cash out	The sibling keeping the house can't receive any of the proceeds. The money goes to buy out the others.
You qualify on your own	The person keeping the home has to qualify for the new mortgage based on their own income, credit, and debts.

One more helpful rule: if you'd rather do a regular cash-out refinance on an inherited home, Fannie Mae waives its usual six-month ownership wait for inherited property. And if the home is already paid off, a **cash-out refinance** or **HELOC** can also fund a buyout. We'll run the numbers both ways with you.

Buying from an estate or keeping a family home? Let's map out the financing.

Our Honest Advice

Estate purchases and family buyouts go smoothly when the right people are involved early. That means an estate attorney for the probate side, a real estate attorney for the contract, and a mortgage team that's done this before and knows to ask about letters, the estate tax release, and the property's condition up front. That's us. Give us a call and we'll help you plan the financing around the estate's timeline, not the other way around. For the bigger picture on what happens after you're in contract, see our **step-by-step loan process**.

COMMON QUESTIONS

Can I buy a house from an estate before probate is finished? ×

Usually yes. The sale doesn't have to wait for the entire estate to be settled. It does have to wait until the court has appointed the executor or administrator and issued letters, and in New York the estate also typically needs a release of the estate tax lien before closing.

How long does it take to close on an estate sale on Long Island?

If letters are already issued and the estate tax lien release is in hand, it can close on a fairly normal timeline. If probate hasn't started yet, or the family disagrees, it can take many months. Ask early where the estate stands.

Can heirs keep a parent's existing mortgage?

Generally yes. The Garn-St Germain Act generally prevents a lender from calling the loan due when a home passes to a relative after the borrower's death, as long as the loan isn't otherwise in default. Federal servicing rules also give confirmed heirs access to loan information and loss mitigation options.

Can I refinance to buy out my siblings' share of an inherited house?

Often yes. Fannie Mae can treat a co-owner buyout as a limited cash-out refinance and waives the usual 12-month joint ownership requirement for a recent inheritance. Everyone signs a written agreement, the person keeping the home can't receive any proceeds, and they have to qualify for the loan on their own.

Does every New York estate need an estate tax lien release to sell a house?

According to the New York State Department of Taxation and Finance, a release is needed regardless of the property's value, unless the late owner and a surviving spouse held the property as the only joint tenants. Processing typically takes three to four weeks plus mailing time.

Can I use an FHA loan to buy an estate home sold as-is?

Sometimes. FHA has stricter property standards, so health and safety repairs usually have to be done before closing, which requires the estate's cooperation. If the home needs significant work, an FHA 203(k) renovation loan can finance the purchase and repairs together.

This article is for general educational purposes and is not legal or tax advice. Probate and estate questions should be reviewed with a New York estate attorney. Loan program guidelines are based on published Fannie Mae, HUD, and federal requirements as of October 2026 and are subject to change. All loans are subject to credit approval, underwriting, and property eligibility. This is not a commitment to lend. Coltrain Mortgage is a mortgage broker; all loans are arranged through third-party lenders. Equal Housing Opportunity.

SOURCES

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- New York State Unified Court System, **Suffolk County Surrogate's Court** and **Nassau County Surrogate's Court**

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