

Helpful Pre-Offer Tips

Items you want to consider and prepare for...

Be aware of the following:

- The Title Company or Attorney chosen must be noted and named in offer (Ask for recommendations from your agent and/or mortgage counselor.)
- Repair allowance should be addressed in the contract
- Contingencies should be discussed (are there any, if so - what are they?)

We Strongly Suggest:

Mortgage

- Should already be in contact with mortgage
- Obtain pre-qualification or pre-authorization letter
- Mortgage letter should be attached to offer to be used as a negotiating tool

Possible contract contingencies

- Job/transfer going through
- Loan approval
- **All** inspections (do not list them)
- Inspections may include structural, full home, roof, appliances, termite, radon, black mold, pool, septic system, and others

“Special Provisions”

- Anything that you want to stay with the house that is attached to the property- i.e. chandelier, playground equipment, satellite dish, basketball goals, etc.

Appraisal

- Should equal or exceed the sale price of the house

Request for multiple originals of the accepted offer (3-4)

- For you, mortgage, seller, and agent

Additional Tips:

- Utilize Comparative Market Analysis (when calculating amount to offer)
- Put time limit on response to offer from seller into the offer
- Septic system (Health Dept. will have to be contacted to obtain certificate)
- Police Dept. (ask for crime rate statistics in your new neighborhood)
- Condos/Town homes (ask if firewall is in place, some mortgage loans require it)
- Obtain Homeowner’s Association document, if applicable
- Contact utilities and/or obtain last years bills from seller

Calculate Additional Expenses:

- Earnest money (average 1-2% of offer but defer to local custom) is good faith money given at time of offer
- What are possible outs in contract to get Earnest money back?
 - House does not meet appraised value
 - Mortgage did not go through
 - Excessive repairs needed
- When is Earnest money non-refundable?
 - When you are a fully qualified buyer and you walk away

Tip: Closing date and possession date and time are two different things. You cannot move in until “Possession Date and Time” (which should be written into contract).