

## **Buyer's Instructions Pyle & Dellinger, PL**

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Name of Seller: It is important to determine who the actual owner is. If all owners do not sign the contract, you do not have a contract. If the property is owned by a married person even if it is in the name of one spouse alone, and it is the home of the owner, the owner's spouse should join in the contract because his or her signature will be required at closing. It does not matter if the couple is separated. Also, be particularly careful if the owner is deceased and the seller is the personal representative or heirs of the estate. In that case, call our office for help.

Legal Description: This is how real property is sold. The address is not the determining factor. The legal description is shown on the deed or title insurance policy that the owner received when buying the property. If neither is available, the real estate tax bill contains a legal description, which is normally a shortened description. If the seller is selling something less than what he or she owns, please call us for help.

Personal Property Included: This is very important. We have provided hints of what you need to consider on the list. Do not presume that something will be left if it is not mentioned. We have seen sellers remove chandeliers, automatic garage door openers, appliances, window blinds, and other items that the buyer was certain were being left behind.

Is any item being sold "as is"?? This means that you have no right to require repair of a particular item. Normally this is used when the seller knows that something does not work properly and you agree to take it in its current condition.

Earnest Money Deposit: We do not suggest that you give the deposit to the seller. Most real estate brokers, title companies or attorneys are acceptable. It is preferable for you to have our office hold the deposit. Please make sure the check is payable to Pyle & Dellinger, PL

Seller Financing: If the seller is lending the money, complete the section on seller financing. We need to know the interest rate and payment schedule.

Financing: If you are borrowing money from a lender you will have a deadline to apply for and to receive the commitment from the lender. You must apply for exactly the loan that you indicated in the contingency and follow through diligently with completing the application and supplying all information and documentation requested by lender. You can limit the interest rate and points so that a huge increase between contract and closing will allow you to walk away from the contract. Find out what interest rate and how many points the lender expects the loan to cost, and add something, maybe 1%, to each. Do not use "market rate" unless you do not wish to protect yourself. It means that whatever interest rate is offered by the lender, you cannot walk from the contract.

F.H.A. or V.A. Financing: These loan products are different from conventional loans. They may cost you more money than conventional financing, although they have other advantages. But more importantly, for contract purposes, it is required to have a special rider attached to the

contract when you are using one of these contract products because the seller is required to pay some costs and has some obligations that are not typical of conventional loan products.

Yes / No Questions: Be sure to answer them correctly. A rider may be required. If a required rider is required and is not attached, the contract may be invalid.

Inspections: The contract if you do not amend it will give you the right to inspect the property for termites and other wood destroying organisms, including wood rot. If any are found, the seller will be required to resolve the problem up to 1.5% of the purchase price. You will also have the right to inspect the roof, electrical, plumbing, air-conditioning and heating systems, and all appliances. If there is any problem, the seller will have to make repairs up to 1.5% of the purchase price.

The seller may insist on limiting the amount of these two percentages to a specific dollar amount. Sometimes the seller does that because of a fear that there may be repairs required, even though the seller does not believe anything is wrong. Sometimes the seller knows something is wrong.

The seller may also state that he or she wishes to sell the property “as is”. Technically, if it is residential property, the seller is still required to disclose to you anything material that the seller knows about the property.

If the seller wants to sell “as is”, because the seller does not want to be required to make repairs, the safest thing for you to do is buy “as is”, with a right to inspect. This allows you to make an inspection, and if there are problems, walk away from the contract.

Closing Costs: The form shows who normally pays for what. The owner’s title insurance and documentary stamps are significant figures and are normally paid by the seller.

If you can arrange for the seller to acquire title insurance through our office, we do not charge you an attorney’s fee for representing you as the buyer.