



BUYER SMARTS

Making the Offer



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Offers begin on contracts, usually standardized. Your agent will explain all relevant terms to you before drafting up an offer for you to sign. Your real estate agent will then present this offer to the sellers (or sellers' real estate agent).

Your offer might include:

- Offered price
- Street address
- Legal Description
- Sale terms (cash purchase, mortgage financing, trade or seller financing)
- Closing Date: The date the property will change hands
- Escrow agents & deposit agreements (see bottom ½ of this page)
- Any agreements on the prorating of utility bills
- Agreements to transfer lease and tenant deposits
- Payment of title insurance and home inspections
- Deed details
- Specific required clauses and addenda (consult your real estate agent or broker for these)
- Offer timetable and expiration date
- Contingency plans that will come into effect as the result of a canceled/defaulted sale
- Time period allotted for inspections and loan commitment

The sellers may accept, decline or counter the offer. Once it is executed it becomes your working contract. Your agent will then manage your transaction and guide you through every step, clearing contingencies and working towards closing.

How Escrow Works

Once your offer has been accepted by the seller, your transaction is then placed into "escrow."

"Escrow" is a term that describes the neutral third-party handling of funds, documents, and tasks specific to the closing (or settlement, as it is also known), as outlined on the real estate purchase agreement or sales contract. The purpose of escrow is to facilitate the transaction by managing the disbursement of funds and documents. Wires, checks and transfers are risky these days, internet fraud is rampant. Be careful.

5 Tips to Protect Yourself:

1. Always carefully examine the email address from which you receive updates on your transaction from your real estate agent, escrow officer or settlement agent to verify it is correct. If an email seems suspicious, notify your real estate or settlement agent immediately.
2. Call instead of email. Use the phone number on the company's official website or business card. Don't trust the phone number included in the email.
3. Be suspicious of any requested change to wiring instructions. It's highly unusual for your title or escrow company to request any last-minute changes.
4. Confirm the account before sending. Ask your bank to verify the account information before sending a wire. First American transactions will always be to "First American Trust, FSB."
5. Verify funds immediately. Call your title or escrow company to verify the funds have been received.

