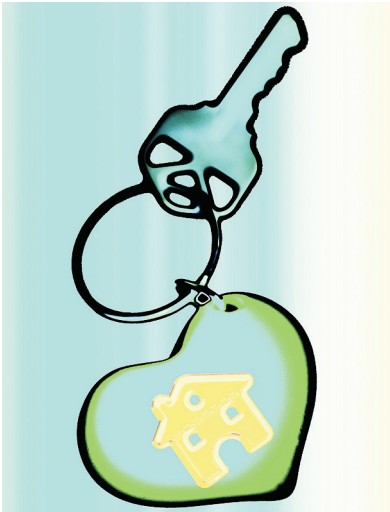


The Key to Progressing from Contract to Closing



As REALTORS® across Montgomery County and beyond celebrate National Homeownership Month in June, thousands of consumers are taking steps to achieve that American Dream. The moment a buyer finds the perfect home, they express interest in the property and make an offer by completing the Agreement of Sale.

According to Montgomery County Association of REALTORS® President Eileen Campbell, of ERA Platinum REALTORS® in Worcester, the Agreement of Sale is often the single most important form in a transaction. Once the sellers accept the offer and sign the Agreement, it becomes a legal contract committing the buyers and the sellers to specific, time-sensitive actions. "Needless to say, the prospect of filling out this 10-page form can overwhelm buyers," says Campbell. "Fortunately, a buyer's REALTOR® will advise them on every aspect of this extensive form."

The Agreement of Sale addresses every aspect of the real estate transaction - settlement date, financing arrangements, property inspections, items to be included /excluded, along with the purchase price. Buyers should carefully consider the time frames and contingencies they impose on each as they construct their offer, as every element of the Agreement has the potential to be a deal breaker. "Sure, sellers are quick to

look at the purchase price of an offer, but astute sellers will heed the advice of their REALTOR® to consider the entire package when deciding whether to accept an offer," asserts Campbell.

Making an offer involves more than simply submitting a completed Agreement of Sale. Buyers prove their interest in a property by making a deposit. This "good faith" deposit is held in an escrow account until the transaction is completed or terminated. At settlement, this deposit is credited toward the total purchase price and/or settlement costs. Additionally, verification of a buyer's financial ability to buy or obtain a mortgage, such as a mortgage pre-approval letter, often accompanies the Agreement of Sale and "good faith" deposit.

Once the seller reviews the Agreement of Sale and the offer is accepted, the buyer moves one step closer to owning a home. The next stage in the real estate transaction - securing a mortgage, completing a property inspection, and the other contingencies - are all duties to be executed in a timely manner, as outlined in the Agreement of Sale.

Campbell reminds buyers and sellers that what's most important to remember as they progress toward settlement is that everything is negotiable and time is of the essence. "Consumers on both sides of the transaction may lose certain rights or be in default of the Agreement if they do not comply with the deadlines stipulated in the Agreement. Once all parties have reached a final understanding on all terms of the contract, the clock starts and the journey to the settlement table begins."