

HOW TO READ THE CONTRACT

Important and Key Figures

Price (Contract Price)

Closing Cost Credit and Discount Points

Inspections Deadline

Financing/Appraisal Deadline

Closing Date

BONUS: Continue to Show?

$$\begin{aligned} & \text{Price} \\ - & \text{Closing Cost Credit/Discount Points} \\ = & \text{NET Gross Sales Price} \end{aligned}$$

Inspections Deadline

Date that we must have written notice of buyers repairs request with a \$1,000 threshold. Another round of negotiations based on repairs or credits follows this date.

Typically not more than 21 days from contract acceptance.

Financing/Appraisal Deadline

Typically these dates are the same. This is the final deadline prior to closing for buyers lender to commit to the buyer that the funds will be available and the buyer(s) qualify for the loan.

Buyer pays for an appraisal to ensure their lender they are not over paying or over financing for the home. The appraisal is based on recent sales in the same area, with adjustments made for variations in square feet, bedrooms/bathrooms, garage, lot size etc...

Typically 3-10 days prior to the closing date.

Closing Date

The date in which ownership transfers to the buyer. Typically the seller will want to have everything moved out and the house in broom clean condition, any damage to walls during moving patched and potentially re-painted, appliances cleaned and utilities accounts set to the buyers name(s). Buyers will likely have a final walkthrough within 24-48 hours prior to closing to ensure no major change to the home during the pending/contingency period.

Typically 30-60 days from contract acceptance...additional fees may be incurred by the buyer for extended closing periods.

Continue to Show?

For sellers, once you've accepted an offer, the seller can elect to still let other potential purchasers view the home and submit backup offers. This benefits the seller should the accepted offer fall through during inspections and appraisal/financing deadline, they have not lost any marketing time.

Buyers only concern during this time is other potential purchasers may track mud through the house or change the condition of the home prior to closing. Offers during the "Continue to Show" period are not acceptable or competitive unless the accepted offer falls through.

This document is meant as a basic introduction to understanding the most commonly used "One Step Contract" in Central IL.

Always feel free to reach out should you have any questions if you are listed with Kyle.