

BUYERS

some contingency options

□ Appraisal

Buyers who obtain a loan will be required by the lender to pay for an appraisal to substantiate the purchase price. Sometimes, a low appraisal is received.

□ Loan Contingency

While you probably have a loan preapproval letter, it is not a confirmation of the loan. You will need to complete the loan application process, and be approved, to receive the loan.

□ Home Inspection

You have the right to hire a home inspector and conduct a complete inspection of the home. If you issue a Request for Repair, the seller must receive a copy of the home inspection.

□ Lead-based Paint

Federal laws gives all buyers 10 days to inspect for lead-based paint. Keep in mind that many homes built before 1978 contain lead-based paint.

□ Wood Destroying Pest Inspection

The contract/offer should specify who will pay for the pest inspection and whether outbuildings or garages are covered in the inspection.

□ Roof Inspection

A home inspectors may or may not walk on a roof due to possibility of damage and / or liability if the roof is damaged. You may want to hire a roofing company to conduct a roof inspection.

□ Preliminary Title Report

Title investigations will disclose easements, CC&Rs, and monetary liens of record, including the ability of the seller to transfer clean title the buyer. If you can, always order a title policy.

□ Seller Statutory Disclosures.

Sellers should disclose all known material facts, including preparing and delivering a Transfer Disclosure Statement (TDS), Natural Hazard Disclosure Statement, special taxes and other items detailed on the TDS.

□ Contingent on Selling Existing Home

Buyers who have an existing home might want to buy before selling and make the contract contingent on selling their home. Sellers who accept contingent offers like this often give the buyer a certain number of days to perform. In this case, if the buyer cannot perform, the seller usually retains the option to cancel the contract.

