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**Write an offer**

**Step One: Fill out the contract**

**NOTE: Review filled-out contract with your managing broker the first few times you write one. Examples of filled out forms and contracts can be found in the sample contracts folder on the brokers drive.**

Following refers to each paragraph number in the **Multi-Board Residential Real Estate Contract 6.0.**

* 1. **The Parties**: Enter the legal name of the buyers and sellers names. The seller can be designated as owner of record (OOR). They should appear as they are on the legal proof of identity they will bring to closing. Try to make sure both parties are completely listed - no OOR.
* **2. Line 7** – Be Realty recommends that the lot size or acreage is expressed as an equation such as 20 x 100 rather than a calculation such as 2000. ‘Per survey’ can also be denoted.
* ‘common’ is for a condo where the lot size is not tied to the sale.
* o **2. Line 8** – Identify the property that will be conveyed by including the street address, city, state, zip code and permanent index number of the Real Estate.
* o **Note:** It is essential that the buyer’s agent assures that the pin number is correct. The PIN is in the listing on the MLS, right click and verify the information aligns with the MLS. Another resource is [www.cookcountyassessor.com](http://www.cookcountyassessor.com/)
* o **2. Line 12**, fill in information if the residence is a condo with a parking space number and the type of space.
* **3. Purchase Price:** the initial offer price as determined by the client.
* **4. Earnest money** is protection for the seller in the event that the buyer walks away after the contingencies have expired. It protects the buyer by the seller taking the property off the market. It helps assure that the seller will work in good faith with that particular prospective buyer. Earnest money is due upon acceptance. It usually increases to double the initial earnest money after the expiration of the contingencies. The second installment of the earnest money is due at end of attorney review. The buyer’s liquidity, risk tolerance, and motivation are all factors to determine the amount of earnest money offered for the transaction.
* **5. Fixtures and personal property at no additional cost:** Check and denote items included and not included.
* **5**. Line 43: if a home warranty is requested, fill in the amount. Shall be included in a premium not to exceed $500. It might depend on size of property.
* **6. Closing**: The realistic date on which the buyer wants to close. Typically 45 to 60 days after acceptance.
* **7. Possession:** Unless an optional provision is exercised, possession occurs at time of closing. Refer to paragraph 39.
* **8. Mortgage Contingency**
* **9. Statutory Disclosures**: Prior to signing the contract, the buyer’s broker must provide two pamphlets ‘protect your family from lead in your home’ and ‘radon testing guidelines for real estate transactions’. The buyer should also have the ‘Illinois residential real property disclosure report’, ‘lead based paint disclosure’, and possibly the disclosure of information on radon hazards and mold disclosure if there is mold or radon.
* **10. Proration:** includes a) the homeowner/condo fees per month (or year) or specified duration. An umbrella association might have dues as well. Taxes are the second proration. In some counties taxes paid in arrears, which means that you pay for last year’s taxes this year. Because of that the seller provides a credit of something larger than the most recent full year’s tax bill. Usually it is 105% or 110% of the most recent ascertainable full year’s tax bill. The amount is then prorated to align with the closing date.
* **11. Attorney Review**
* **12. Professional Inspections and Inspection Notices**

**Step Two: Read and understand all the optional provisions and fill out those that are applicable.** A few key provisions include:

* 32: Sale of Buyer’s Real Estate: This option would be initialed by all parties in the event that buyer needs to sell real estate in order to qualify for a mortgage on the subject property.
* 35. Credit at Closing: This option must be initialed by all parties, in the event the buyer wants the seller to pay for closing cost or a portion of closing costs. The limit is 3% of the purchase price.
* 41. “AS IS” Condition: This option must be initialed by all parties, in the event that the buyer wants to indicate to the seller that they are willing to purchase the property ‘as is’. It does not wave the right to inspect.

**Step Three: Read the following paragraphs thoroughly for complete understanding**.

* 13. Homeowners Insurance: The buyer must secure Homeowners insurance before the closing and bring proof of that insurance to closing**.**
* 14. Flood Insurance: The seller should disclose if the property is in a flood plain. If so the buyer will need flood insurance.
* 15. Condominium/Common Interest Associations: outlines buyers and sellers responsibilities for a condominium purchase including title conveyance; assessment responsibility; compliance with the Illinois Condominium Property Act; compliance with existing rules, regulations and restrictions; and compliance with proof of insurance.
* 16. The Deed: conveyance of the title.
* 17. Municipal Ordinance, Transfer Tax and Governmental Compliance: parties must comply with governmental bodies.
* 18. Title: seller’s compliance with providing a title insurance policy.
* 19. Plat of Survey: seller must provide a plat of survey unless otherwise agreed upon.
* 20. Damage to Real Estate or Condemnation: If there are damages to the property prior to closing, the buyer has the option of terminating the contract.
* 21. Condition of Real Estate and Inspection: Seller will leave Real Estate in broom clean condition.
* 22. Real Estate Tax Escrow: In the event the Real Estate is improved, but has not been previously taxed for the entire year as currently improved, the sum of 3% of the purchase price shall be deposited in escrow with the title company.
* 23. Seller Representations: seller’s assurance that they have no knowledge of or received written notice from any governmental body regarding zoning, rezoning, boundary line disputes, Eminent Domain, easements or claims, hazardous waste, improvements requiring permits, improvements which are not included in most recent tax assessment or improvements which are eligible for home improvement tax exemption.
* 24. Business Days/Hours: Monday through Friday 8:00 A.M. to 6:00 P.M. excluding federal holiday.
* 25. Facsimile or Digital Signatures: shall be sufficient.
* 26. Direction to Escrowee: Incorporate verbiage “and earnest money refunded to the Buyer upon written direction of the Parties to Escrowee or upon entry of an order by a court of competent jurisdiction” for every instance that the contract is deemed null and void.
* 27. Notice: Notices shall be in writing according to the manners outlined in the paragraph.
* 28. Performance: Time is of the essence of this Contract: Respond in a timely manner. Typically common courtesy is 24 hours.
* 29. Choice of Law/Good Faith
* 30. Other Provisions
* 31. Confirmation of Dual Agency
* 32. Sale of Buyer’s Real Estate
* 33. Cancellation of Prior Real Estate Contract
* 34. Home Warranty
* 35. Credit at Closing
* 36. Transactions Not Contingent on Financing
* 37. VA or FHA Financing
* 38. Well and/or Septic/Sanitary Inspections
* 39. Wood Destroying Infestation
* 40. Post-Closing Processing
* 41. “As Is” Condition
* 42. Specified Party Approval
* 43. Interest Bearing Account
* 44. Miscellaneous Provisions