

# Making an Offer to Purchase

When you select your new home, I will communicate with the selling party by means of a written offer. When the buyer and seller accept the offer, it becomes a legal contract. In Colorado, we use contract forms approved by the Colorado Real Estate Commission.

The information below is required when filling out the purchase contract. Some of these items I will explain in further detail in the next few pages.

- **Your Name** – How you will take title to the property.
- **Amount of Earnest Money Deposit** – At the time a written offer on the property is initiated, you will generally be required by the seller to include a personal check, cashier's check or cash. The amount deposited will be kept in the trust account of the real estate company handling the listing and not turned over to the seller.

Generally the amount is negotiable; however, the range of acceptable deposit is usually between 2% and 5% of the purchase price. A personal check is most often used.

This money represents your sincerity in the attempt to purchase the property and is totally refundable if the offer is not accepted or if some condition in the contract is not satisfied, for example, if the financing is not approved. The deposit applies in full toward the purchase price at closing if the offer is accepted and all conditions are satisfied.

- **Offering Price** – The amount you are willing to pay; the amount of down payment and loan amount – loan terms – and your agreement to pay for an appraisal of the home.
- **Inclusions/Exclusions** – Items to be included/excluded from the home such as blinds, curtains, appliances, etc.
- **Title Insurance** – In Colorado, this item is normally paid for by the Seller.
- **Date for Closing** – If you are using equity from the sale of your current home, check with your listing broker or attorney to determine when your equity will be available. (In some states, equity is not always available at the time of closing, but follows by a few days.) Other factors affecting the date of closing are the length of time to approve your loan and the date the seller agrees to give possession.
- **Date of Possession** – Although the possession date is a negotiable item between you and the seller, it is customary for possession to be delivered at closing.

**Signatures** – In Colorado, an offer and acceptance must be signed by **ALL PARTIES** to the agreement before a contract is consummated.