

## INSTRUCTIONS TO A SELLER ON SELLING A HOME

1. Do Not take a check and do not sign anything.
2. I will need the following to prepare an Agreement of Sale.
  - (A) Exact names and addresses of both Buyers.
  - (B) Name, address and telephone number, if possible, of Buyer's Attorney.
  - (C) Purchase Price
  - (D) The amount of the down payment. For our purposes, "Down Payment" is the amount of money the Buyers will place in escrow at the signing of the Agreement. It is not intended to be the difference between the purchase price and the amount of the mortgage. The down payment is typically 10% of the purchase price or if you are dealing with a responsible party something less than 10% but usually at least 5%.
  - (E) Name of the escrow agent (typically the attorney for the Seller, although it could also be the attorney for the Buyers).
  - (F) Who is going to get the interest earned on the escrow deposit (typically it is the Buyers, but it could be the Sellers; it is just a matter of negotiation). We need the Social Security Number of the party who is going to receive the interest.
  - (G) The amount and the type of mortgage the Buyers will require. We also need to know the maximum rate of interest that the Buyers are willing to pay and the number of years the mortgage will run. Most mortgages are presently conventional, although there are some FHA, VA and variable rates floating around. If possible, I recommend that you attempt to find Buyers who are looking for a conventional mortgage.
  - (H) The settlement date. We do not need to know the specific date, but we need an outside "on or before" date.

- (I) What is included in the sale (for example, curtains, drapes, rods, fixtures, wall to wall carpeting, backyard shed, water softener, shelving, refrigerator, window air conditioner, etc.)
- (J) Will there be an adjustment of fuel oil?
- (K) Is there public water and/or public sewer?
- (L) Transfer taxes are almost always divided evenly between the parties and the real estate taxes are almost always adjusted on a fiscal year basis.
- (M) Are there any condominium or homeowners association fees to be apportioned?
- (N) If the property is in the City of Bethlehem, Bethlehem Township, Whitehall Township and (in 1987) the City of Allentown, the property must be inspected for Code Compliance before the Agreement can be written.
- (O) Try to avoid making the sale subject to the Buyer's ability to sell another house. If it is incredibly easy not to sell a house if you don't want to.
- (P) The Buyers always sign the Agreement of Sale first and the Buyers always produce the down payment check before the Seller signs.
- (Q) Is the sale to be contingent on any tests (for example, radon, home inspection services, well, septic system, etc.)