

DESCRIPTION OF THE UNIFORM  
REAL ESTATE PURCHASE AGREEMENT

The Uniform Real Estate Purchase Agreement is a relatively easy document to prepare. In most situations you will be able to complete this purchase agreement by yourself, however, if you are uncertain of how the form applies to your unique situation please consult an attorney or a licensed real estate professional. We have access to legal assistance for you at significantly discounted rates. Please see our assistance options for more information.

Below you will find the detailed instructions for the completion of the enclosed Uniform Real Estate Purchase Agreement.

**DATE:** Fill in the current date in this blank.

**ADDRESS / LEGAL DESCRIPTION:** Fill in the street address in paragraph one and the legal description in paragraph two (legal description may be obtained on the website of the county government where the property is located). The omission of the legal description in paragraph two will not invalidate the contract. Your title company can easily provide you with the legal description of the property.

**PERSONAL PROPERTY:** Fill in any personal property that goes with the house. Usually, these items include the stove, window coverings, garage door openers with the appropriate number of remote controls, etc. Some homeowners will include the refrigerator, but this is not standard (it can be used as a negotiating tool). Items such as the carpeting, ceiling fans and curtain rods that are attached to the real estate are considered fixtures and remain with the real estate after the sale. Anything not attached that stays with the house, should be listed here.

**CONSIDERATION:** Fill in the total purchase price on the first line, both in long hand on the first line and numerically on the second line between the parentheses. Also, on the second line you will see a blank space for the deposit, the rule of thumb here is one thousand dollars deposit for every one hundred thousand dollars in purchase price, although this is a negotiated item.

**FINANCING:** The purchaser must inform the seller of the method of financing to be used, which will involve selecting and filling out only one of the four sub-paragraphs (A-D).

If this were a cash sale, the amount filled in paragraph A would be the total purchase price less the earnest money deposit. Paragraphs B-D would be left blank.

If financing is needed for the transaction, you would use Paragraph B, which makes the purchase conditioned upon the buyer's ability to obtain a loan. This is the most commonly used paragraph of Section 7. The first line in paragraph B should reflect the difference between the purchase price and the earnest money deposit. The next blank in paragraph B

is the amount of the loan that is needed. A normal conventional loan is considered to be an 80% loan and the amount would then be eighty percent of the total purchase price, however each situation will be different. The parties should then check the type of financing that will be obtained, i.e., whether the loan will be VA, FHA, Conventional, etc. The next blank is for the interest rate which is followed by the number of years the loan is amortized which is usually, fifteen, twenty or thirty. The next blank determines who is responsible for the loan origination fees. Generally this is paid for by the buyers/purchasers, but it is a negotiated item. Finally, the last blank is for the amount of time given the buyer to get financing approved. Normally that is approximately twenty days unless a FHA or VA loan which would be thirty days. Paragraphs A, C & D would be left blank.

Paragraphs C & D are used only if the existing mortgage will be assumed by the buyer (i.e. the buyer is taking over the payments of the existing mortgage) or if the seller is going to finance the transaction (i.e. personally provide a loan to the buyer).

**TAXES:** Taxes will be prorated based on the closing date according to this paragraph.

**CONVEYANCE OF TITLE:** This paragraph reflects when the closing should take place (within 30 days is reasonable), also fill in the approximate closing date and the approximate possession date.

**WOOD INFESTATION:** Generally, 2% of the purchase price is acceptable to most people in which case placing "N/A" in the blank line is acceptable. If a different limit is desired, then it should be written into the blank.

**CONDITION OF PROPERTY:** Generally the final walk through is 24 to 48 hours before closing. This should be agreed upon by both seller and buyer and written on the blank line of this paragraph.

**PROPERTY INSPECTION:** Purchaser must decide if a home inspection will be performed. If the purchaser desires a home inspection then he/she must initial the blank before "see attached inspection addendum". If an inspection is not required, then the purchaser should initial the blank before "purchaser does not choose to have a property inspection".

**HOME WARRANTY:** One of the boxes should be initialed by the purchaser depending on the seller's willingness to pay for a home warranty.

**LEAD-BASED PAINT ADDENDUM:** In the enclosed packet you will find the lead-based paint addendum. Initial the appropriate boxes and have the buyer initial the appropriate boxes. This must be done for any home built in 1978 or before.

**OFFER EXPIRATION:** Under normal circumstances, when the purchaser makes an offer, the purchaser wants to have an answer back from the seller within a certain amount of time. The completion of this paragraph should reflect that time limit. Giving 48 to 72 hours to consider the offer is reasonable.

**PURCHASER SIGNATURES:** Purchasers should then fill in all blanks including social security #, name and address. Also fill out the exact names as to how title will be held.

**ACCEPTANCE BY SELLER(S):** The seller has three options. 1) The seller can simply accept the offer by signing this area in the presence of a notary public. **CAUTION!** You must actually sign in front of the notary public. Do not sign the purchase agreement and then expect a notary to notarize the signature at a later date. Again, the signatures must actually take place in front of the notary. 2) The seller can reject the offer. Or 3) they can counter-offer, and add additional requirements in the blank provided, such as, "Except purchase price to be \$ \_\_\_\_\_." In this case the purchasers must accept the counter offer, and again have their signatures notarized.

Make sure to write in the amount of the deposit given in this section.

**FINAL NOTE:** All of the remaining terms and conditions of this purchase agreement are standard in form. However, any provision of this contract can also be changed by mutual agreement. Again, this instruction sheet is intended to provide guidance in the completion of a purchase agreement under normal circumstances. However, as noted above, there will be situations which may require the services of a real estate professional. DRI Title and Escrow and its attorney are always available to provide any assistance you may require.