

7 Terms to Watch for in a Purchase Contract

1. The closing date. See if the date the buyer wants to take title is reasonable for you.
2. Date of possession. See if the date the buyer wants to move in is reasonable for you.
3. The earnest money. Look for the largest earnest money deposit possible; since it is forfeited if the buyer backs out, a large deposit is usually a good indication of a sincere buyer.
4. Fixtures and personal property. Check the list of items that the buyer expects to remain with the property and be sure it's acceptable.
5. Repairs. Determine what the requested repairs will cost and whether you're willing to do the work or would rather lower the price by that amount.
6. Contingencies. See what other factors the buyer wants met before the contract is final—inspections, selling a home, obtaining a mortgage, review of the contract by an attorney. Set time limits on contingencies so that they won't drag on and keep your sale from becoming final.
7. The contract expiration date. See how long you have to make a decision on the offer.