

CARE REAL ESTATE TRANSACTION SERVICES

BUYER CONTRACT

CARE Real Estate Transaction Services will be handling the negotiations with all parties until this property is sold & settled. **Our closing fee for coordinating to get an approval on the offer submitted, will be paid at the time of closing.** The closing fee schedule is based off of the list price and not the purchase price (see worksheet below). Our success rate of getting short sales approved is 99% and will provide a full service working with all parties to make a successful transaction.

To insure buyer participation, with below you are given the option to ACCEPT or DECLINE.

ACCEPT – 2 OPTIONS (Check One Below)

- ❖ HOME INSPECTION - To remove the property from the MLS and put Under Agreement, you will need to provide a home inspection along with estimates. We will alert your buyer agent when there is a bank rep negotiator assigned, as they will be the one submitting an order for a bank appraisal evaluation. If you opt to wait for a bank negotiator, the property will remain on the MLS until a home inspection is completed. We will continue to work with your offer, but if the bank counters and you decline, then we will go to all backup offers.
- ❖ ESTIMATES - This estimate is needed for items that are not seen by the human eye such as foundation, septic, well, roofing, radon, mold/asbestos removal. Basic wear and tear, estimates are not required. If you have a combination of repairs less than \$5,000, a detailed list must be provided, no figures needed. Contacting a franchise company such as Sears, Home Depot or Lowes for estimates will not be accepted. If you submit estimates after the bank appraisal is completed and another offer comes in, all offers will be disclosed to the bank and you will need to submit highest/best price. If your offer is presented first, we will work with your offer. However, if the bank counters your offer, you will need to increase your offer or we will go to all backup offers.

DECLINE - your offer will be submitted to the bank, but the property remains on the MLS and backup offers are accepted. If a backup offer comes in higher than your offer, you will be alerted and then have to submit highest/best price. If you do not submit highest/best price, then we will proceed with the next offer.

ACCEPT - buyer has home inspection completed and provides estimates – PROPERTY PUT UNDER AGREEMENT

ACCEPT – buyer provides contractor estimates – PROPERTY REMAINS ON MLS

DECLINE - buyer declines both options above – PROPERTY REMAINS ON MLS

TITLE – Must be approved title company by CARE. When the seller makes application to proceed with a short sale we start with a present owner search to check for liens. If buyer opts to use another title company or attorney, not authorized, it will be at buyer's expense to pay the approved title company for any costs out of pocket for certs and searches. If you elect to have an attorney present at closing, this will be at your expense.

DEED GRANTEE CLAUSE – Due to the property being a short sale, the banks are deterring investors from doing back to back transactions. When the short sale is approved they will provide a grantee clause as such: Grantee herein is prohibited from conveying captioned property for sales price for a period of 30/60/90/120 days from the closing date. After the 30/60/90/120 period, Grantee is further prohibited from conveying the property for a sales price greater than 20% until 90 days from the closing date. These restrictions shall run with the land and are not personal to the Grantee.

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DOWN PAYMENT – you will be required to put a minimum down payment when submitting an offer. This minimum will be based on one percent (1%) of the purchase price. If the offer is less than \$100,000, you will be required to put \$1000 down. This down payment is non-refundable and given to the seller, if your offer was submitted to the bank and you walked after bank approval was received.

APPRAISAL – It will be at the buyers' expense to have the utilities on inside the home before your appraisal is ordered. If the property is vacant and the seller has the utilities on, please confirm with the agent to see how long these will be on so that you can complete your appraisal and inspection reports. Any repairs needed, will be at the buyers expense.

CASH – If you write up an offer stating you are paying cash, but have the intention of getting a private lender and/or hard money, you will need to disclose this upon submitting an offer. If we receive an approval and you change from cash to financing, you will need to close by the approval expiration with no delays.

LENDER FINANCING - Make sure your financials and any other documents needed to process your loan are kept current with your lender. When we receive bank approval, we will be pushing for closing!! We will have your lenders information on hand and if you change lenders, you need to send over a new pre-qualification form. Also, if we have an approval, you must close within the approval expiration.

CLOSING COST CREDITS - The buyer will be responsible for paying normal closing costs on their side of the HUD/CD. However, CARE will work to get additional buyer's closing cost credits approved by the seller's bank. These credits will not be disclosed until bank approval has been received. Upon obtaining a clear to close both the sellers and buyer's side, certain verbiage has to be used due to the TRID guidelines on the HUD/CD. If this verbiage is revised, the seller's bank closer can decline to pay.

BANK COUNTERS – If the bank counters or gives us a value of what the appraisal came in at, you will be alerted and asked to increase your offer to highest/best. If you do not increase your offer, we will proceed to the next backup offer. If there are no backup offers, we will continue with your offer.

DISPUTE - If you want to resubmit a lower offer after you had a home inspection and/or a contractor estimate before the bank appraisal, we will resubmit to the bank at no additional cost. However, if you want to submit a lower offer after bank appraisal was completed or bank approval received, you will be responsible to pay an upfront fee of \$1500 per occurrence before we start the dispute with bank. If you do not want to accept the terms and conditions, then we will proceed with backup offers.

APPROVAL - When an approval has been received, buyer will be given up to the expiration to close. Make sure application is made and all your financials are kept up to date with buyer's lender. The approval letter from the seller's lienholder(s) will ONLY be submitted to buyer's lender. This approval letter is for the seller, so the information is CONFIDENTIAL. Neither you, your agent nor your lender will contact the seller's lender. If you are not closed by the expiration of the approval letter, we will obtain a new approval letter for an additional fee of \$1000 per occurrence. This \$1000 will be paid upfront and mailed to :

CARE Real Estate Transaction Services
3477 Corporate Parkway - Suite 100
Center Valley, PA 18034

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There are 3 phases to a short sale:

1st Phase (PROCESSING) - A bank processor will gather all docs, make sure all docs are initialed where lines are crossed out and your name on the agreement of sale and prequalification letter are spelled out with all suffixes, as shown on your driver's license. If the agreement of sale is dated for less than 60 days from the time submitted, an extension will be needed with closing to state "closing to occur (30/60) days after lender approval."

2nd Phase (NEGOTIATING) – The bank negotiator will review to make sure all docs are correct and current. If the prequalification letter is more than 60 days, this will need to be updated along with the POF statement to show your down payment. The bank negotiator will order an appraisal, if the utilities are not on, the appraiser will evaluate the property in the "as-is" condition. When the appraisal is completed the cost analysis department will determine value. If the bank counters, as stated above we will dispute the value at no cost with documents provided. If you do not supply a home inspection and/or a contractor estimate along with colored pics, be prepared to have your offer countered.

With the 2nd phase there are 3 levels of approval:

1st level - negotiator review, all docs must be correct & current

2nd level - underwriting review, they approve or counter

3rd level - investor review, approval prepared

3rd Phase (CLOSING) - Approval received, which will be submitted to the approved title company. Once the approval letter has been reviewed and approved by the seller, we will then forward over to your lender. The BANK APPROVED HUD will show ONLY the fees approved by the seller's lienholder(s) and if you provide a GFE/LE from your lender, we will submit to the title company so you have an estimate of what you will need for closing. Once we have a Final HUD we will submit to the seller's lienholder(s) for a clear to close. Time needed for a clear to close is 48 to 72 hours prior to closing.

PROCESS TIME - With all of the Federal guidelines that have been added, the process for a short sale is taking a "minimum" of 90 to 150 days. Depending on the type of loan and who the investor is, the process could take longer. Make sure you have the list below complete. The list below is some of the delays to process a short sale so make sure your file is complete.

- Sales Agreement with short sale addendum - Make sure your name matches with your driver's license and pre-qualification letter. If under business name, owner or member must sign name and include name of business.
- Pre-Qualification Letter – must keep updated after 60 days
- Buyer POF "proof of funds" Down Money –must be updated every 30 days
- Purchasing in LLC - Articles of Incorporation and Operating Agreement must show members

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FEES BELOW ARE BASED ON THE LIST PRICE OF THE HOME. (CHECK BELOW THAT APPLIES) If you are currently active in military or have served our country, we will discount all fees below (inquire within). Provide documentation.

_____ Served Country _____ First Time Buyer

FIRST TIME BUYERS – If you never owned a home, we offer a discount if the list price is less than \$100,000.

___ \$2500 \$0 - \$49,000
___ \$3000 \$50,000 - \$99,000

BASE PRICE – Check One Below

___ \$3500 \$1,000 - \$99,000
___ \$4000 \$100,000 - \$199,000
___ \$5000 \$200,000 - \$299,000
___ \$6000 \$300,000 - \$399,000
___ \$7000 \$400,000 - \$499,000
___ \$8000 \$500,000 - \$599,000
___ \$9000 \$600,000 - \$699,000
___ \$10,000 \$700,000 - \$799,000
___ \$11,000 \$800,000 - \$899,000
___ \$12,000 \$900,000 - \$999,000
___ TBD \$1,000,000 +

If this contract is not signed, ALL BACKUP OFFERS ARE CONSIDERED and we will NOT release the approval letter to your lender.

BUYER _____

Date _____

CO-BUYER _____

Date _____

Thank you for your support, if you have any questions please email CARE or have your agent contact us immediately with any concerns!!

Annie Lehet
CARE, Executive Director
EMAIL ADDRESS – care@care-services.us
WEBSITE - www.CARE-Services.us
888-9 CARE 10
888-826-9787 (fax)

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