

## Making an Offer

Once you've found a house that looks promising, you will want to research the price parameters of recently sold, similar houses. This will ensure that you are making an offer consistent with recently completed sales – and it increases the chance that your offer will be confirmed by the appraiser your lender will assign to confirm the validity of the deal.

A comparable market analysis (CMA) lists the recent sale information of nearby homes, including how long each home stayed on the market, how close the asking price was to the actual sale price and other factors. It then compares the information regarding these houses with the one in question. If you're using an agent, she will do this for you to help you determine a realistic price.

As you go through this buying process, remember that everything is negotiable, and everything should be in writing. You should be very specific when you prepare your purchase offer, and the sellers should be equally specific when they issue their counter offer.

**Earnest money** proves to house sellers that you're serious. After all, they're going to take their home off the market on your behalf. Earnest money is typically between 1% - 5% of the purchase price. The money will be held escrow by the Seller's Broker office. Such a deposit does not mean you're bound to the contract. Your full deposit is credited toward the down payment and closing costs.

Once your offer is accepted, it becomes a binding contract, so be sure to include the necessary contingencies. **Contingencies** are clauses that, if not met, will render the contract null and void. Common contingencies are the sale being subject to approved financing, the sale of an existing home and/or a satisfactory home inspection.