

# **Safety First for Charlottesville Home Buyers’ – The Earnest Money Deposit**

When a young Charlottesville home buyer first hears the term “earnest money deposit,” the words alone pretty much explain the general concept. But I make sure to clarify the details before we begin to put together our offer.

The purpose of the earnest money deposit is to assure the seller that this is a buyer who is serious about completing the sale. If the seller does accept the offer, the earnest money is held in trust until it can be applied to the ultimate sale.

Since this deposit is a considerable sum, I make sure my buyer client fully understands the terms that control how it is handled—including three major happenstances by which earnest money might be forfeited. Each is avoidable if proper care is observed.

1. If sufficient mortgage financing cannot be obtained or if the Charlottesville property fails inspection, the offer’s contingencies should specify that the earnest money will be returned. That’s why submitting an offer that waives those contingencies should be avoided. There are a few exceptions—for instance, it might be reasonable to waive a mortgage-financing contingency when competing with an all-cash buyer (but only if a lender has already granted conditional approval). Another exception occurs when the home is going to be torn down, in which case it would be reasonable to waive the inspection contingency. Otherwise, I urge my buyers to stand by the usual contingencies.
2. The purchase contract contains completion dates by which steps of the deal are to be met. In most instances, sellers will agree to some extensions if the buyer is making good-faith efforts to meet the deadlines. But especially for the final closing date—and most especially if the paperwork includes a binding “time is of the essence” clause—failure to meet the date can result in a failed deal and loss of the earnest money.
3. Should adequate financing be offered and the Charlottesville property passes inspection with flying colors, if the buyer has a change of heart for personal reasons after the contingencies have been lifted, the earnest money is probably lost.

It might seem hard-hearted for the seller to refuse to return that deposit, but that’s not really unreasonable. In addition to the hassle of canceling the moving day and re-entering the property in the Charlottesville listings, there can be a question raised in prospective buyers’ minds about why the first contract failed—a potential problem the seller didn’t deserve.

Before a bid is ever submitted, I do my best to see that my buyers are sure—thoughtfully so—that a property is the one they really want. From that point on, I keep on top of all the ensuing steps, from drawing up the offer all the way through the final closing. I hope you’ll call me whenever you’d like to discuss your own Charlottesville real estate plans!



**kw** | **charlottesville**

**SETH BATTON**

REALTOR, ABR®, e-PRO®, GREEN®

Born and raised in the Shenandoah Valley of Central Virginia, I love everything outdoors. Most of my free time is spent hiking, rock climbing, playing water sports, or cooking out on the back deck with friends. As a child, my parents built me with the core values of a southern gentleman. Trust starts with honesty and honesty builds integrity. I'm a technology guru! One of my favorite hobbies is restoring old homes in depressed neighborhoods to meet the needs of our generation today. My mission is to build a career worth having, a business worth owning, and a life worth living. Being GREEN® is more than just the resource efficiency of your home. It's a lifestyle choice! Let's discuss how to minimize your carbon footprint in everyday life by simplifying your daily commute, decreasing your household energy costs, and boosting the efficiency and sustainability of your daily routine!

I'm an Accredited Buyer's Representative (ABR®) with the National Association of Realtors. Which means I have extensive training to help walk you through the home buying process from start to finish. From lenders and home inspectors to mortgage agents and closing companies, together we will find the best home for your family's needs!

As an e-PRO®, I can show your home to over 500 million visitors today. And you don't even need to vacuum! Curb appeal isn't just about looking good from the street. It's about looking good from the digital highway!

### **For more information contact me at:**

***Seth Batton, Realtor***

***3510 Remson Ct., Suite 301***

***Charlottesville, VA 22901***

***(c) 540-241-1877***

***(w) 434-220-2200***

***SethBatton.com***

***[seth@FindHomesInCharlottesville.com](mailto:seth@FindHomesInCharlottesville.com)***



***Copyright 2017 Keller Williams® Realty, Inc. If you have a brokerage relationship with another agency, this is not a solicitation. All information deemed reliable but not guaranteed. Each office is independently owned and operated.***