



Standard Purchase and Sales Agreement Script

For “Seller Financing” and “ Subject-to” Deals - Use Purchase and Sales Agreement Form

Now here we get into the numbers. Under 1A here is the binder deposit I'm giving you today. That's just to show that “consideration” was exchanged, it makes the agreement binding.

(If applicable) Here under 1C it states the remainder of the down payment that we're giving you up front. As I said, we don't usually do that, but we understand your situation so we're being flexible on that.

(Blended Funding deals) As we talked about there is an outside lender on this deal, and the amount they're bringing in is listed here in 1D.

(“Seller Financing” Deals) Now 1E here states the amount of the Seller Financing we talked about, that comes to \$____. I'll explain how that breaks down coming up here in 2B.

(“Subject-to” Deals) Here under 1G it lists your current “existing mortgage balance,” which we figure is close to \$____. That's the amount we're taking over,\. You can see it says “approximately” there.

Then those items listed there add up to this number here on line 1H, the total purchase price of \$_____.

(Seller Financing Deals) That amount in 1E is broken down in 2B here. It's secured by the real estate, and it's payable in monthly installments of this, \$____, over a term listed right here, ____ years.

(If not fully amortized) At that time a balloon “cash-out” payment will be due, so obviously before that we'll be cashing you out in full.

(Seller Financing Deals) The payments will be made directly to you.

(Subject-To Deals) Payments will be made directly to the mortgage company.

We'll be taking care of the taxes and insurance directly from now on.

One last note, it says here we can pay you off early with no pre-payment penalty, in fact that's our goal.

Here in #3 and #4 you see closing costs listed, we'll actually go ahead and take care of all the closing costs for you on this deal. Under buyer here we wrote in “all closing costs,” and under seller we have “no closing costs.” That works for you, right? ____ **(Don't volunteer to pay all closing costs if you are giving the seller a down payment, or possibly if closing costs/transfer fees are high in your state).**

Here again are just your standard clauses.#6 says that prorations will be calculated on any taxes or insurance you paid for this year so far. You'll see that on the final closing statement. #7 says we want to get the title report back within 10 days. Usually it's much faster than that.

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#8, we don't usually need a survey (**unless possible lot line or boundary issues**). #9, we'll usually get a termite report. Have you ever seen any termites or any wasp or other insect issues? ____ Good.

Once we get the title report back we can set a time for closing, usually the closing will be within __ days (**30, 60-90 if you need to find a buyer**).

(If applicable) A lot of times we can close much sooner. It can actually be less than a week if everything is ready and works out right.

Here under #12 it says we buy the property "AS IS", except for these items listed here (**usually you will not have any unless they are major**).

This next part just says you have the right to sell, and also there aren't any defects or anything that you know of that affect the value of the property. You understand that? Great.

#13 covers the occupancy, and right now you are / ____ / your tenant is living here **OR** the house is vacant, right?

(If tenant-occupied) Is the tenant month-to-month, or do they have a lease?

(If lease) We'll work with the tenant on the lease, no worries.

(If month-to-month) Okay, we'll figure out the tenant situation, no worries.

This last part of #13 talks about any items not attached that you may not want to move, any heavy furniture, stuff you don't need anymore. Can you think of anything? **(If you noticed any items you want, ask for them here)** You know, when we were walking through I did notice _____. Would it be okay to keep that with the house? **(Repeat if more desired items, just asking gets valuable stuff free)**.

#16 mentions the zoning. The property is zoned "Residential," good for single family use.

Under #18 here, there is one / two / a few more things.

(Asking the seller to make 1 more payment) We'll be taking possession on _____. The way it usually works is that you'll make the payment for the month we take possession, and then we'll pick it up on _____. That's because mortgages are paid in arrears, so you're covering accrued interest for the prior month. You understand that, right? ____ Okay great.

(If "No," or "We can't make that payment") Okay, I understand. Well, this is not the way we usually do it, but I do have a good feeling for your situation. I think I could probably talk to ____ (my husband/ wife/ partner) and get it worked out to start making the payments right when we take possession. _____

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Wrapping up here, #20 just says everything is good for our state, and as always, "time is of the essence."

Right here at the bottom is where you show that you received our binder deposit, remember that amount that was listed back under 1A on the agreement.

(Give check/cash, usually \$100). *Here it is, this is to show "consideration" has been given.*

Point to where they sign, and hand them the pen. BEFORE they put the pen down from signing for the deposit, point to the signature line on the agreement. This next sentence is often the most important thing you say in the entire deal.

And here's where you okay the agreement.

Once they've signed, go on to sign a few other basic agreements like the "Authorization to Release Information" and the "Lender Letter" to change address.

Alright great, that takes care of the basic paperwork!