



Pennsylvania Association of
REALTORS®

REALTOR® The Voice for Real Estate® in Pennsylvania

Homebuyer's Guide to the Agreement of Sale

2002

*A Consumer Service of the Pennsylvania
Association of REALTORS® (PAR)*

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Welcome to the Homebuyer's Guide to the Agreement of Sale. This booklet is designed to help you navigate and understand the central document in a real estate transaction: the Agreement of Sale.

It is very important for you to read and understand all the relevant terms and conditions in the Agreement. If there is something that you do not understand, ask your REALTOR® or attorney for a further explanation before you sign the Agreement. Nothing stated in this Guide should be used as a substitute for the professional help of a REALTOR® or an attorney.



As you complete the Agreement of Sale, please read the NOTICES AND INFORMATION paragraphs located on the back of the Agreement. (If the REALTOR® is using computer-generated forms, the Notices will be located on separate pages.) Some of the Notices are legally required, while others are more informational, but it is just as important to understand the notices as it is to understand the terms of the Agreement.



As you go through the Guide, this icon will alert you to “check out” Notice(s) that relate to a particular paragraph or clause in the Agreement.

And remember, as you make your way through the Agreement of Sale, you should ask the REALTOR® (pronounced “REAL-tor”) if you have any questions.

CONGRATULATIONS ON DECIDING TO BUY A HOME!

Whether you've done it once, a dozen times, or never before, buying a home can be a terrifying, stressful, and exhilarating experience. If you are feeling these emotions, don't worry -- you're not alone. It's perfectly normal. You look forward to the joys of owning your own home, and you shouldn't have to dread the process. This booklet is designed to make the task of home-buying a little easier for you.

A major part of the purchase process is completing the Agreement of Sale with the help of the REALTOR®. This can be more than a little scary, since it is a multi-page document filled with real estate jargon and "legalese." As a consumer, how are you supposed to understand what you are signing?

Well, you can arm yourself with real estate and legal professionals who can guide you through the process. You also have this "user-friendly" booklet. It will take you through the PAR Standard Agreement of Sale paragraph by paragraph, give you definitions and tips, and most of all, it will ease your mind because you will be familiar with the Agreement when you sign your name on the dotted line.

You may have already found the house or property you want to buy. Once you have decided on a property, it's time to act on it. The next step is filling out the Agreement of Sale. What? Where? When? How? Read on!

What?

This booklet explains the PAR Standard Agreement for the Sale of Real Estate, which is produced, approved, and copyrighted by the Pennsylvania Association of REALTORS® (PAR) and used frequently by REALTORS® and attorneys across Pennsylvania. The Standard Agreement of Sale, or simply "the Agreement," is where you will specify the price and other terms of your offer. If you are successful in your negotiations, all the final terms and conditions of your purchase will be contained in the Agreement.

Where?

The process of completing the Agreement of Sale will often take place at the REALTOR®'s office. With the use of fax machines and the increased acceptance of computer generated forms, however, the Agreement can be filled out almost anywhere -- you might not even be in the same room as the REALTOR® while you're filling it out.



When?

After you have decided you want to buy the property, you should waste no time in filling out the Agreement. It will take approximately one to two hours for you and the REALTOR® to complete.

How?

While completing the Agreement of Sale, you will make many decisions about “terms.” The terms are the details and specifics of the Agreement which need to be acceptable to both the buyer and seller.

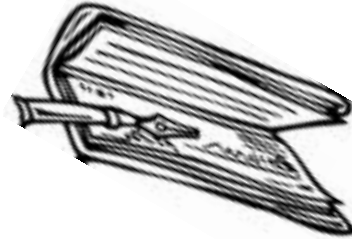
Some terms to be negotiated can include: purchase price, date of settlement, items to be included or excluded, financing arrangements, and property inspections, just to name a few. In order to protect yourself legally, you may want to have your attorney review the Agreement before you sign it.

One phrase to remember is “Everything is negotiable.” This document and its terms are by no means rigid or inflexible. Keep that in mind as you go through the Agreement with the REALTOR®.

REMEMBER: Pennsylvania real estate licensees are obligated to treat all parties in a transaction honestly. But unless you have entered into a buyer agency contract, the REALTOR® you are working with is probably NOT representing you, and may be representing the seller of the Property. Be careful how much information you reveal regarding your strategy, especially when it comes to the purchase price and other terms of your offer.

BE PREPARED (OR, DON'T FORGET YOUR CHECKBOOK!)

You will need to have certain items and information readily available when you begin fill out the Agreement of Sale. Some of these items include:



- Your checkbook. You'll need to give a deposit on the property.
- Income/asset information. The seller's REALTOR® will almost always want to verify a buyer's financial ability to buy or obtain a mortgage before recommending to the sellers that they accept the Agreement.
- Information regarding available funds. You will want to make sure you have enough money for down payment and settlement.
- Current financial obligations (for example, credit cards, loans, debts, periodic and monthly bills, etc.).
- All buyers! If you and other people (for example, your spouse) are buying a home together, you will need to complete and sign the Agreement together.

If you have any questions about what to bring with you, ask the REALTOR®

DON'T FORGET! WHEN YOU SEE THIS ICON IN THIS BOOKLET, BE SURE TO TAKE A MINUTE AND CHECK OUT THE APPROPRIATE NOTICES IN THE AGREEMENT OF SALE. THE NOTICES CONTAIN A LOT OF USEFUL AND EDUCATIONAL INFORMATION.

