

Your Home Is Under Contract: What Happens Next?

Congratulations—your home is under contract! The following outline explains the typical steps between signing the contract and closing. Exact requirements and deadlines are determined by the purchase agreement, so always follow the dates and terms in your contract.

1. Earnest Money Is Deposited

The buyer must submit the agreed-upon earnest money to the party identified in the contract, typically the closing attorney or brokerage firm.

The **earnest money** must be deposited within the contract's stated deadline typically 3-5 days. Missing this deadline will cause the contract to be **VOIDED!!**

2. The Due Diligence Period Begins

The buyer's due diligence period is often 10–14 days, but the exact length will be stated in the contract.

During this period, the buyer may:

- Arrange a professional home inspection.
- Conduct additional research or evaluations of the property.
- Request repairs or negotiate other terms.
- Terminate the contract as permitted by the agreement.

After completing the home inspection, the buyer may request repairs for specific items based on their needs and priorities. All requested repairs are negotiable and are not automatically required.

The seller may agree to complete all, some, or none of the requested repairs. The parties may also negotiate another solution, such as a seller-paid closing-cost credit or a change to the purchase price in lieu of repairs.

If the buyer and seller cannot reach an agreement on repairs, the buyer does have the right to terminate the contract during the due diligence period. If the buyer terminates properly and before the due diligence deadline, the earnest money is returned to the buyer according to the contract.

After the due diligence period expires, the buyer may lose the earnest money if they terminate unless a remaining contract contingency applies.

3. Remaining Contract Contingencies

Common contingencies may include:

Financing

If the buyer cannot obtain financing and has complied with the financing contingency's requirements and deadlines, the buyer may be able to terminate the contract and receive the earnest money back.

Appraisal

The lender typically requires an appraisal to confirm the property's value. If the home does not appraise for the agreed-upon purchase price, the buyer may be able to:

- Renegotiate the purchase price or other terms;
- Pay the difference, if permitted and financially able; or
- Terminate the contract and receive the earnest money back, depending on the appraisal contingency.

Termite Letter

Typically required by the contract, the seller must obtain and provide a clear termite letter to the closing attorney before closing!

Because termite letters are generally valid for only **30 days**, do not order one immediately after the home goes under contract. Schedule it within the appropriate window—often approximately two weeks before closing—after confirming the timing with your agent or closing attorney.

The termite letter must be completed and delivered before closing. **A missing or unacceptable letter WILL delay the closing!!!**

4. Preparing for Closing

A typical contract takes approximately 30–45 days from the contract date to close, although the actual timeline is governed by the contract.

Before the closing date, the seller should:

- Complete any agreed-upon repairs no later than 5 days before closing!
- Provide any requested documents or invoices before closing.

- Stay in communication with the real estate agent and closing attorney.
- Confirm the termite inspection and letter,
- Finalize moving arrangements well in advance.
- Keep all utilities—including electricity, water, and gas—turned on through the closing date.

Do not disconnect or transfer the utilities before closing. The utilities must remain active for inspections, the buyer's final walkthrough, and any other required evaluations. Schedule utility shutoff or transfer for after the closing has been completed.

5. Moving Out and Cleaning the Property

The seller must be completely moved out by closing! All personal belongings must be removed from the home, garage, and property!

The home should be left in broom-clean condition, including:

- Floors swept and carpets vacuumed;
- Bathrooms cleaned;
- Countertops and surfaces wiped down;
- Closets, cabinets, and storage areas emptied;
- All trash and debris removed;
- Garage cleared and swept; and
- Front yard, backyard, and other outdoor areas cleared of trash, personal items, and yard waste.

The property should be ready for the buyer to take possession immediately after closing.

Important Reminder

Every transaction is different. The signed purchase agreement controls all deadlines, rights, and responsibilities. Questions about earnest money, termination rights, repairs, contingencies, utilities, possession, or closing requirements must be directed to me, your real estate agent or closing attorney.

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