



Putting in an Offer: Step by Step

What you will need before putting an offer in on a property:

- **A pre-approval letter** from a bank or mortgage company that you plan to use when you purchase a home. Please read “Choosing a Lender” (provided in this packet) as you prepare to make an offer on a property.
- **A Good Faith Estimate** from your loan officer will help you financially & mentally prepare for the additional fees involved in purchasing a home. Your loan officer will also help you decide what type of loan you will be using, how much money you will be applying to your down payment, what type of interest rate you may be getting, and how much your monthly mortgage payments will be based on the sales price of the home.
- **An earnest money check** written out to the real estate company that is listing the home. The amount should be 1-2% of the sales price. The earnest money check holds two purposes: 1) It is financial proof that you are capable of and are serious about purchasing the property. 2) It acts as a security deposit. A photocopy of the check will be submitted to the listing agent with the initial offer. Your agent will hold onto the actual check until you and the sellers come to an agreement on the purchase. Once an agreement is made and the purchase agreement is signed by both parties, your agent will submit the actual check to the listing agent. It will be deposited into a trust account and held as a guarantee that you will stay true to the purchase. The funds will be released back to you at the closing and will be applied towards the sale of the home. There are certain circumstances in which the earnest money check can be returned to you if the purchase does not work out; your agent will explain this to you at the time you submit the offer.
- **The ability to close within 30-60 days** is standard for all purchases. If you cannot close in 60 days or less, there is a chance the seller may not be willing to accept your offer and you may want to hold off on submitting something.

Once you are ready to submit an offer:

- **Schedule 2 hours of your time** to meet with your Realtor. The offer must be in writing in a specific format on purchase agreement forms provided by the MN Association of Realtors.
- **Decide** how much you would like to offer, when you would like to close, and whether you choose to have a home inspection conducted.