

Term

buyer default	If the buyer defaults on the purchase, the seller may cancel the REPC and keep the earnest money deposit, sue the buyer to enforce the REPC, or return the deposit and pursue other remedies available by law.
change order	The mutual agreement between the parties on a change to the scope of work, the price, or another term of the contract.
closing	Defined as the completion of the following: settlement has been completed, the proceeds of any new loan have been delivered by the lender to the seller or escrow, and applicable closing documents have been recorded in the office of the county recorder.
earnest money	An earnest payment is a specific form of security deposit that is made in a real estate transaction.
hereinafter	Legal term indicating "from this point forward".
pre-qualification letter	A letter granted by a lender that proves the buyer can take out the loan necessary to purchase the property in the transaction.
seller default	If the seller defaults on the purchase, the buyer may cancel the REPC and receive liquidated damages, sue the seller to enforce the REPC, or accept a return of money and pursue other remedies available by law.
settlement	Defined as the completion of the following: buyer and seller have signed and delivered all required documents, and monies have been delivered by the buyer or seller to the other party.

Concept

Buyer's Due Diligence	Buyer's review and approval of seller disclosures, tests, evaluations, and verifications of the property by the buyer. Possible evaluations include environmental issues, water quality, HOA fees, or sex offenders residing nearby. If the due diligence resu
Construction Compliance	The construction of the residence must meet federal, state, and local standards and follow the site plan that the buyer and seller have agreed to.
Due Diligence Deadline	If the buyer does not cancel the REPC or resolve objections arising from Due Diligence by the deadline, he or she waives the condition in question. For example, missing this deadline will result in the buyer not being able to back out upon discovering tha
Inspection of Property	Buyers have the right to reasonable access to the property to inspect it. However, construction sites are dangerous, and the buyer's presence may pose a hindrance to construction. Do not encourage the buyer to visit the construction site during the day wh
Is Cash Purchase Allowed?	Cash purchase of homes may or may not be allowed, depending on the circumstances. Be very sure of whether it is allowed or not before closing. Ensure you follow all regulations
Lot Corners Staked	The process in which a land survey establishes the property's boundaries.
MLS Auto-Population	In some cases, the MLS will auto-populate names into blanks on the contract forms. Be certain that these have populated correctly!
New Construction Real Estate Purchase Contract	This may include public entities, such as the government or city workers, or individuals who may frequent the land in a variety of settings, such as mail carriers, service workers, and even trespassers.
Pre-Construction Meeting	A meeting between the buyer and the seller of new construction that verifies the specifications of the residence to be built and establishes milestones.

Preferred Lender	The purpose of a preferred lender is to ensure that the buyer pre-qualifies for a loan with a lender that the seller knows and trusts to be reliable. A buyer making use of a loan must get pre-qualification from this lender but does not have to actually us
Proof of Funds	If a buyer is paying cash, he or she does not have to show the seller a pre-qualification letter from a lender. Instead, he or she provides the seller with proof of the ability to pay for the property.
Seller Warranties in New Construction	Unless an alternate warranty is provided, the seller of new construction warrants that many aspects of workmanship will last for at least one year.
Signature Acknowledges Receipt of Earnest Money	Do not sign for receipt of earnest money unless you have actually received it under any circumstances
Special Assessments	An HOA may assess a fee for capital improvements.
Substantial Completion of the Residence	Defined in the contract as the condition when occupancy of the residence is allowable under local law.
Survive Closing	A part of the contract that is still in effect after the closing process has been completed.
The Value of an Agent in New Construction Purchase	As an agent representing a buyer of new construction, you can make sure that costs and specifications are completed in writing to make sure that the property is as the buyer expects at closing.
Unavoidable Delay	If construction is delayed for reasons beyond the control of the seller, the deadline for substantial completion of the property is extended for a reasonable period of time.
Walk-Through Inspection	If minor work still needs to be done on the home when closing occurs, the buyer may hold enough payment in escrow to cover the cost of that work. Ensure the home is in great condition.